

Case Study: Blue Rapids, KS

Through diversification, floral shop owners expand their business to offer groceries, a deli, baked goods, flowers, and locally-made gifts

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Background

Blue Rapids, located in Marshall County, was founded in 1869. The town of 928 residents is nestled between two rivers: the Big and Little Blue Rivers.

The town is known for its Fountain Park, which is home to the “round town square.” This unique feature was added by town founders and made Blue Rapids the only community with a round town square in Kansas. A fountain sits at the center of the town square along with a war memorial. Many community traditions are tied to the park, including parades for various holidays and events in town. Blue Rapids is also known for the Marshall County Fair, which it has hosted for over 100 years. Families from around the area visit for the carnival, livestock judging competitions, pony rides, petting zoo, and more.



Sign by the Riverside Market and Flowers building.

Since 1917, the town has been home to a range of businesses. At one time, there were multiple grocery stores in town – Gator’s Hometown Foods being the only one remaining through the early 2000s. But then, in 2015, Dollar General came to town.

The Problem

When Dollar General announced plans to open a location in Blue Rapids, the owner of Gator’s Hometown Foods shared his apprehensions about the new competition with the city council. Even so, despite his efforts, Gator’s Hometown Foods met the all-too-familiar fate of many small-town grocery stores competing with dollar stores.

Even with a popular Subway deli located inside the store, the store couldn’t compete with the new business. The size of the grocery store was a factor in its closure, too. With a reduction in sales due

to the new Dollar General, the business couldn't keep up with the high operating cost of the large building. Gator's Hometown Foods closed in September 2018, leaving the city of Blue Rapids without a grocery store.

The Process

When Blue Rapids' grocery store closed, Jan and John Bergkamp were busy running JB Greenhouse, a 100-year-old wholesale and retail bedding plant facility, with a floral shop. They were trucking flowers across four states. Their daughter, Liz Miller, came up with the idea of selling a small selection of groceries at their floral shop to alleviate some of the need for fresh produce in town. After a few phone calls with the state, Jan confirmed she could sell produce. With the help of VanBorkum Fruits and Vegetables Wholesale in Beatrice, Nebraska, baskets of potatoes, apples, and onions soon colored one side of the store.

"The reception was wonderful. People would come and just be so grateful they didn't have to drive 15 miles," Jan said. "So, that began to grow and take over the floral shop. Pretty soon, the floral coolers had apples in them."

ABOUT THE COMMUNITY

Population ^{1*}	928	% of population in poverty versus statewide average ^{2*}	7.8% v. 11.7%
Next closest grocery store.....	13.9 Miles	Poor mental health days in past 30 days ^{3**}	4.5 days
Median household income ^{2*}	\$44,063	Poor physical health days in past 30 days ^{3**}	3.7 days
Median age ^{2*}	44.8 years old	% of adults with obesity ^{3**}	36%
Hispanic ethnicity as % of population ^{1*}	1.6%	Food insecurity ^{4**}	11%
% of population under 18, over 65 ^{2*}	20.3%, 26.6%	Limited access to healthy food ^{5**}	13%
Earned a bachelor's degree or higher (18 and over) ^{2**}	11%	Quality of life ^{6**}	42nd of 104
Socioeconomic factors ^{6**}	21st of 104	Health behaviors ^{6**}	74th of 104

Sources:

1. U.S. Decennial Census, 2020
 2. 5-year American Community Survey, 2021
 3. Behavioral Risk Factor Surveillance System, 2019
 4. Map the Meal Gap, 2019
 5. USDA Food Environmental Atlas, 2019
 6. County Health Rankings and Roadmaps by Wisconsin University's Population Health Institute, 2022 ([measures and methodology, data](#))¹
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Meanwhile, the local used car dealer, Mustang Motors, was running out of room and needed to expand. The owner had been working with Ellen Barber – Executive Director of Marshall County Partnership 4 Growth, a public/private economic development organization – to solve this problem. Ellen encouraged the Mustang Motors dealer to move to a larger, not-so-land-locked property. Across the street from the dealership sat the old Gator’s Hometown Foods, empty. Ellen started connecting the dots and crafting a plan.

One day, Jan and Liz were working in the floral shop when they received a call from Ellen. She wanted to discuss taking their produce sales to the next level. Would they be interested in moving to a bigger building and selling more groceries? Ellen laid out her vision, if the car dealership relocated to the old Gator’s grocery store building, that would create an opening for the Bergkamps to move downtown, where they could operate a small grocery store and floral shop in the former car dealership building.

Jan recalled saying, “No...at this point in my life, I am not interested in some new venture.”

But Ellen persisted. “I saw the value in his building because it would leave a smaller footprint building that a grocery could use. The larger building’s electric bill was too expensive for a small grocer to make sustainable, especially with Dollar General competing for business.” said Ellen.

Ellen wasn’t alone in her opinion that the Bergkamps should open a new grocery store. Friends and community members insisted they reconsider. “I mean, even some of our friends were having meetings to try to say, ‘What can we do to help you do this?’” said Jan. The Bergkamps had been thinking about finding a new building for their floral shop anyway, so the offer was tempting.

“We just kind of kept inching closer to it,” Jan said. Eventually, Jan and John agreed to the

Timeline

- **Spring 2015**
Construction on Dollar General begins.
- **Fall 2015**
Dollar General opens.
- **Early October 2018**
Gator’s Hometown Foods closes.
- **Late October 2018**
Jan and John Bergkamp begin selling a small selection of fruits and vegetables at their floral shop.
- **July 2019**
Mustang Motors moves into the vacant building, which formerly housed Gator’s Hometown Foods, across the street.
- **July 2019**
The City of Blue Rapids purchases the former Mustang Motors building, where the new Riverside Market will be housed, and the Bergkamps sign an 8-year lease-to-own agreement.
- **September 2019**
Remodel to transition the old autoshop into a new grocery store begins.
- **October 2020**
Riverside Market and Flowers opens.

“The reception was wonderful. People would come and just be so grateful they didn’t have to drive 15 miles...pretty soon, the floral coolers had apples in them.” - Jan Bergkamp, Owner of Riverside Market and Flowers

new venture, with some stipulations: the floral shop would be co-located in the same building as the grocery store, and it would have a deli.

To smooth the transition process, the city became involved. After many negotiations with Mustang Motors, a price was agreed upon and the city purchased and assumed ownership of the old car dealership building. The Bergkamps then signed an eight year lease-to-own arrangement with the city.

While Jan began researching and writing the new business plan, Ellen identified the costs associated with relocating these two businesses. She reached out to the Rural Grocery Initiative for assistance. Eventually, Ellen and the Marshall County Partnership 4 Growth applied to the Kansas Healthy Food Initiative, which provided a grant for this project.



John and Jan Bergkamp, Owners of Riverside Market and Flowers.

Part of the grant agreement stipulated that the Bergkamps, who were new to the grocery industry, work with a grocery consultant to receive support on grocery operations and financial planning. Wanting to find the right fit for their vision, the Bergkamps and Ellen interviewed four consultants, ultimately deciding to work with Joseph Welsh, also known as “Joe the Grocer.”

“We were totally comfortable with him. He knew we were envisioning more of a market concept – everything fresh and not some big supermarket,” Jan said. “So, we agreed on that, and he came multiple times. I don’t know how we ever would have done this without him.”

Since the store was previously an auto body shop, it was far from matching the vision Jan and John had in mind for a grocery store. A first step was transforming the garage into a friendly, welcoming environment for customers to shop. “Our first kind of challenge was how to make this look, so you weren’t walking into a metal building.” Jan said, “We had our construction friend come in and we tried to jazz it up.”

The remodel of the store took about a year. A wall was taken out; a new door was put in. Shelving came from the old pharmacy in town. Jan found some storage and decorative pieces around the community that soon created a charming environment for customers.

Finally, two years after Gator’s Hometown Foods closed, Jan and John opened Riverside Market in October 2020. The shop offers groceries, a deli, coffee, flowers, plants and locally-made gifts – all under one roof. They source coffee from Roasted Right in St. Joe, Kansas, and the barista crafts new drinks from the requests of regular customers. Wooden artwork and shelving adorn the store. Behind the register is a bakery where freshly baked cookies and desserts are prepared. There is an outdoor seating area where customers can enjoy their coffee or lunch.

The Blue Rapids Greenhouse Flower Shop, once a separate business owned by the Bergkamps, is now part of Riverside Market and Flowers. Their daughter, Liz, manages this department. Many employees from JB Greenhouse moved with the Bergkamps to their new business venture. Today, the store has 15 part-time employees. According to Jan and John, flowers make up a quarter of their

sales. The floral department provides a major boost in profit during holidays and weddings, while the bakery is a crowd pleaser for birthdays.

Ellen summarized the interdependency of everyone involved in the process of making the store happen. “Each step was dependent on the next one, and like Dominos, each had to be lined up exactly and fall together. There were a lot of tense moments, and a lot of prayer, but it finally all fell together beautifully. The rest is history.” But no history is determined, and every success has its setbacks.

Challenges

With the store opening during the COVID-19 pandemic, there were several additional obstacles. At first, the store opened as curbside pick-up only. Shoppers could shop for plants outside while their order was filled. “And then when we could open up a little bit, all of our [Point of Sale] system wasn’t compatible. We were having to write everything down,” said Jan.

Luckily, shoppers were understanding as the Bergkamps addressed these problems. Shopping for groceries had been such an inconvenience for the past two years, having to travel 13 miles to Marysville, that community members were willing to look past some of the initial hiccups that came with the store opening. “People were lined up and we were saying, ‘We’re sorry’ and they would say, ‘It’s fine, we’re just so glad we have groceries,’” Jan said.

Pricing was another initial challenge. The Bergkamps weren’t ordering large quantities of products, and they had to learn what products would be popular with customers. They also had to learn what prices would appeal to customers and still generate a profit. Luckily, Joe the Grocer was hands-on in helping them find the sweet spot.

After Gator’s closed, community members developed new shopping behaviors. Some people chose to drive the 40 miles to larger chains such as Walmart, Dillons, or Hy-Vee. “People develop pretty solid patterns, and they are happy with what HyVee has,” John said. “You order online at Hy-Vee, you drive up, you pick it up. You don’t have to go inside. Dillons is the same way. So, that’s the competition we face.”

The Bergkamps are aware that chain grocery stores in neighboring towns draw customers away, which negatively impacts their business. To counter that trend, they have partnered with local businesses to make shopping at their store feel more special to customers. For instance,



Product display and produce aisle in Riverside Market and Flowers.

they carry specialty Amish items, such as pickles and beets. In addition, they carry local honey, meat, coffee, and sauerkraut.

Lessons Learned

Instead of becoming a member with a grocery wholesaler, which can be price prohibitive for smaller stores, Jan and John decided to work with Gene's Heartland Foods, a small regional chain with a store in Wamego, KS to place their orders with Affiliated Foods.

Jan and John have been intentional about incorporating special items to draw customers into their store. They serve Kansas State University's historic sweet treat, Call Hall ice cream. "People will stop through just to get ice cream," Jan said. "That's what we just continually have to dream up, things that [competitors] don't have that would be fun for people to come in and get."

From the beginning, Jan and John knew they wouldn't survive selling groceries alone, so they tried various things to diversify the business. Initially, Riverside Market used extra space as a FedEx Office. Unfortunately, the idea was a bust because it only created extra work for the owners. However, the next idea of incorporating a bakery was a hit.

While some options, such as FedEx, weren't a success, adding on food departments and the floral shop helped make ends meet. "Having the bakery and the deli reduces our shrink a little bit because they're always back there shopping for what they can use to bake or cook with," Jan said. "That would be the advice for someone starting out. The combination is critical here at the store."

Conclusion

Jan and John hope to continue growing and improving the store. Due to the limited storage space, they are considering expanding the bakery. They also have plans for more landscaping.

When it comes to succession planning, Jan remarked, "I would just hope that we can establish a brand. Make this as appealing as possible so that someone would think, 'I would love to take this on.'" The Bergkamps have four successful departments for a future owner to consider: grocery, floral, deli, and bakery. Since Liz already oversees the floral side of the business, they plan for her to take ownership of that department when they retire. Although they have employees who take responsibility for the other sections of the store, they expect they will have to consider future management options down the road.

One thing is certain: family and friends have been an integral part of the store's success since the beginning. "I could never have done it without [Liz] or my other daughter," Jan said, "It was just a family and friend kind of labor of love."



Checkout counter at Riverside Market and Flowers.

Acknowledgments

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About RGI

The Rural Grocery Initiative, housed within K-State Research and Extension, aims to sustain locally-owned rural grocery stores to enhance community vitality and improve access to healthy foods by identifying, developing, and sharing resources that support grocers and rural communities.

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