



Issue 2
AUGUST 2016

Rural Grocery INITIATIVE

News from your North Dakota Rural Grocery task force

By Lori Capouch, Rural Development Director, NDAREC



SAVE THE DATE! January 26, 2017 has been set for the 2nd annual North Dakota Rural Grocery Summit. Much has been done to identify opportunities to strengthen our rural grocery stores and we don't intend to step away from this work anytime soon. This Summit will be held at the North Dakota Farmer's Union building in Jamestown.

Watch your email and mailbox for additional information as the date nears.

The North Dakota Rural Grocery task force has aligned its work with the opportunities identified from the information you provided in the 2014-2015 survey. Our goal is to bring greater sustainability to our rural grocery stores through:

Back row, left to right: Holly Mawby, Dakota College at Bottineau; Shirley Reese, Main Street Market, Hazelton; Mary Stumpf, NDAREC; Wendy Hogue, USDA; Floyd Roehl; Star Grocery, New Leipzig; Josh Kramer, NDAREC; Theo Johnson, Tuttle Community Store. **Front row**, left to right: Laurel Jones, Bowdon Community Cooperative; Lori Capouch, NDAREC; JoAnn Rodenbiker, Northern Plains Electric; Shirley Roehl, Star Grocery, New Leipzig. **Not pictured:** Glenn Muske, NDSU Extension; Martha Prinsloo, Tuttle Community Store; Jason McKenney, ND Farmer's Union; Fred Wangler, Wangler Foods Inc., Casselton

Links

www.ndarec.com
www.facebook.com/ndveggies
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www.grocer.coop/bowdon-locker-grocery
www.nplains.com

www.facebook.com/Main-Street-Market
www.tuttlend.com
www.newleipzig.com/stargrocery.htm
www.rd.usda.gov/nd
www.ruralgrocery.org

www.linkedin.com/in/neil-doty-112a3592
smallbizsurvival.com/2015/12/what-do-you-need-to-know-to-run-a-rural-grocery-store.html

1. **Educational opportunities.**

This newsletter is just one example. Through this publication we are striving to share news on current regulations, events, success stories and best practices. Stay tuned for details on webinars that will bring you information on best practices, management tips, marketing ideas, etc. We are aiming for 30 minute sessions one time per month or every other month.

2. **Identification of distribution efficiencies.**

The task force is currently searching for funds to conduct a preliminary distribution study. To complete this study, we will be connecting with you one more time to gather information about your purchasing patterns. This information will be collected on a confidential basis and reported in aggregate so that a single store cannot be identified. The data will

be used to map current distribution routes, including factors such as volume, perishability and frequency, and to predict future patterns that may bring efficiencies to the delivery of goods to your store. We intend to share this information with current suppliers so they could potentially use it as a tool to rethink their supply strategies. We will also use this information in conversations with potential partners.

3. **Networking.**

We believe there is merit in networking our rural grocery stores with each other, with partners and with grocers in other states. There is currently a six state region that includes Kansas, Minnesota, Montana, Nebraska, South Dakota and North Dakota which stepped forward with concerns about the loss of rural grocery stores in their state. Development professionals

from these states are actively working together to address this issue. In addition, we are sharing your story...the story we learned from the survey results with entities such as the health department, lending institutions and other businesses. From these conversations, we are learning about innovative strategies that may help you in your business. Mostly, we are working to develop ways to network you with each other for potential marketing or purchasing strategies.

This is a slow moving project, sometimes slower than we would like. Someone recently told us that our speed means we're doing it right. We certainly hope so! Please feel free to connect with us with questions, concerns and with information you would like to share with other grocery stores. Let's keep our momentum moving forward! **RGI**

Marketing for the Small Grocer

By Roger Larson, President, North Dakota Grocer's Association

I recently read an article by Joyce Hoelting about the future of rural grocery stores. Some of the key points were that our small grocers must specialize their product line instead of selling the same items as the big box retailers. They need to capitalize on the local foods trends and make their store the social center of the town they are in.

With this in mind, proper marketing is essential. Plan to have several special promotions every year. Sidewalk and parking lot sales are very popular. They create excitement in your community and add that extra flair. Enlist the help of local civic clubs or youth groups to assist you and can be a fundraiser for them as well. Hold a farmer's market or a produce tent sale, a frozen food

sale in the winter, ribfests, burger and hot dog cook-outs are also great ideas! You are only limited by your imagination and they sell product. Don't give up if your first one doesn't meet expectations because they get better the more you have them.

Make sure when you have these sales, or for that matter, every day, your shelves are well stocked and be sure to clean your store. I can't over emphasize the importance of a clean store. Shine your floors and clean your display coolers. Are all your items clearly priced with a tag or sign? Are your store hours in line with the work schedules of your customers?

Large grocery chains spend considerable resources to find out what their customers are buying and

current food trends. You can do this by just engaging your customers and encouraging them to tell you items they want and need at your store. That simple interaction will go a long way in the success of your store. Social media can be a great tool for you to interact with your customers and it is very low cost or none at all. Set up a Facebook account and have a contest to encourage "likes" to your site. Now you can communicate daily with your customers with promotions, new items or lunch specials.

What this shows is that you don't have to spend a lot of money to promote! You just need commitment because if you believe you can sell, you will!

Happy selling! **RGI**



North Dakota Grocers Association

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YOU'RE INVITED!

We would like to invite all grocers to come and join us in Fargo at the Ramada Plaza Suites for our annual ND Grocers Association Convention., September 11-13, 2016

SUNDAY – Educational Sessions – No Charge!

- 2:00 – 3:00 pm **“Milk Marketing Board – What Is It and How It Affects the Retailer” –**
John Weisgerber., Executive Director
- 3:00 – 3:45 pm **New and Existing Regulations and Laws in Meat Retail Such as Meat Grinding Logs, Meat Sales to Other Entities In Our Towns and More –**
Dave Slack - Compliance Officer., ND Meat & Poultry Inspection Program., ND Department of Agriculture.
- 3:45 – 4:30 pm **“Common Food Safety Issues” and vacuum Sealing Best Practices –**
Mike Lee., Environmental Health Practitioner., ND Department of Health.
- 6:30 – 9:30 pm **Hors D'oeuvre Extravaganza**
- 7:30 pm **Tom Woodmansee Roast !** Join us to celebrate Tom's career with NDGA with some good hearted jabs by our Roasters !

MONDAY

- 8:00 – 9:30 am **Breakfast Buffet with Featured Speaker., Megan Myrdal**
Megan will give us a presentation on., “National Food Trends with North Dakota Flavor. Understanding the Millennial Consumer and How to Market and Appeal in Grocery Retail.... Megan Myrdal is a Registered Dietitian Nutritionist. She is a Project Coordinator for Cass-Clay Food Systems. She previously was an Extension Agent for NDSU Family and Consumer Science. She is a Co-founder of., “Ugly Food of the North”.
- 10:00 am – 3:00 pm **Trade Show- Cash Prizes Given An Hourly – Must be Present!** Many new booths this year and some Pride of Dakota Food Vendors along with the many great supporters we've had in the past.

Cake Decorating Contest Display and Sculpted Cake Challenge.

MONDAY EVENING - Awards Banquet and Entertainment!

TUESDAY - Golf Tournament - Benefits the Richard Bronson College Scholarship Fund.

FOR MORE DETAILS, PLEASE VISIT OUR WEBSITE: www.ndgrocers.com

USDA Rural Development Helping Grocers

Last year, Jim's Super Valu in Park River needed over \$200,000 to renovate its refrigerators and HVAC (heating, ventilating, and air conditioning) system. Costs were high, but, fortunately, help was plentiful.

USDA Rural Development awarded over \$51,000 to the grocer through the Rural Energy for America Program (REAP). With the grant, Jim's Super Valu also converted to energy-

efficient LED lights and updated its electrical service panels.

“This grant helped us do all of the necessary upgrades and reduced our energy bills significantly,” said Diana Hahn, owner and manager of Jim's Super Valu.

In fact, the store will save more than 136,000 kWh a year, the energy equivalent needed to power 13 homes in a year.

“Without this grant and a PACE buy down loan from the Bank of ND and First United Bank - Park River, we wouldn't have been able to make all of these improvements,” said Hahn. “We also had great support from our city, Walsh County JDA, Jolene Halldorson (Park River's City Coordinator), and Grady Borth at USDA, who helped me every step of the way. This grant has the ability to

help many small businesses update their facilities.”

REAP also helps grocers and other small businesses make energy-efficient improvements by installing windows, doors, and insulation. Grants range from \$1,500 to \$250,000 and cover up to 25% of the project's cost. In addition, REAP offers financing for renewable energy systems such as solar panels, wind turbines, and geothermal energy.

For more information about using REAP to improve your business, contact Grady Borth at grady.borth@nd.usda.gov or at (701) 530-2047. For information about other USDA Rural Development programs visit <http://www.rd.usda.gov/nd>. **RGI**

Energize Business by Attending Conferences

By Shirley Reese, Main Street Market, Hazelton ND, Manager

Having just returned from the 2016 Rural Grocery Initiative (RGI) Summit, I feel compelled to share not only what I learned, but to extend a plea to North Dakota grocers and managers, no matter how small your store may be, to consider the importance of making the time to attend local and national grocer conferences. Throughout the state of North Dakota, the trend of rural towns seeing their stores struggle and/or close continues. How can we break this trend and turn our state into a state filled with thriving stores in each community? One simple step may be to choose to attend conferences like the North Dakota Grocers Convention in September and the North Dakota Rural Grocers Initiative (NDRGI) Conference in January.

When a store is struggling to simply pay its vendors, payroll, and utility bills, attending a local conference may seem a luxury. However, it may also be the lifeline needed to inspire owners and managers to implement a new budget, to try a new pricing structure, or to market more effectively to their community. The opportunity to attend sessions that will highlight both struggles and solutions will allow stores to receive much needed energy and ideas to catapult them into the future. Plus, you have opportunities to network with other grocers to pick each other's brains, encourage each other, and share ideas.

That is what I personally experienced after attending the NDRGI conference in January and the 2016 RGI summit in Kansas. I learned that North Dakota is not the only state struggling to keep food supplies easily accessible and reasonably priced in rural

communities. Minnesota and Kansas also are seeing the fall of the rural store. A variety of organizations and individuals are not only researching what is happening in the grocery industry, they are also forming groups throughout their states to offer support to grocers. They are reaching out and helping grocers to work together with other grocers to allow for purchasing power, and a greater product line for the smaller stores.

At the RGI Summit in Kansas I had the opportunity to hear from a USDA Rural Development and Small Business Administration representative who shared various ways stores can access federal funding. My favorite session was titled "Innovative Models of Rural Grocery Operations." In that session two grocers who started stores shared how they used technology and local foods to develop and now see great success in stores in their community. Another speaker was a chef from a hospital who worked hand in hand with his local store to promote healthy eating by developing a menu that reflected the stores' featured sale items. Their ideas, transparency and energy were inspiring!

The opportunity to network with other grocers during meal and break out times was so interesting. I had the opportunity to meet a grocer from Minnesota who purchased the store in his community when it was averaging only \$4,000 in sales a week. Over a short period of time his efforts have allowed that store to not



Shirley Reese, Manager, Main Street Market, Hazelton

only average \$14,000 in sales, but he has created a hopping atmosphere that has made his store the business hub in his community. His store is the UPS, FedEx, and USPS drop site for his community. These services have drawn more customers to his store, increasing awareness of what he has to offer while allowing him to develop relationships with his community members. In turn they are supporting their local store which has secured a healthy food source for their community.

So what is stopping you? Yes, it is hard to find staff to cover shifts, it is difficult to arrange orders around times when you are gone, and most of us cannot "afford" the extra expense. But if your store is struggling, how can you not afford to make an effort to attend a business opportunity which might offer that one superb idea that turns your store around from struggling to striving! **RGI**



For Dawn Rossow with two of her four children Karissa, 14, and Dennis, 7, running the grocery store is a family affair.

Zeeland Super Valu — a family affair

By Clarice L. Kesler

When Dawn Rossow got a text message from her Aunt Vicki just about a year ago asking her if she was interested in buying Zeeland Super Valu, it was something she'd anticipated for years.

"My mom, Mary, and her brother used to own it together and she had asked me for years if I was interested," says Rossow.

And since this Zeeland, N.D. native long felt a tug to move back home, the answer came easy.

"I wanted my children to experience a small town like I did," says Rossow.

So on June 1, 2015 Dawn and her husband, Josh, bought the store previously owned by her Uncle Frank Meier (her mom's brother) and his wife, Vicki.

"My Uncle Frank was about the same age as me when he bought the store," says Rossow, who is in her 30s.

The move came quick. Rossow quit her job at Montana-Dakota Utilities, packed up her kids and headed south. Josh kept his job as

project manager at Basin Electric Cooperative and commutes on weekends.

Open 6 days a week, Monday through Saturday, Rossow works each day that the store is open. Her children help out and learn valuable lessons in teamwork, entrepreneurship and developing a strong work ethic. Dawn says that people in the community like to come to see them at the store.

"I also like it because I get to see my kids more," says Rossow.

Her children Karissa, 14; Abigail, 12; Courtney, 11 and Dennis, 7 all love attending the Zeeland School. Rossow says that living in a small town provides more opportunities for her kids to participate in school activities like sports and it also provides more individualized attention in the classroom.

Her sister, Denise, also helps out and is the local marketer, making signs for store. Josh's mother, Cindi, who lives in nearby Herreid, S.D. – Josh's hometown – also helps out.

Her dad is usually there before her on Friday mornings and starts wrapping all the sausage orders. Her mom is always there to help with ideas since she was a previous owner and knows how things work.

Since the purchase, Rossow began slowly remodeling by replacing coolers and freezers.

She's added new things like Baker Boy donuts twice a week, an ice cream counter, and Fire House pizza. She's kept the deli with her Uncle Frank's homemade sausage.

"I told my husband that we needed to keep that deli, because I knew the community loved it," says Rossow.

And even after the store closes there are still many things that need to be done to keep the store running, including bookkeeping, which Josh takes care of, and purchasing and inventory which Rossow keeps track of with a computerized scanning system.

Because Rossow is part of the Super Valu chain, items she scans are automatically placed into the computer that coincides with the weekly sales flyer published by the chain. She can also add items to the sale if she chooses to do so.

She also markets the store through Facebook, which a lot of people in the community follow.

For Rossow and her family the decision to buy the store was a great one. They did give their children the option to change their mind about living in Zeeland.

"We gave them until Christmas to decide if they wanted to move back," says Rossow. "And their response was no way!"

For Zeeland, this small town with a population of 85, located in south central North Dakota, the Rossows are a godsend, they feel blessed by the community and the community feels blessed by them. **RGI**

Grocery Customer Survey Template

Visiting directly with your customers may be one way to gauge their expectations; however, giving them an opportunity to anonymously voice their expectations may garner a more sincere response. This customer survey template, developed by Kansas State University, provides a method to gather information from rural grocery store customers and potential customers about grocery shopping expectations, how well your local store meets your needs, locally grown food preferences, and your grocery shopping habits.

Please circle the appropriate number and provide feedback in each box.

| | Doesn't meet <u>Expectations</u> | | | Exceeds <u>Expectations</u> | |
|--|-------------------------------------|---|---|--------------------------------|---|
| 1. Quality of food..... - How can we improve? | 1 | 2 | 3 | 4 | 5 |
| 2. Availability of food (variety, brands, choices)..... - How can we improve? | 1 | 2 | 3 | 4 | 5 |
| 3. Prices of items offered..... | 1 | 2 | 3 | 4 | 5 |
| 4. Customer service..... - How can we improve? | 1 | 2 | 3 | 4 | 5 |
| 5. Cleanliness of store..... - Specific areas for improvement: | 1 | 2 | 3 | 4 | 5 |
| 6. Convenient business hours..... - How can we improve? | 1 | 2 | 3 | 4 | 5 |
| 7. Providing locally grown options..... - What local options would you like to see? | 1 | 2 | 3 | 4 | 5 |
| Primary reason for visit (check all that apply) <input type="checkbox"/> getting weekly/monthly groceries <input type="checkbox"/> pharmacy <input type="checkbox"/> picking up a few essential/emergency items <input type="checkbox"/> photo development <input type="checkbox"/> ATM/ bank <input type="checkbox"/> video/DVD rental <input type="checkbox"/> eating at restaurant/café/deli <input type="checkbox"/> supporting local food growers/producers <input type="checkbox"/> entertainment/browsing store <input type="checkbox"/> supporting my community | | | | | |

Optional Questions to Add to Your Store Survey

- What is one thing that would encourage you to shop at your local grocery store more often?
- What service would you like to see our store provide?
- What is the main reason you shop here?
- Do you take advantage of our specials?
- What services have you seen in other stores that you wish were available here?
- Do you feel this business contributes positively to the local community? If not, how can we improve?
- What is your primary reason when visiting our store? (i.e. getting weekly/monthly groceries, picking up a few essential/emergency items, ATM, browsing store, supporting my community, etc.)

Reprinted with permission from the Kansas Rural Grocery Initiative. Link to the full document at

<http://www.ruralgrocery.org/resources/Customer%20Survey.docx>