

Testimony SB2228  
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Dear Mr. Chairman and Committee members,

My husband and I are strongly in favor of SB2228. Together we purchased Velva Fresh Foods in January 2020 and the grocery store in Drake in June 2020. We've seen the affects of Covid and Dollar General and the impact each has made on both communities.

Drake Fresh Foods was mostly run by our Drake employees as Matt has a full time job and I had to run both stores. We employed up to five people at its operation, 7 days a week, with one part time manager taking on many different tasks. Drake is a town of under 300 people. Its location and size made operations difficult. We were only able to stock fresh bread and fresh meat because of our ownership in Velva, making various trips per week. Initial support for our store seemed strong, but customer count quickly started to dwindle and taper, as most residents decided to shop in Harvey or Minot where they worked. A store like Drake may have benefitted from smaller case quantities, self serve, or meat lockers, and local volunteers, but ultimately, these stores need customers to shop there regularly. For instance, a local organization needed quotes for concessions at the school. They gave me a list of items to give them prices on, but when they handed me the sheet, there was spaces for Walmart and Sams Club, but no space for Drake Fresh Foods. It seemed they were just asking out of courtesy instead of a real intent to shop and support their own grocery store in town. Unfortunately, this is just one example and even in Velva, we have lost school support for concessions in recent years. We had to close our Drake location in September of 2024.

We are most appreciative and in favor of prioritizing existing stores, instead of startups. Keeping the existing stores that remain open is vital to stop the bleeding of closures and subsequential food deserts. We are young owners that love what we do and love our community, but are facing tough challenges having taken over two stores with older equipment, high maintenance costs, and costly freight. Customer count has dropped, and the light bill still needs to be paid.

This is an example of customer mindset that needs to be addressed in addition to making changes to existing stores. Somehow there needs to be a change of mind per se, or incentive for our fellow community members to shop local.

We are competing with Walmart's new delivery policy. They have expanded their radius to include the city of Velva, costing the customer merely \$7 and guaranteeing delivery within 5-7 hours. There is a Dollar General right up the street, and their price of Pepsi and Coke are considerably less, as they pay less for a 12pk of Coke as we do. We can't compete with big box store nationwide purchasing power. Dollar General is also affecting our local pharmacy. We have a diverse population that depends on our drug store and depends on fresh produce, meat, and dairy. Some of our residents can't drive to Minot. Our stores are vital to their independence. Fair purchasing and after hours pick up will help with some of these issues.

I understand that fair purchasing is probably not as feasible and as easy as it sounds, but perhaps with legislation some type of customer incentive could be available.

My idea is to work with these existing communities and incentivize customers to shop local, in addition to updating equipment and provide more access. Please consider something like a one percent sales tax relief at time of purchase that customers can benefit from at their time of purchase. This would apply to only locally owned and operated North Dakota incorporated small retail businesses.

We love the direction this bill is heading, but feel like there still is a deeper issue underneath. One that might be more challenging to address. Educating our public that their tax dollars go further for their community when they buy local is another vital piece to this puzzle.

Their money will circulate back to their community when they buy potatoes from Kasowski Farms, when they get their steaks from Dakota Angus, when they buy ice cream from Pride Dairy, when they get their meds from Tracy at Velva Drug, and they'll feel better about it, too.

Thank you for your attention to this matter.

Sincerely,  
Brenda McCasson