



North Dakota Grocers Association

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To Chairman Craig Headland and Members of the House Finance and Taxation Committee

Testimony in Support of SB 2228: Rural Grocery Sustainability and Food Access Grants

Presented by: John Dyste, President, North Dakota Grocers Association (NDGA)

Chairman Headland and esteemed committee members,

I am John Dyste, President of the North Dakota Grocers Association (NDGA), representing over one hundred independent grocers across our state. Many of our members operate stores in rural communities, and we are deeply concerned about the challenges they face, particularly as we see the increasing loss of rural grocery stores and the expansion of "food deserts" across North Dakota.

NDGA has long been involved in initiatives aimed at addressing these issues, including the creation of the RAD Cooperative in Northeastern North Dakota and the 2023 passage of SB 2273, which established the state's first Rural Food Sustainability Grant Program administered by the ND Department of Commerce. The RAD Cooperative has already proven to be a success and demonstrates that there are solutions to sustain rural grocery stores. However, the struggle for access to reasonably priced groceries, meat, dairy, and fresh produce remains a major obstacle for small-town grocers and their customers.

Rural grocery stores face a variety of significant challenges: aging infrastructure, outdated equipment, poor building conditions, and the high cost of borrowing money. Low sales volumes only exacerbate these problems and often lead store owners to consider selling their businesses. I regularly receive inquiries from owners seeking assistance to find buyers yet stores with outdated equipment and buildings are often difficult, if not impossible, to sell. For those few stores able to maintain their equipment and facilities, the high cost of financing remains a major barrier, preventing potential buyers from securing loans or properly managing cash flow.

What rural grocers need is access to funding that will allow them to upgrade their facilities and equipment. They also need reliable, affordable access to groceries and perishable products. Additionally, store owners must have the ability to transfer ownership to buyers who can secure the necessary funds.

SB 2228 provides a crucial opportunity to address these pressing issues and help sustain the viability of rural grocery stores. This bill will provide the support necessary to ensure that rural communities continue to have access to the essential services provided by local grocers.

We strongly believe that SB 2228 will be an important step toward securing the future of our rural grocery stores and keeping small communities viable across North Dakota.

Thank you for your time and consideration.

Sincerely,
John Dyste
President, North Dakota Grocers Association