

North Dakota Rural Grocery Initiative

Kansas Rural Grocery Summit

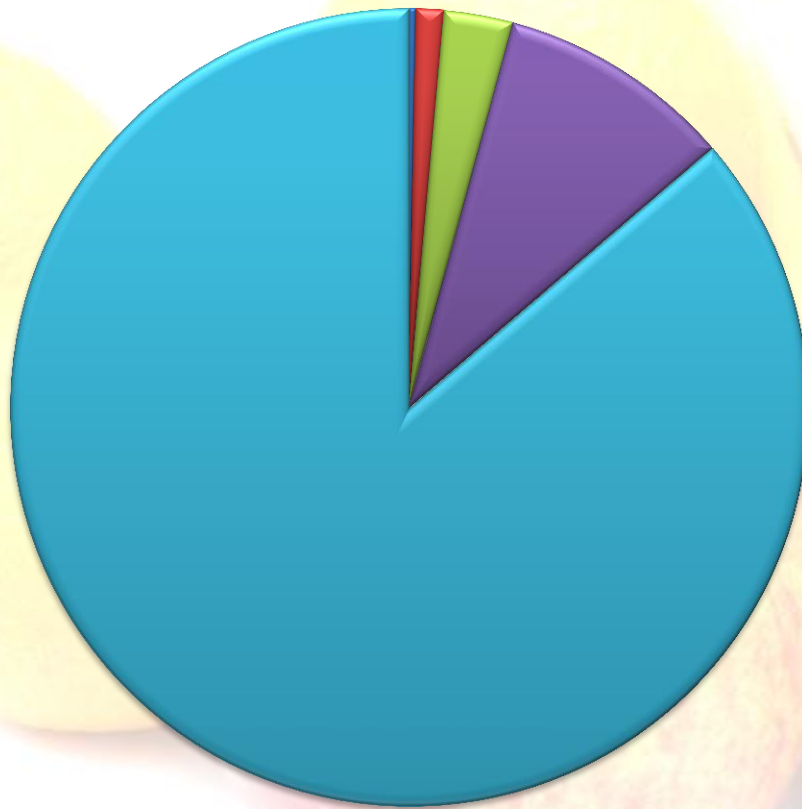
June 7, 2016

Lori Capouch, Rural development director
ND Association of Rural Electric Cooperatives



North Dakota is RURAL!

Population



- Greater than 100,000
- 50,000-100,000
- 2,500-50,000
- 2,500-1000
- Less than 1,000

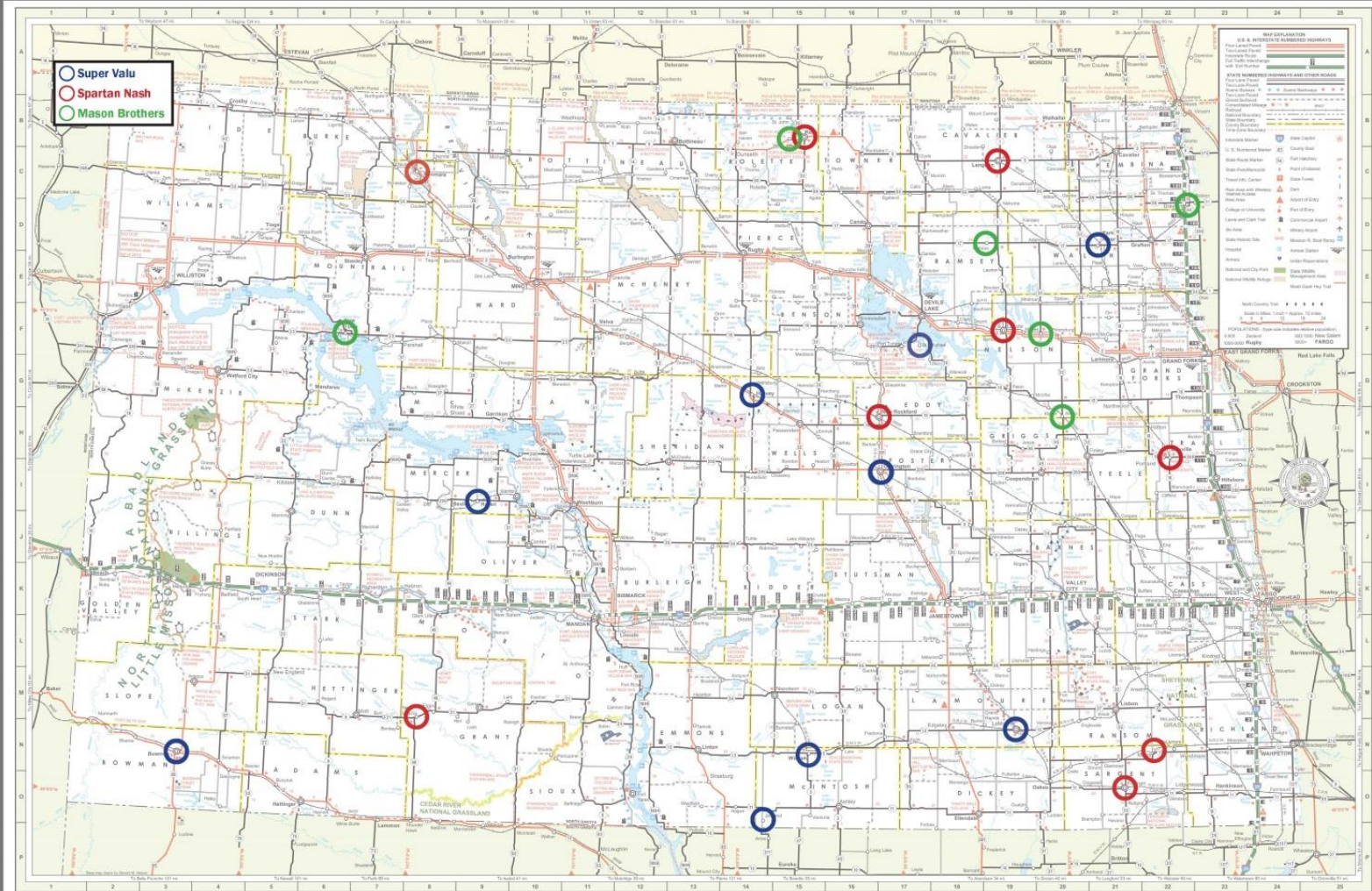
Our survey – the beginning

- Modeled after Kansas State University's study
- Modified slightly to fit our state
 - Very rural
- Findings presented challenges in affordability and availability.
 - Bread
 - Milk
 - Fresh meat cuts
 - Big box store suppliers

Minimum purchasing requirements

- Several tiers of suppliers
- Suppliers set minimums, typically the higher the minimum, the lower the price.
- As stores' buying power decreases, they typically move to the next tier supplier and subsequently pay a slightly higher price for product

Primary Suppliers



01 DAIRY

02 MEAT

03 FROZEN

04 BREAD

Our next step

- Transportation pre-feasibility study.
- To help us make informed decisions related to changes in the way goods are distributed.

1. Aggregate Data

- Second survey
- Use to map routes, volumes and product type into a geospatial mapping system
- Identify regions that could logically collectively purchase together.
- Identify smaller, collaborative partnerships for purchasing.

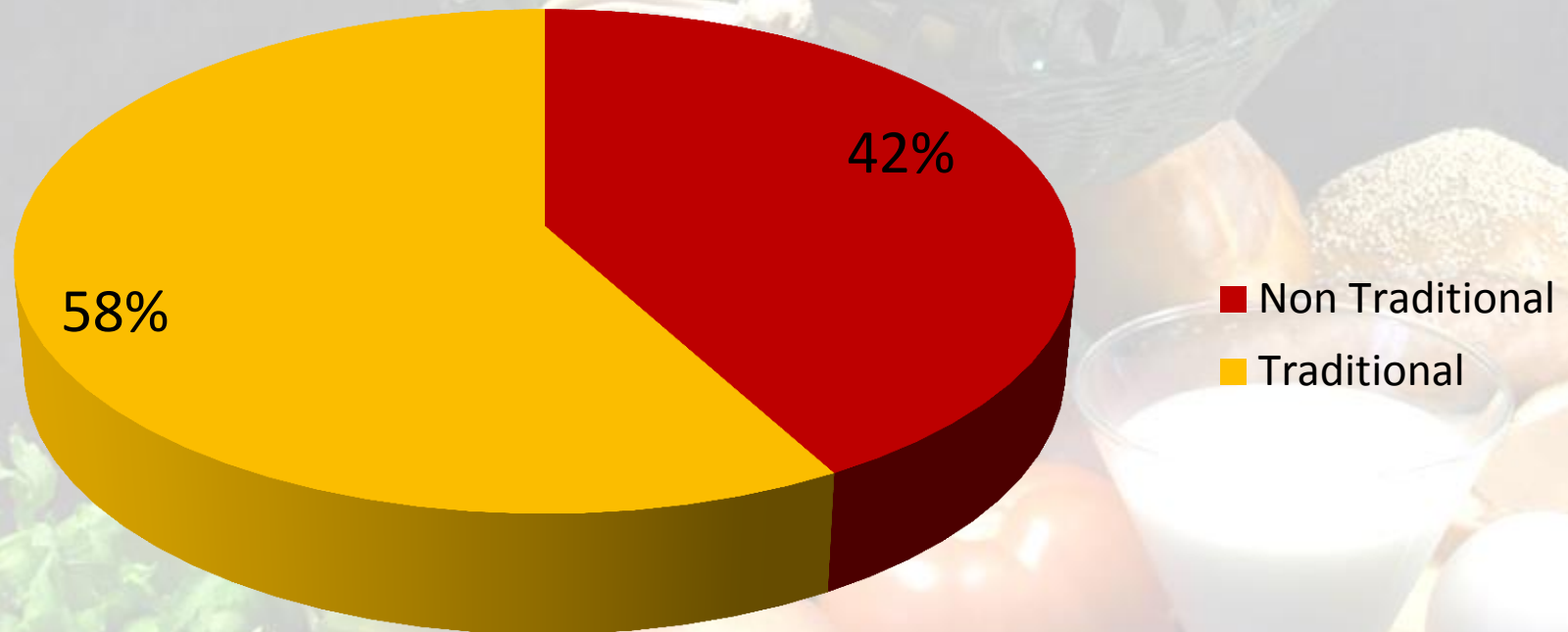
2. Suppliers

- Could use data to develop new approaches for effective, affordable delivery.
- Non-traditional retailers are competing for market share against ever growing non-traditional retailers



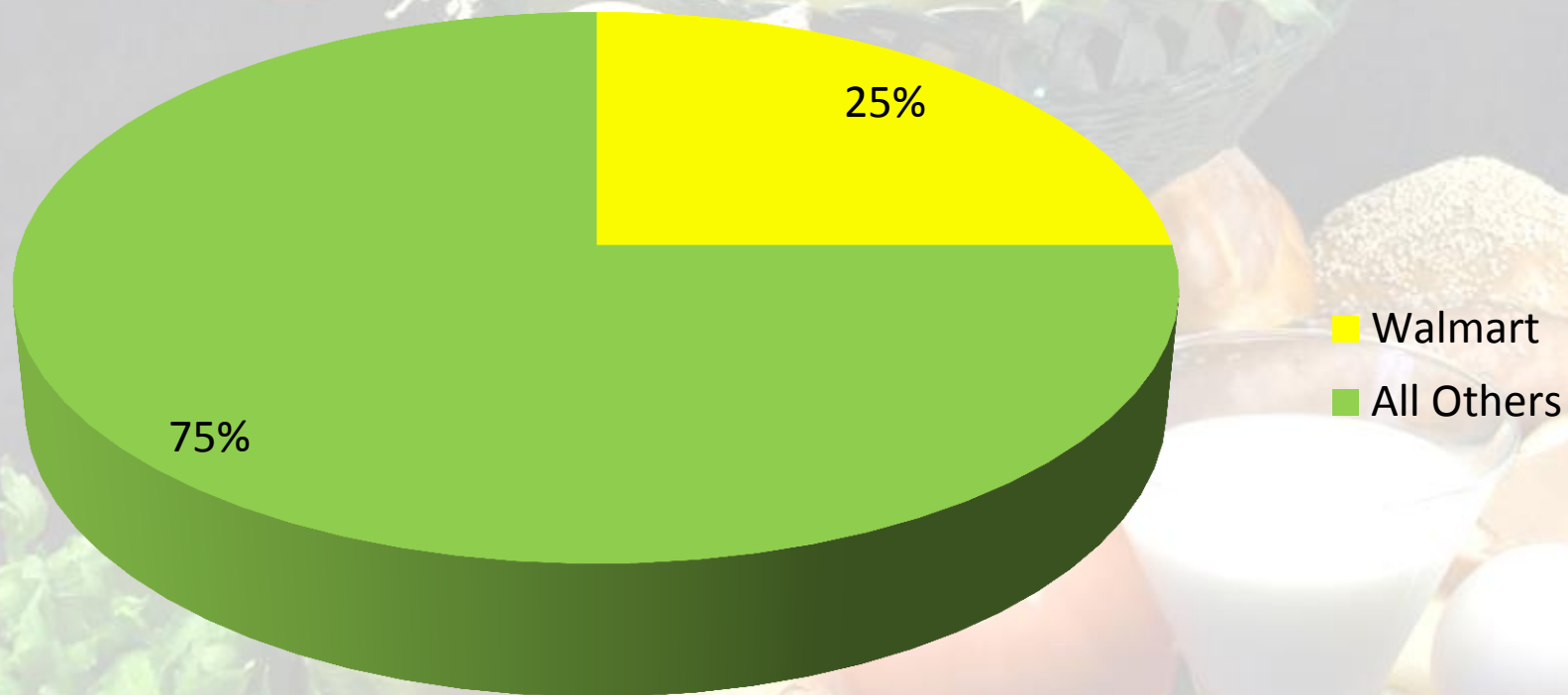
ND Rural Grocery Initiative: Distribution Facts

% of U.S. Grocery Retailers



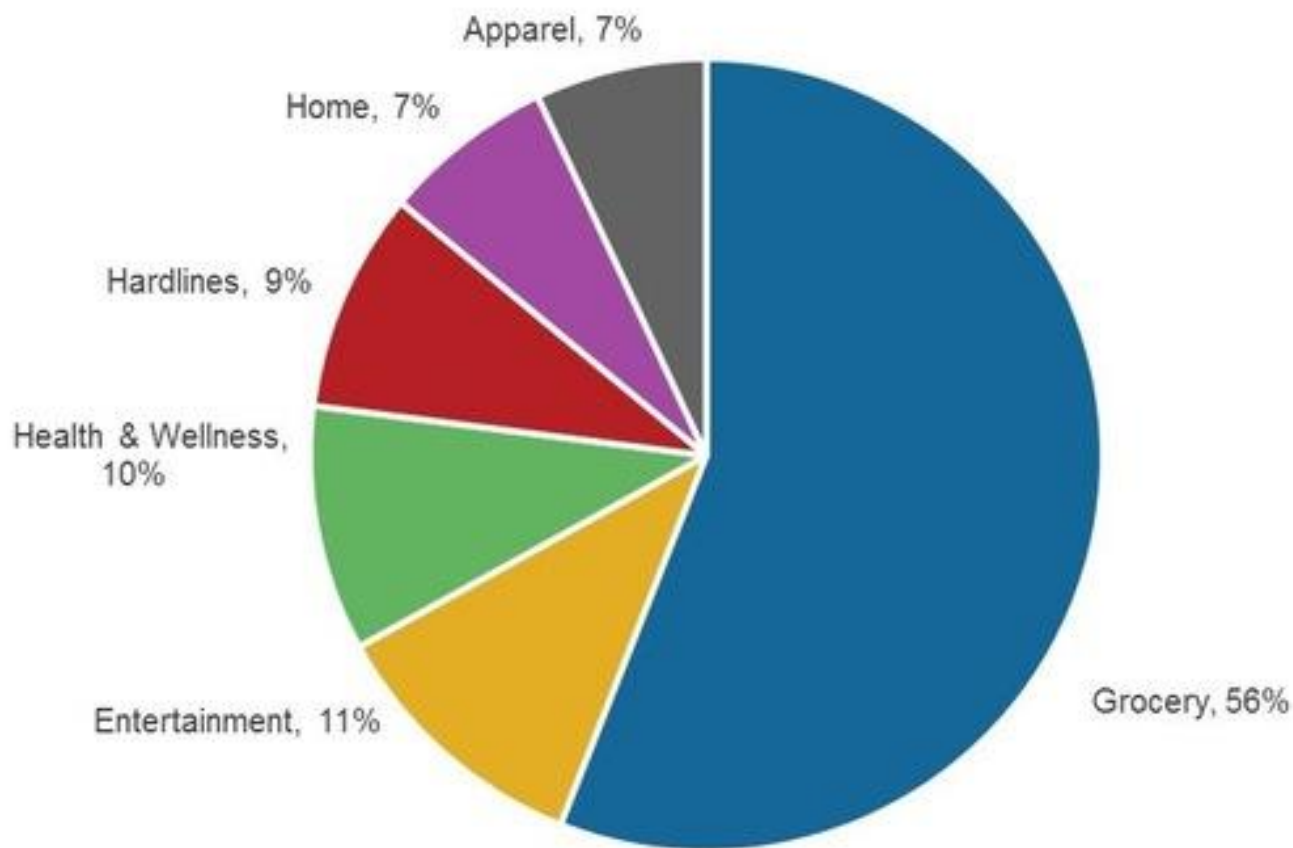
ND Rural Grocery Initiative: U.S. Grocery Sales by Walmart

% of U.S. Grocery Sales



ND Rural Grocery Initiative:

Walmart U.S. Sales Segments - \$473 billion



Suppliers focus

- One Customer – One Truck – One Product = Efficiency
- # Drops per Truck – The Fewer the Better
- \$/Mile Goal – Fewer Miles – Full Trucks – Fewer Drops



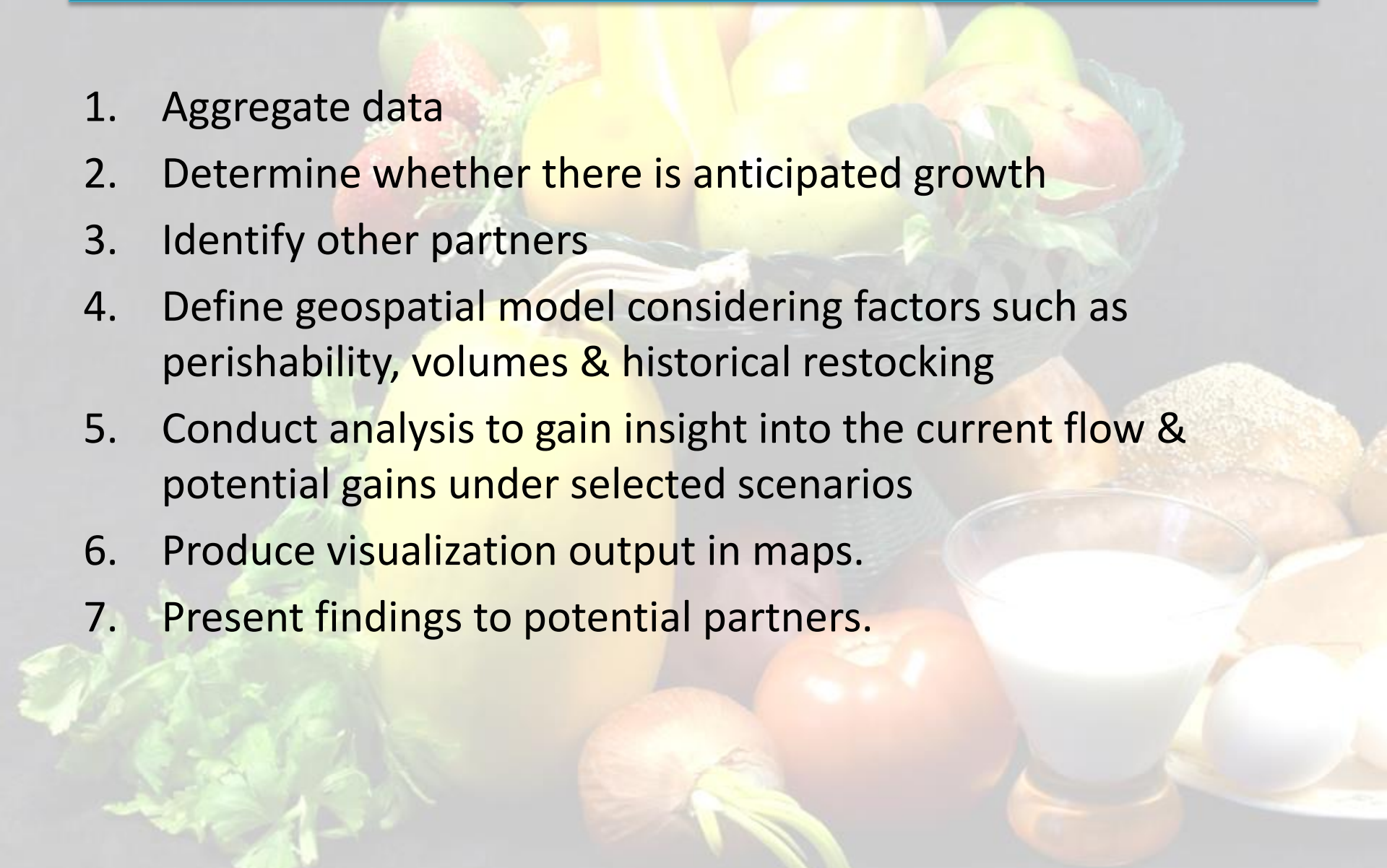
3. Other options

1. Regional warehouses on major highways
 - Partner with local food hub development
2. CHS purchasing cooperative
3. Become members of or develop a retailers cooperative
4. U.S. Postal Service
5. Public-Private partnerships



In summary

1. Aggregate data
2. Determine whether there is anticipated growth
3. Identify other partners
4. Define geospatial model considering factors such as perishability, volumes & historical restocking
5. Conduct analysis to gain insight into the current flow & potential gains under selected scenarios
6. Produce visualization output in maps.
7. Present findings to potential partners.



On behalf of the North Dakota Rural Grocery Initiative

Thank you!

Lori Capouch

lcapouch@ndarec.com

701-667-6444

For more information on the North Dakota Rural Grocery Initiative:
www.ndarec.com – select the Rural Development tab