

Testimony in support of SB 2273

Senate Agriculture and Veterans Affairs Committee

Jan. 26, 2023

Rep. Karla Rose Hanson, District 44, Fargo

To the members of the Senate Ag & Veterans Affairs Committee,

While I represent an urban district in ND, I grew up in a few of our state's smallest towns and firmly believe vibrant rural communities are critical to the success of our state. Specifically, I strongly support SB 2273 to help ensure our small towns continue to have grocery stores.

With more workers having the freedom to live anywhere because of remote work flexibility, it is more important than ever that our towns have the basic services that people expect. Simply put: workers and families won't move somewhere if there's not a grocery store. Grocery stores are foundational for every community and should be a top priority of our Main Street and rural development efforts.

The decline of rural grocery stores was a focus area of the ND Legislature's Interim Commerce Committee in 2019-20. At the time, the committee learned how it was a challenge for rural residents to access healthy and affordable food, which impacts their health outcomes. At the time of the study, rural grocery stores in our state had declined by 15% in a five-year period. We discussed the challenges these stores faced, including high costs due to low purchase volume as well as transportation. The committee learned of several creative ownership models and potential solutions, including collaborative purchasing and a hub-and-spoke distribution system.

Since then, Walsh County has implemented some of these ideas with much success. The Rural Access Distribution Cooperative's cooperative model helped lower prices and increase product choices for consumers and increase profit margins for sellers.

We should enable other North Dakota communities to replicate this success, or explore other best practices and business models, with the assistance of funds from this pilot program.

This year, the legislature is considering a wide variety of investment opportunities that would create new tourist attractions, help launch start-up businesses, and recruit more workers to our state – all worthy conversations. However, ensuring our rural communities have grocery stores is paramount. This investment could make a significant impact – helping ensure more vibrant rural economies and healthier rural residents.

I urge you to support SB 2273. Thank you!