

## Testimony of Stephanie Blumhagen, Executive Director, FARRMS In Favor of SB 2228 March 17, 2025

Chairman Headland and Members of the House Finance and Taxation Committee,

Please give a "Do Pass" vote to SB 2228. Our rural grocery stores need financial support now more than ever.

I am the Executive Director of FARRMS, a nonprofit that works to grow local food and ag businesses in many of our state's most rural communities. I'm also a resident of Bottineau and grew up near Drake. Both communities have lost their hometown grocery stores in the past year.

I have been privileged to work alongside the ND Association of Rural Electric Co-ops, Souris Basin Planning Council, the City of Minot, and many other partners in a feasibility study planning the development of a regional grocery warehouse and food hub in north central North Dakota. This work was funded in part by the predecessor to this bill, SB 2273 in the 68<sup>th</sup> Legislative Assembly. I also have had the privilege to work alongside NDAREC and regional councils advising and providing technical assistance to rural food businesses. Many of the people we've assisted in recent months are trying to sustain or re-open grocery stores in towns with less than 500 people. Through this work I've seen the myriad costs and challenges associated with operating a rural grocery store, ranging from utility costs, trucking fees, and higher prices from wholesalers due to the inherent small size of these businesses. North Dakota already contains many food deserts- areas where people must travel great distances to meet basic food needs. As more rural grocery stores close, these food deserts are expanding, threatening the viability of our small towns.

The grocery store in my hometown of Drake closed in September 2024. My elderly parents must now travel 30 miles to Harvey for groceries, a trip that is more and more difficult as they age, especially in winter. Because of this they now often go without fresh produce, eggs, and fresh dairy.

If we want vibrant, thriving rural communities, it is essential that these communities have grocery stores. The grant funding authorized under SB2228 will go a long way in keeping rural grocery stores alive.

Additionally, I encourage you to consider expanding the bill to include offsetting costs for store expansion, facilitating succession planning, and assisting with store replacement.

SB2228 is an investment in North Dakota's rural communities. SB 2228 is a wise investment in the future of ND.

FARRMS urges a "Do Pass" recommendation on SB 2228.

Sincerely,

Stephania Blumhayer
Stephanie Blumhagen, Executive Director

701-877-1796

sblumhagen@farrms.org