

Senator Myrdal, Senate Ag & Veteran Affairs Committee members, my name is Tracie Thompson, I own Baker's Market in Westhope, ND. I employ eight people and serve a community of 350-400, I love it, but it comes with the following struggles and that is why I am in favor of passing Senate Bill 2228.

Operating a grocery store in a small community is immensely rewarding, but it comes with its own set of challenges.

One of the most significant challenges for grocery store owners in North Dakota food deserts is geographical isolation. Many small towns and rural areas are located far from larger cities and distribution centers. This isolation complicates the logistics of stocking shelves with fresh and diverse food items. Transportation costs are higher, delivery times are longer, and the risk of perishables spoiling before they reach the store is increased.

The distance to suppliers and distribution hubs means that transportation costs can be prohibitively high. Fuel expense and the need for specialized vehicles to maintain the quality of perishable foods add to the financial burden on grocery store owners. These costs are often passed on to consumers, making healthy food options more expensive and less accessible.

Grocery store owners in food deserts often have fewer supplier options. Larger suppliers may not find it economically viable to service remote areas, leaving store owners with limited choices. This lack of competition can result in higher prices and lower quality products, which further disadvantages the community.

Operating in a food desert is not just a logistical challenge but also an economic one. Many of these areas have lower population densities and higher poverty rates, which impact the store's profitability and sustainability. With fewer customers available, we have lower sales volume. This makes it difficult to achieve the economies of scale necessary to keep prices competitive and cover operational costs. Low sales volumes can also lead to

cash flow issues, making it challenging to maintain inventory and pay suppliers on time.

The fixed costs of running a grocery store, such as rent, utilities, and wages, remain constant regardless of the number of customers served.

In conclusion, these funds could significantly contribute to efforts aimed at maintaining and enhancing store access, reducing consumer prices, and improving product availability. This might include the establishment of a central Food Hub, which would benefit multiple stores by providing access to wholesale and locally grown products. The strategic implementation of such initiatives would not only support local farmers and producers but also ensure that consumers have access to a diverse range of affordable and high-quality food options.

My final call to action would be to support SB2228.

Thank you,
Tracie Thompson