

North Dakota Rural Grocery Initiative

Kansas Rural Grocery Summit

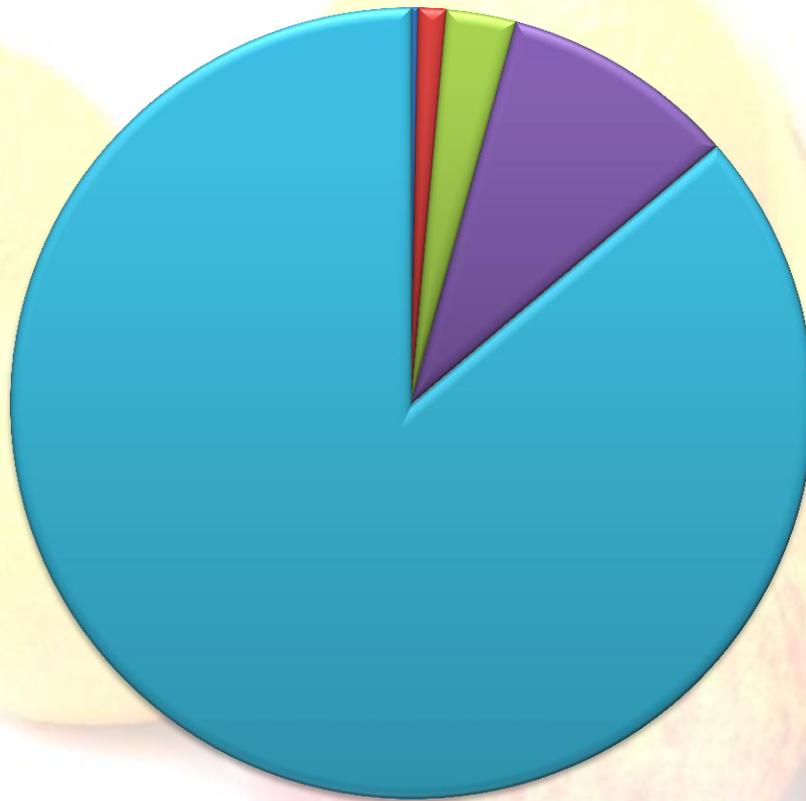
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ND Association of Rural Electric Cooperatives



North Dakota is RURAL!

Population



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

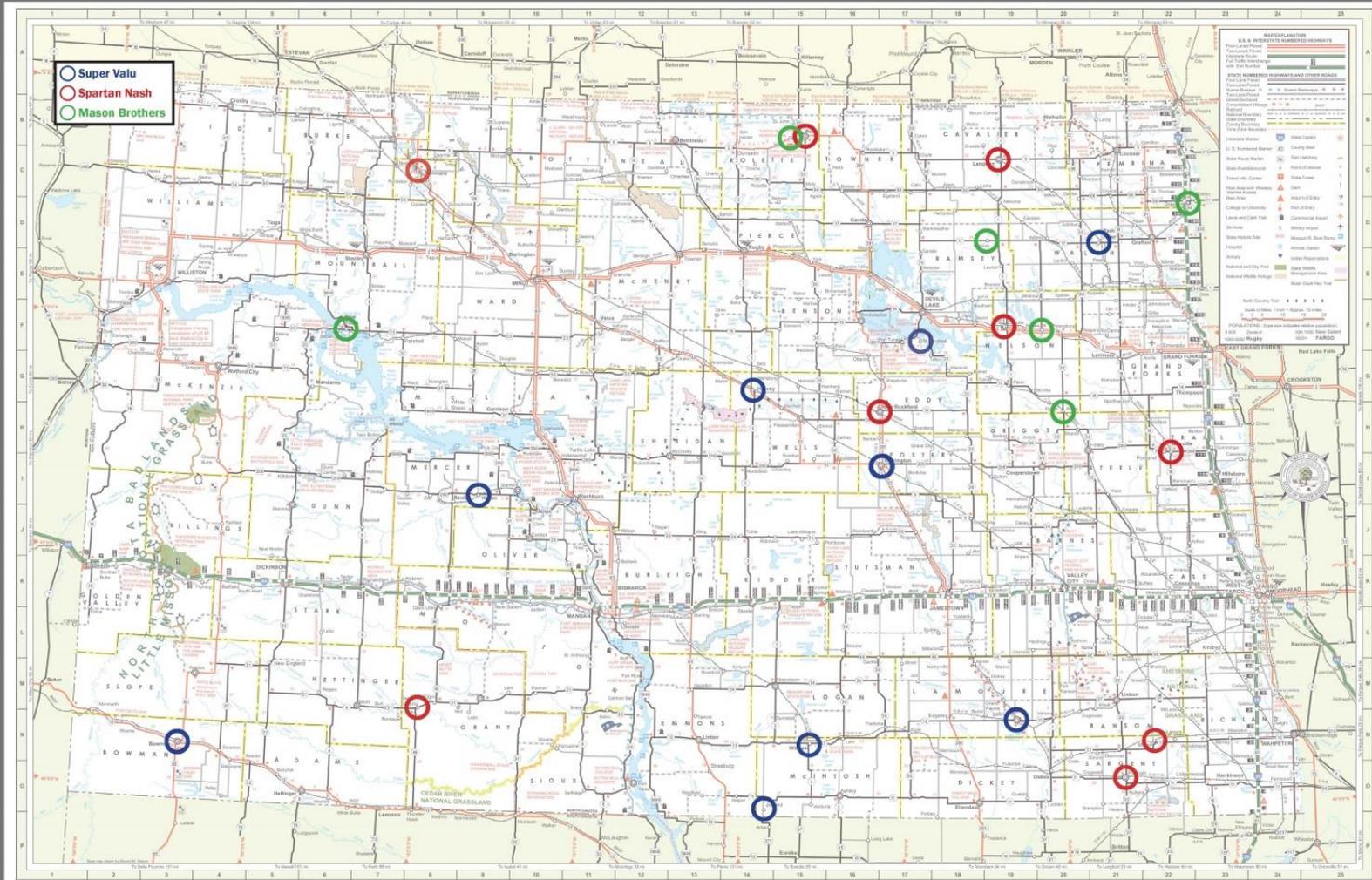
Our survey – the beginning

- 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



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.

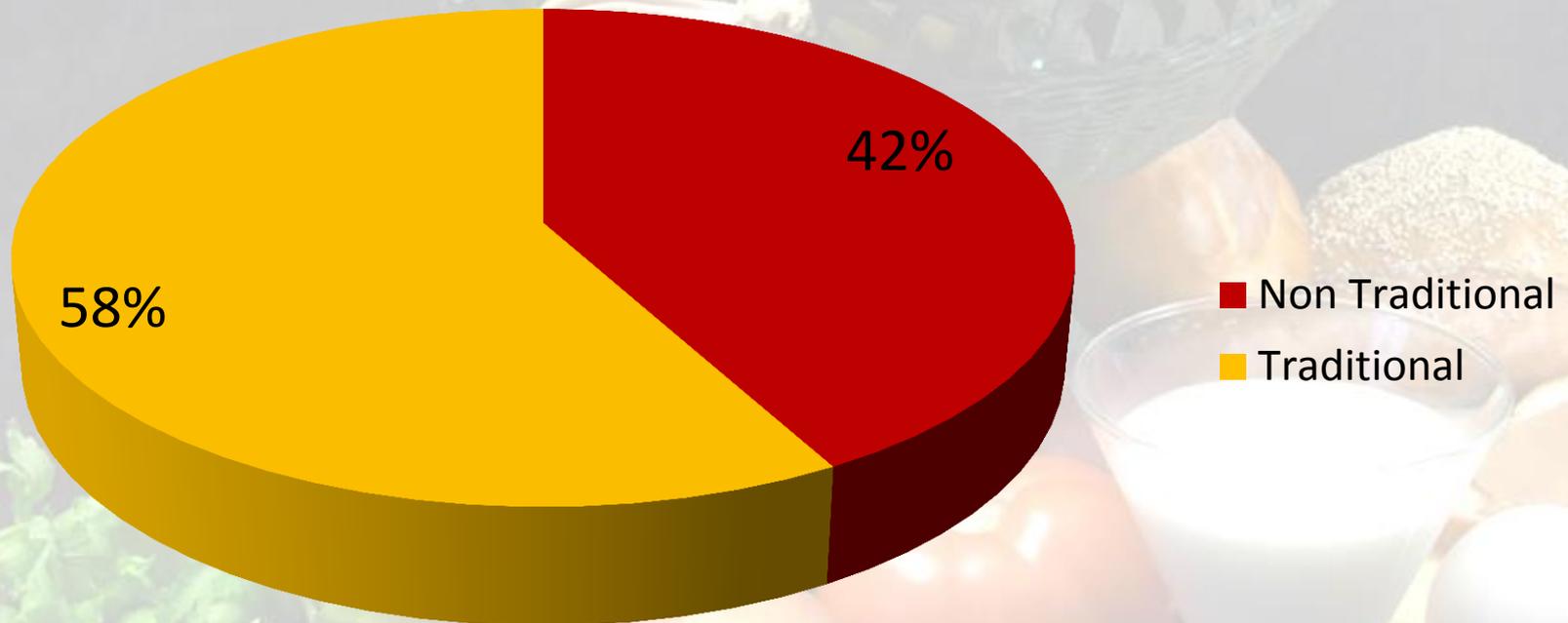
2. Suppliers

- 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



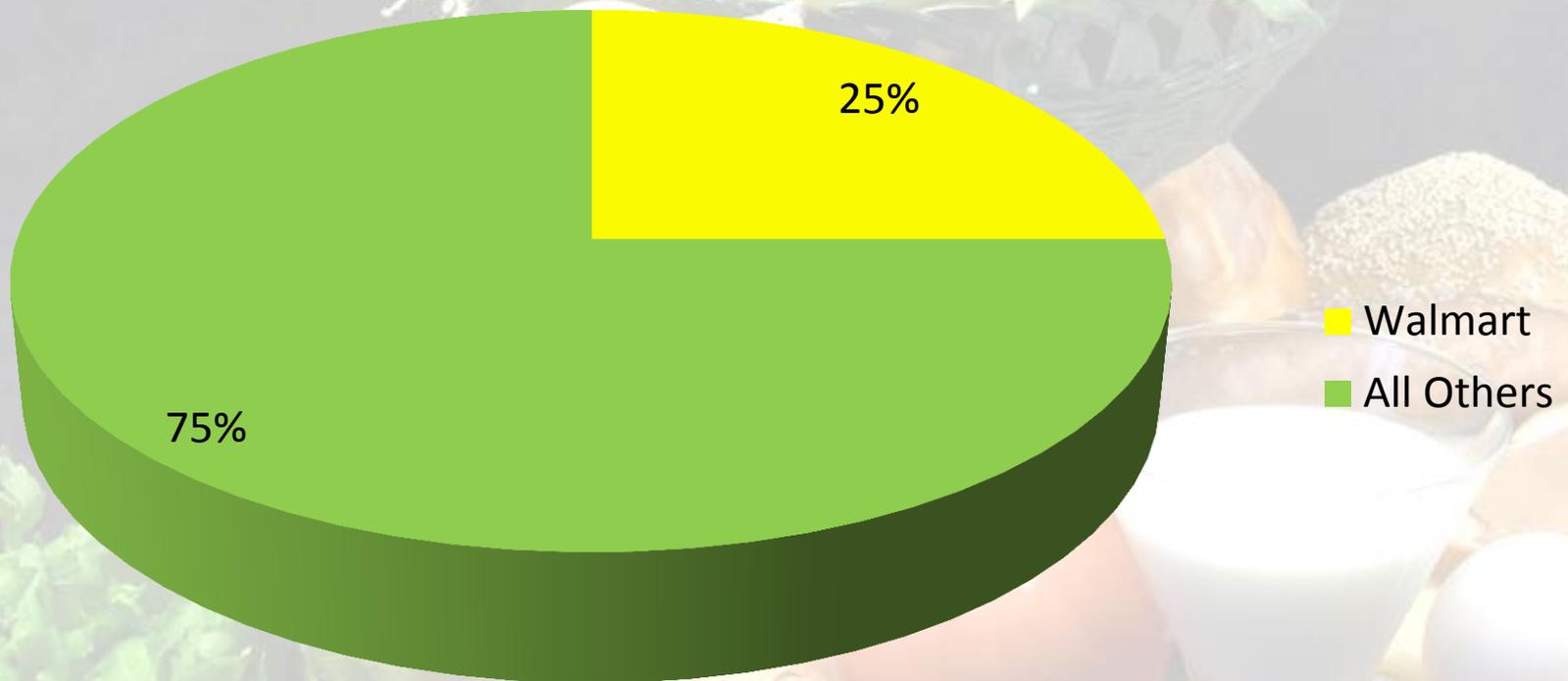
ND Rural Grocery Initiative: Distribution Facts

% of U.S. Grocery Retailers

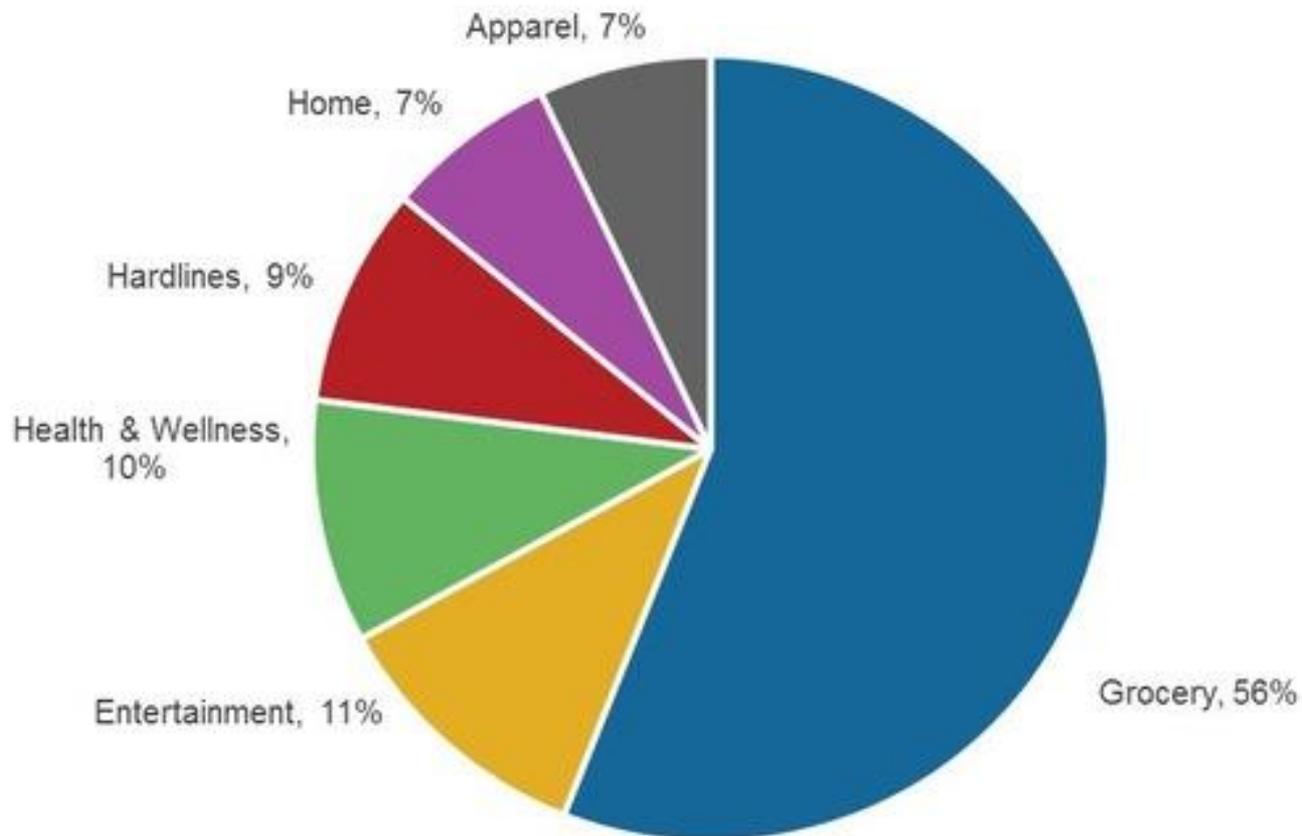


ND Rural Grocery Initiative: U.S. Grocery Sales by Walmart

% of U.S. Grocery Sales



ND Rural Grocery Initiative: Walmart U.S. Sales Segments - \$473 billion



Suppliers focus

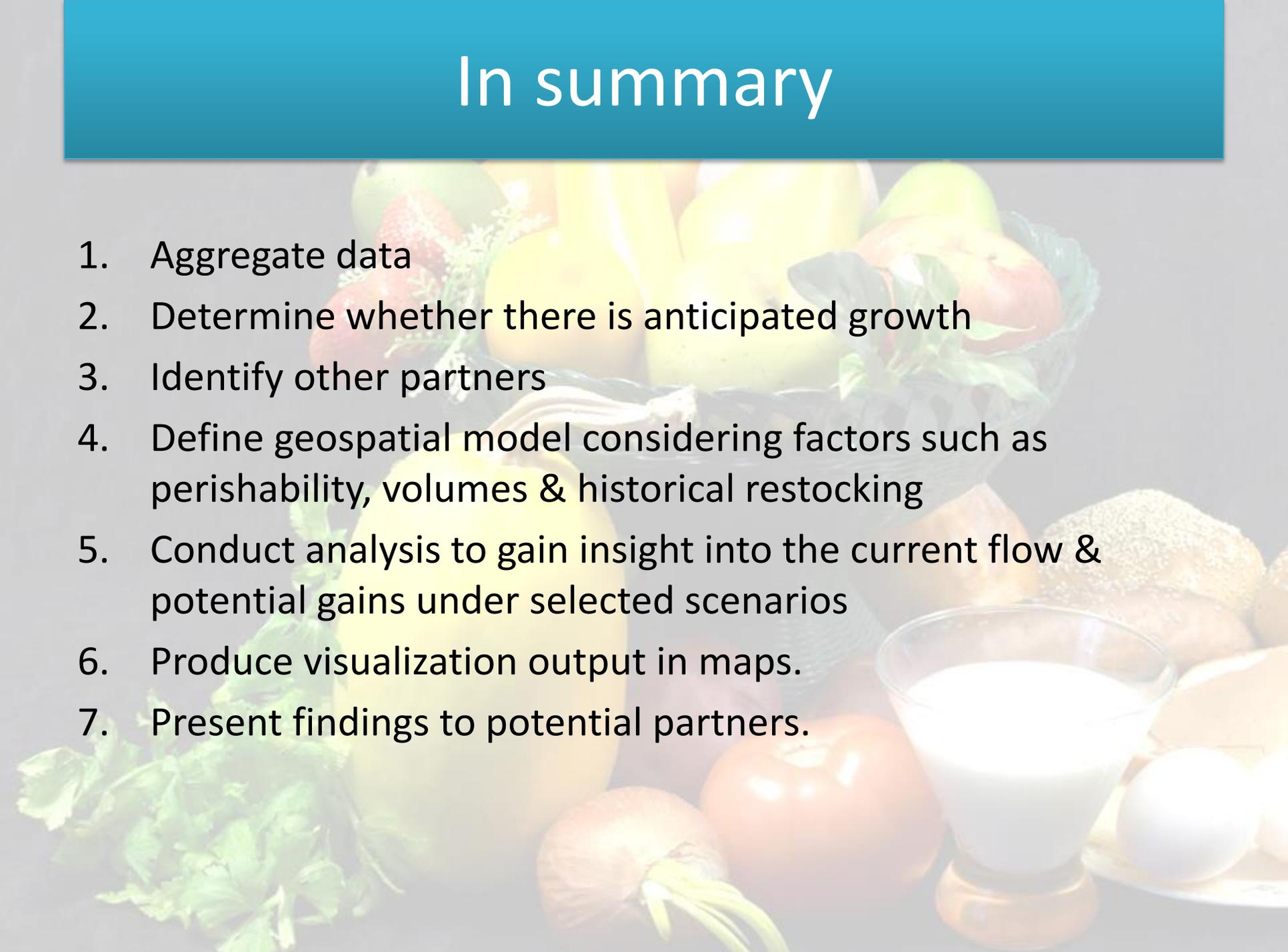
- One Customer – One Truck – One Product = Efficiency
- # Drops per Truck – The Fewer the Better
- \$/Mile Goal – Fewer Miles – Full Trucks – Fewer Drops



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
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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.
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On behalf of the North Dakota Rural Grocery Initiative

Thank you!

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