

North
Dakota

Rural Grocery Initiative

April 2016



Introducing the ... North Dakota Rural Grocery Initiative

Earlier this year, 50 participants took part in a meeting that highlighted common challenges that many rural grocers face and discovered opportunities that may help them become more successful business operators. Approximately 25 of those participants were rural grocers from around the state.

One of the struggles evident from the Jan. 14 Rural Grocers' Meeting was that grocers have a difficult time trying to find updates on regulations pertaining to their business. They also have a desire to learn more about other stores' marketing successes and best-business practices.

To assist them, a taskforce was comprised of 12 entities including grocery store operators and technical assistance providers. The taskforce, named the North Dakota Rural Grocery Initiative (NDRGI), is working to:

- Write and distribute press releases;
- Meet with interested groups and participate in radio interviews to help spread the word about the NDRGI;
- Compile a comprehensive list of rural grocery stores in the state; and
- Work on developing ways for you to learn about the different facets of your business.

The NDRGI has also created this newsletter to serve as a pertinent source of information for you and your business. For detailed information about the North Dakota Rural Grocery Initiative and its efforts, please visit the website www.ndarec.com. Click the Rural Development tab to find links to videos from the North Dakota Rural Grocers' Meeting, the survey results and survey instrument, and more.



The NDGA Annual Convention will be held at the Ramada Plaza Suites in Fargo on Sept. 11-13, 2016. We will have educational sessions, trade show exhibits, awards presentations and social events. This is a great opportunity to network with retailers, vendors and distributors from North Dakota and surrounding areas.

Please join the North Dakota Grocers Association today so together we can continue to improve your business!

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Website: www.ndgrocers.com

President's Message

Please join us in Fargo on Sept. 11 and 12 for the ND Grocers' Convention!

I have traveled to many grocery stores all across North Dakota and received a lot of feedback and the result of that is some exciting changes to our annual convention. We are here to assist all grocers, big and small, so we have added some educational sessions that is relevant to all. You all will receive a mailing in the coming months, but for now, I just wanted to make sure you save the date!

Some of the highlights are:

- John Weisgerber from the Milk Marketing Board will give a presentation educating all grocers about the many laws and regulations of milk marketing
- Dave Slack, Compliance Officer, ND Dept of Agriculture, will give a presentation on the new and existing laws and regulations such as grinding logs, meat sales to other businesses and much more!
- We also hope to tie into this with a representative of the State Health Dept with topics of vacuum sealing rules and other food safety issues.

Also, we are very excited to have Monday morning breakfast on Sept. 12 featuring a presentation from Megan Myrdal. She will speak on National Food Trends with a North Dakota flavor. Understanding the Millennial Consumer and how to appeal and market to them, Megan is a dynamic young ND native Food Consultant, College Professor, Registered Dietary Nutritionist and Co-founder of *"Ugly Food of the North."*

We will be following up with more details! Please contact me at anytime with any questions!

Roger Larson
President

North Dakota Grocer's Association

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Join the North Dakota Grocers Association!

NDGA

The North Dakota Grocers Association (NDGA) has been serving North Dakota and surrounding food retailers for 53 years. We can be your voice for any state or federal issues that affect the grocery store industry. We will also work with many agencies to assist you with potential problems or questions that may arise.

Having been a North Dakota retailer for 40 years, I understand the many challenges that are faced by grocers. NDGA has an office in Bismarck staffed by knowledgeable personnel who are ready to assist you.



NDGA also serves as your coupon-processing center to save you time and frustrations in dealing with the many companies involved. Our staff can get you set up in a timely manner.

NORTH DAKOTA GROCER "BEST PRACTICE" REGARDING YOUTH EMPLOYMENT LAWS

Recruiting and training part-time employees is always a challenge in our retail stores; especially in rural North Dakota. In addition, the labor pool in small towns is also reduced. You can employ youth ages 14 and 15, as long as you meet the following requirements:

- You must obtain an employment and age certificate that must be filed with the North Dakota Department of Labor.
- The employee cannot work past 7:00 p.m. on a school night or 9:00 p.m. on a non-school night.
- They can only work a maximum of 18 hours per week during a school week.

There are other special exemptions, so check the North Dakota Department of Labor website at <http://www.nd.gov/labor/>. I have used this site extensively and the paperwork is very easy. I found this tool to be helpful!

Roger Larson is the current President of the NDGA. He earned his marketing degree from UND and has owned retail grocery stores for 38 years. Roger oversaw eight grocery stores while serving as the Operations Manager of Miller's Fresh Foods for 1½ years.

Lifelong dream comes true with Tellmanns Market By Clarice L. Kesler

The Tellmanns' roots run deep in New Salem. From the time they met as high school freshmen, they've planted themselves firmly in their community turning seeds of hope into dreams fulfilled.

It started when the Tellmanns decided to stay near their hometown to begin their life after getting married. It was there that they raised four children while operating a fourth-generation dairy farm. Waking in the wee hours of the morning to tend to those cows and being tied to the farm with very few days off, working with refrigeration, regulations and inspections laid a good foundation for their new venture – opening a grocery store in New Salem.

"We've always wanted to open a restaurant or a grocery store," says Allan. Debbie nods her head and agrees.

But they weren't 100 percent certain about that idea. Until about three years ago, the Tellmanns decided to pass the farm on to the fifth generation when their son, Shane and his family, took over the family farm. The Tellmanns moved into a home that Allan's grandfather lived in, in New Salem. They sold their dairy cows and remodeled their 1940s home a little and then – yearned for a routine.

"I'm just not good without a schedule" says Allan. "It just seems like when you get up in the morning you should have a place to go."

"We were used to getting up at four in the morning," says Debbie. "I knew this wasn't going to be easy for him."

That lack of a daily work routine prompted Allan to dig a little deeper into their dream. The Tellmanns knew their town of about 1,000 people desperately needed a grocery store after their local grocery store closed more than three years ago. They felt they had the some of the skills to begin analyzing, projecting and developing the store. And they knew that opening Tellmanns Market would be not only be the right thing to do for themselves and New Salem, but also for surrounding towns and communities as well.

In May 2015, the Tellmans began site preparation located right next to Highway 10. Acting as project managers, they met with contractors and others who would help them learn more about the grocery business, and the building process.

This "Grocery 101" included learning a lot about regulations and permitting that is required to not only build the facility, but to operate it as well.

And those weren't the only hitches they faced along the way. A big hurdle for most people wanting to begin a business in a small town is financing and the Tellmanns faced the same snags. Until they cleared that first hurdle the store could not be built.

"We used the PACE program through the Bank of North Dakota," says Allan. "I think very highly of that program."

And it was the PACE program which supports community-based economic growth that offered the financial backing, along with Capital Credit Union, that



Allan and Debbie Tellmann met when they were freshmen in high school and have been partners ever since. This time they'll venture into opening their own grocery store.

helped the Tellmanns get the project off the ground.

With this assistance and the support of Super Valu, a national food retailing company, the Tellmans conducted a thorough market analysis which led them to build a 8,700 square-foot, multi-purpose facility with a high degree of specificity that will serve the community well into the future.

When it opens this summer, Tellmanns Market will be a full-service, state of the art grocery store. It will be open seven days a week from 7:00 a.m. to 8:00 p.m. Monday through Saturday, with a shorter schedule on Sundays. The Tellmanns hope to employ two to three people full time and another 8 to 12 people on a part-time basis.

"Several people have already approached us about working part-time," says Allan. "And we're really excited to begin."

Once it opens, the Tellmanns plan to build upon the things they do well and be the best they can be at the services they are offering. They are looking forward to supporting the community and are hopeful the community will support them in return.



Tellmanns Market is a 8,700 square foot, full service grocery store that will open this summer in New Salem, ND

Clarice Kesler is the E-Communications Manager for the North Dakota Association of Rural Electric Cooperatives (NDAREC)



**9823 Highway 13
LaMoure 701-883-5813**

As the planting season begins in North Dakota, a new idea for retail sales could be part of your grocery business.

Larry Harmsen of LaMoure is the owner of Harmsen's Greenhouse, a facility that provides 22,000 hanging baskets, 12,000 flats and about 210,000 four-inch plants to wholesale customers all across North Dakota.

Harmsen said that he is looking to expand into areas like grocery stores. "I'm always willing to help individuals set up greenhouses in their local communities. I'll help supply them and get them set up. We're always looking for more outlets for wholesalers," he said.

Harmsen's sells 80 percent of his products through the wholesale market and about 20 percent at his retail location in LaMoure.

For more information, contact the greenhouse at 701-883-5813.



National Rural Grocery Summit June 6-7 2016

Hyatt Regency
Wichita, KS

<http://conferences.k-state.edu/ruralgrocery/>

REGISTER ONLINE FOR THE SUMMIT:

<http://conferences.k-state.edu/ruralgrocery/agenda/>

Call: 785-532-5569

Registration is complimentary for first grocery store representative

REGISTRATION FEE INFO	By May 23, 2016	After May 23, 2016
Additional grocery store representatives	\$50 per person	\$75 per person
All other registrations	\$150 per person	\$175 per person

Transportation:

North Dakota Farmers Union will provide a bus free of charge to the National Grocery Summit. (MEALS AND LODGING EXTRA)

If you are interested in riding the NDFU bus:

Call Sue Paulson
701-952-0108

Lodging: Hyatt Regency
Wichita KS
888-421-1442
2 nights (excludes convention) \$100 double occupancy
\$200 single occupancy

If you have any questions:

Call Jason McKenney
North Dakota Farmers Union
701-952-0116
jmckenney@ndfu.org

MONDAY, JUNE 6, 2016

8:30 a.m. Registration / Check-in
9:30 a.m. Welcome

Opening Keynote:

"Making a Difference through the Rural Grocery Initiative"

BREAKOUT SESSIONS:

- 1 Accessing Funds for Your Rural Grocery Store
- 2 Business Transition: Succession Planning
- 3 Understanding Rural Grocery Owner Challenges/Customer Needs

Rural Grocery Store Awards: Ron Wilson

(Huck Boyd National Institute for Rural Development)

Luncheon Keynote: Nick Graham

"10 Years of Being America's Youngest Grocer, Growing a Business, and Sales in a Declining Area"

BREAKOUT SESSIONS:

- 4 Conducting Community Food Assessments
- 5 Aggregating Food Operations: Food Hubs
- 6 Accessing Funds for Your Rural Grocery Store

3:00 p.m. Break

3:15 p.m. BREAKOUT SESSIONS:

- 7 Innovative Models of Rural Grocery Operations
- 8 Encouraging Rural Customers to Shop Healthy
- 9 Increasing Healthy Food Options for Rural & Diverse Populations

4:30 p.m. Dinner break – on your own

7:00 p.m. Evening Reception

TUESDAY, JUNE 7, 2016

Keynote Speaker TBD

BREAKOUT SESSIONS:

- 10 Strengthening Access to Healthy Foods
- 11 Rural Grocery Best Practices: Perspectives from Owners
- 12 Innovative Rural Grocery Ownership Models

BREAKOUT SESSIONS:

- 13 Policies to Strengthen Healthy Food Access
- 14 Food Distribution: Challenges and Solutions
- 15 Increasing Healthy Food Access in Your Community

12:15 p.m. Closing – Box Lunch Provided

12:45 p.m. Closing Keynote: *"Let's Not Stop Now, Where We Go From Here"*

David Procter, Director, Center for Engagement and Community Development, Kansas State University, Manhattan, KS
Adjourn

Look for the Mark of Inspection

Nathan Kroh

Scientific Information Coordinator

ND Meat and Poultry Inspection Program

ND Dept. of Agriculture

Small town grocers are the lifeblood of many North Dakota (ND) communities. A service they offer proudly, even though they may have limited resources. The owner is more than likely purchasing new products, stocking shelves, training employees, balancing books, writing checks and mopping floors. They want the best for customers and their communities, but they may not have the time to research and understand all the regulations that are in place. Grocers buying hundreds of types of food may not realize that the foods containing $\geq 3\%$ cooked meat or $\geq 2\%$ raw meat must be inspected by the U.S. Dept. of Agriculture (USDA) or state meat inspection programs to be sold wholesale. These products are recognizable because they bear the inspection legend (circular USDA symbol) stating that the meat products were inspected and passed by the Department of the

Agriculture. The ND Meat and Poultry Inspection Program provides the same inspection for ND meat processors (the ND inspected and passed legend is applied instead of the USDA legend) but those products are limited to sales within ND.



Meat is the most heavily regulated food in the world. Why? Regulations prevent the mistreatment of animals and ensures meat is properly handled, as it poses greater food safety risks than most other foods. Ensuring safe food is a joint effort between the inspection program and the meat processors. Government inspectors are on-site at every meat plant, every day, ensuring that every animal is healthy and handled humanely. The meat companies are responsible for meeting facility standards, developing extensive food safety plans and implementing sanitation programs, so only wholesome meat processed under sanitary conditions is sold.

Grocery shopping is a personal experience. Customers walking through the store are examining the products, interacting with the staff, inhaling the aromas and constantly assessing the store. The quality of the shopping experience impacts the purchasing decisions of every customer. Are the shelves clean? Are the coolers cold? Do the employees look neat and tidy? The shopping experience may give the customers confidence in the store itself, but there is no way for the customer to evaluate how the facility and employees are handling food at the point of manufacturing. The ND meat inspection program or the USDA provides that third-party verification. Only meat from healthy animals, prepared under very sanitary conditions and labeled accurately can be resold. The customer expects their food to be wholesome, and the inspection symbol means that the meat was wholesome until sold to the grocery store, retailer or restaurant. The store can further process those products, but that store assumes the responsibility for the food's safety and convincing the customer they maintained the original wholesomeness.

Not all butchers or food manufacturers produce food under state or federal inspection, so they would not be eligible to sell to another store. Meat markets and restaurants making sausages, steaks,



pizzas, soups, etc. can prepare meat products for direct sale to the consumer, because the customer has the opportunity observe the facility and its employees.

Supporting local small business and local food is a popular concept, which many small food producers rely on, yet buying uninspected products containing meat to sell at a retail store is against the law. Every food retailer and grocer needs to know that all meat products coming into the store must bear the mark of inspection. For example, a restaurant known for great soup gets a call from a grocery store owner asking to serve the famous soup in their deli department.

Sounds like a great deal for both parties, right? Possibly. Food establishments can only purchase food from approved sources, so that would leave the grocery store with two options. They could make their own soup, starting with inspected meat ingredients, or they could purchase the restaurant's famous soup, but the restaurant would need to make the soup under inspection (if qualified to do so) and apply a mark of inspection. Either way, the grocery store is protecting itself by purchasing approved source ingredients for their deli soup.

The vast majority of small food businesses make very good safe products; meat inspection services simply confirm that for the consumer. Regardless of business size, whether it is a huge food conglomerate selling millions of pounds of meat, or one-person operation selling a single case of sausage to the grocer, by law, government inspectors must be there verifying food safety. The mark of inspection provides customers peace of mind about how the food was handled prior to being placed on grocery store shelves or being cooked in the deli.