

ND Commerce Rural Food Sustainability Grant Program, 2023-2025 Biennium

Administered by the Office of Community Development and Rural Prosperity

Funding [Senate Bill No. 2273 - Sixty-eighth Legislative Assembly of North Dakota - LC Number 23.0708.02000](#)

Purpose The purpose of the rural food sustainability grant program is to support the expansion of sustainable grocery service, access to food, and/or development and expansion of food co-ops in rural areas. Food co-ops are centralized facilities or nonprofits that play a crucial role in aggregating, storing, processing, and distributing food to consumers, retailers, institutions, or other markets. This grant program aims to address specific challenges faced by rural communities related to food access, economic development, and sustainability.

Program Objectives

- Strengthen local and regional food systems by facilitating the efficient movement of healthy, quality foods within rural areas.
- Improve the quality and safety of existing grocery supply.
- Encourage partnerships and collaboration between local organizations, businesses, and government entities.
- Support innovative approaches to address unique challenges faced by rural areas in sustainable food supply and delivery.
- Foster community development and revitalization efforts in rural regions.
- Provide collaboration between food supply and community entities such as restaurants, schools or other entities which purchase grocery products which provides positive economic impacts for the community/region.
- The program will be broken into two components:
 - Component one: conduct feasibility studies to assess the viability of potential projects or initiatives aimed at increasing food accessibility and sustainability in rural areas.
 - Component two: support the creation or expansion projects or initiatives that aim to increase food accessibility and sustainability for entities that have developed profit loss statements and backup materials to show the expansion of the project will be sustainable.

This grant will not fund regular maintenance of equipment or facilities, projects that do not provide increased affordability and availability of food products, or applications that do not have sustainable profit/loss or business plans which provides long term sustainability for food access.

Eligible Entities: Rural Nonprofits, City, County, Economic Development organization (JDA, regional Councils, EDC, CVB) and local tribal entities. *Rural shall be defined as any community or region, based on the application, with a population of less than 10,000.*

Matching Requirements Matching funds are encouraged but not required.

Component 1 Timeline Applications open: September 8, 2023 Awarded: October 24, 2023

Component 2 Timeline Applications open: Tuesday, January 16, 2024 Awarded: Tuesday, February 27, 2024

Component 1: Up to \$20,000 per community

- Total Awarded Phase one: \$115,000
- Total Number of Applicants: 11
- Total Requests: \$220,000

Component 2: Up to \$300,000 per community

- Total Awarded Phase 2: \$880,000
- Total Number of Applicants: 12
- Total Requests: \$2,703,000

Total Est. Populations Touched by Grant Dollars: 371,000

Component 1 Awardees

- **City of Milnor:** \$20,000 for a feasibility study which showed the need and ability to support in the community. Next steps will be to add on space for their existing grocery store to accommodate freezer, canned goods and other needs in the community.
- **Pembina County JDA:** \$20,000 to complete a feasibility study.
- **Strengthen ND:** \$20,000 complete a feasibility study and determined a Mobile Market Truck distribution service operated at the Strong Farm Incubator near Baldwin, ND can attain economic self-sufficiency provided the service has sufficient daily utilization of the truck by local food producers and processors to transport their products to customers.
- **Hazelton Development Corporation:** \$20,000 completed a feasibility study showing interest and ability to support a regional food hub and distribution center was sustainable.
- **City of Casselton Economic Development:** \$20,000 to complete a feasibility study and provide data to prove a grocery store would be feasible in the community. They are actively pursuing an owner/operator or chain to locate in the community.
- **North Dakota Rural Electric Cooperative Foundation:** \$15,000 to support the planning of a regional grocery warehouse and food hub in the Minot area serving a 100-mile radius, and guidance in implementation and expansion of a start-up grocery cooperative in Emmons and McIntosh Counties.

Component 2 Awardees

- **Rural Access Distribution Cooperative:** \$243,000 for the shared services co-op, which involves the communities of Park River, Hoople, Edinburg and Fordville to purchase a new larger delivery truck and a climate-controlled van for small deliveries, plus to construct a concrete slab for food lockers in Fordville. The lockers in Fordville had previously been installed inside a building and would overheat. Relocating the lockers outside will resolve this issue. Food lockers in Park River and Fordville should become operational in early 2025 and expands the opportunity for new customers.
- **City of Enderlin – CDC:** \$20,000 to complete a feasibility study.
- **Hazelton Development Corporation:** \$183,000 for the expansion of a hub location and purchase of mobile market truck to facilitate local foods cooperative, serving the communities surrounding Hazelton. Napoleon, which was initially in the hub declined participation. Zealand, Hauge, Strasburg, Linton also considered but concerned about changing distribution. Ashley, which was not part of the initial discussion has now expressed an interest in participating and being a hub distributor. Additionally, Linton Senior Center and Hazelton School are participating on a small level.
- **Baldwin/Strengthen ND:** \$300,000 to support the construction of the first-of-its-kind regional local foods processing facility near Baldwin in Burleigh County, serving a 100-mile radius. This was part of a regional agriculture and

economic development project and is tied to a \$675,000 grant from the EDA, complemented by \$168,329 in local funds, is projected to create 47 new jobs and generate an impressive \$1.8 million in private investment.

- **Crystal Community Boosters:** \$134,000 to match locally raised funds and assist in the purchase and reopening of the local convenience store which added groceries and restaurant.

ND COMMERCE — RURAL FOOD SUSTAINABILITY GRANT PROGRAM

FUNDING SOURCE: SENATE BILL 2273 (68TH LEGISLATIVE SESSION)

Supplemental Progress Update

Compiled by the N.D. Association of Rural Electric Cooperatives — Rural Development Center

City of Milnor: \$20,000 for a feasibility study posted at www.milnornd.com. The study proved their hypothesis that the existing store's walk-in freezer, refrigeration units, and backroom storage for dry goods and prep are inadequate to meet the area's needs. This causes shortages of foods to replenish the customer access areas and does not allow the manager to order in bulk to receive discounts that in turn could be given to the customer. As an example, the backroom walk-in freezer is one-third the size it would normally be.

The community would like to build on, but city officials indicate it is not monetarily feasible without a grant of about \$300,000 to match what the city can do, which is \$100,000. The City owns the building and keeps the rent low to allow the business to function. This is Milnor's only grocery store. They do not have a dollar stores.

City of Enderlin: \$20,000 for a grocery store feasibility study. The community's previous store closed in 2023, and its equipment was sold. To address this gap, the city is examining possibilities for a new store. A survey in early 2025 will gather input from area residents about essential products, expected shopping frequency, and interest in innovative models such as 24-hour key fob access combined with limited on-site staffing. Findings will help determine public and private sector support for investing in a new store, which will likely involve acquiring land, constructing and equipping a new facility, as no suitable existing buildings are available.

Pembina County JDA: \$20,000 for a feasibility study to identify needs, challenges and opportunities to improve food access in Pembina and Nelson counties. Early findings show rural residents prefer to shop locally, but will travel or order online for better prices and quality. The applicant is using Placer.AI, which tracks cell phone data, to gain insights into foot traffic at stores, particularly looking at impacts of Dollar General stores on local grocery consumer visits. They'll next be interviewing grocery store owners to assess interest in collaboration via a grocery co-op or other innovative solution.