

**Testimony of Dawn Mandt**

**Red River Regional Council**

**In Support of SB 2273**

**January 26, 2023**

Chairman Luick and members of the Agriculture and Veterans Affairs Committee:

I am the executive director of The Red River Regional Council (RRRC), the EDA-designated economic development district for Grand Forks, Nelson, Pembina, & Walsh Counties in northeastern North Dakota (Region 4). We are one of eight regional councils established in 1973 by the ND Legislature tasked with working collectively with local governments, communities, and businesses to address issues, create strategies, and seize opportunities to benefit our region. Our work focuses on community and economic development, housing, disaster recovery and mitigation, workforce and tourism development, and strategic planning. I also serve as chairwoman of the North Dakota Rural Development Council.



Region 4 accounts for 10% of the farms in North Dakota and leads in potato and sugar beet production. **Our region consists of 41 rural communities** that provide emergency services, schools, healthcare, local businesses, churches and more. **Only six of these communities have more than 1,000 people and 26 of them have a majority of low- and moderate-income people. Approximately 70% of the people in our region living outside the city of Grand Forks are living in a food desert.**

The USDA has determined that rural residents that have to drive more than 10 miles to a grocery store live in an area that has Low Access to fresh food. Rural residents that have to drive 20 miles or more to a grocery store have very low access to fresh food. In the past, the USDA called these areas “food deserts.”

**In the past five years, the RRRC has successfully assisted cities, counties, and businesses in our four-county region secure more than \$17 million which leveraged more than \$17 million in additional funds resulting in more than \$34 million investment. Our team assisted with 383 funding applications, having a success rate of 95% of approval in an array of private, public grants**

and loans. These projects range from community infrastructure, business startup/expansions, tourism and outdoor recreation development, housing rehabilitation, career and technical education expansion, career exposure and workforce development.

**However, there were only two grocery stores in this mix.**

Like many other regions in rural North Dakota, we see businesses, communities, and local governments work very, very hard to improve their communities, retain their customers, and attract and retain workforce. Our region, like many others, is also working very hard to develop outdoor recreation and attract more visitors. **Our rural communities alone will need more than 1,100 new people in the next five years to fill positions that are open due to retirements and expansions.**

**But these investments will be lost if our small rural communities continue to lose local grocery stores and access to fresh foods.**

This bill proposes \$2 million for grants to help rural areas collaborate to improve food access. This grant program **would go a long way to help local grocery business owners and others develop ways to buy foods at a larger volume, adopt new technologies such as online ordering platforms, and possibly equipment, such as coolers/freezers, climate-controlled delivery trucks, climate-controlled food lockers.**

The pilot project underneath this bill developed in Walsh County and resulted in a collaboration between a grocery store and expanded service to three additional communities by creating a cooperative buying and delivery system. **This helps them get better prices and more products from wholesale suppliers that often penalize very low-volume buyers – thereby making it even more difficult to reach cash flow positive or profitability.**

**More than 45% of residents in 34 North Dakota counties must drive 10 to 20 miles, or more, to a grocery store or supermarket. We are among the 8% of rural people across the United States who experience such low access to fresh food, according to the USDA.**

**Local grocery stores are vital for community survival.** Given the millions that most regions invest in roads, bridges, schools, Main Streets – we cannot afford to lose what we have built by losing rural grocery stores. **While many small towns have withstood many kinds of business closures, few do well after the loss of their grocery store.**