RURAL FOOD ACCESS STUDY
NELSON + PEMBINA COUNTIES

Photo: CB Grocery, Walhalla

Prepared by:

- Angelle French, Director, Pembina County JDA
- Dr. Kendra Rosencrans, Red River Regional Council

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Rural Grocery Store Access and Sustainability in North Dakota

A Combined Report on Pembina and Nelson Counties

Prepared for the North Dakota Department of Commerce

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EXECUTIVE SUMMARY

Rural grocery stores are essential to the health, economy, and resilience of small communities. In Pembina County, these stores serve as critical access points for fresh food, community connection, and local commerce. This report, funded by the North Dakota Rural Food Sustainability Grant Program, examines the current state of rural food access and grocery store sustainability in Pembina County. It draws on interviews, consumer surveys, foot traffic data, and demographic analysis to identify shared strengths, challenges, and opportunities for action.

KEY STRENGTHS OF LOCAL GROCERY STORES

- Strong community ties and personalized service, including delivery and phone-in orders.
- Commitment to fresh and local products, including in-house meat cutting and interest in supporting local bakers and growers.
- Willingness to innovate, with stores exploring cooperative buying, commercial kitchen rentals, and hybrid service models.
- Dedicated ownership and staff, with flexible staffing approaches and a focus on customer service.

COMMON NEEDS ACROSS STORES

- Aging equipment and facilities, with a need for energy-efficient upgrades and structural repairs.
- Supply chain challenges, including freight costs, product shortages, and limited access to competitive pricing.
- Staffing shortages and operational burnout, particularly in specialized roles.
- Need to take advantage of lower-priced house brands and do more marketing
- Need for business planning, business coaching and mentoring, marketing plans and regular marketing on social media, updating online listings, and technology assistance and training.
- Would benefit from being more connected to other rural grocery store owners/operators, as well as from belonging to and networking with the North Dakota Grocers Association, connections to assistance and resources through the NDREC, Rural Grocers Initiative website through Kansas State University, technology adoption and training, and marketing strategies.

SURVEY FINDINGS

A survey of rural grocery consumers in both counties found similar responses from adults ages 25 to 54 and those age 55+:

- Younger adults (ages 25–54) prioritize convenience, fresh produce, and online services, and tend to shop in the evenings.
- Older adults (55+) value parking, store layout, and in-person service, and prefer shopping in the mornings.
- Families with children spend more on groceries and seek fresh, affordable, and ready-to-eat options.
- Across all groups, top priorities include lower prices, better produce and meat quality, and more variety.

RECOMMENDATIONS FOR STORES

- **Support Store Collaboration and Innovation**: Facilitate peer learning, explore shared purchasing, and cooperative marketing among local stores to reduce costs and increase competitiveness.
- **Invest in Infrastructure and Business Planning:** Help stores access grants and technical assistance for equipment upgrades, energy efficiency, and long-term business planning.
- **Engage with North Dakota Grocers Association** and resources designed for small, rural grocery businesses.
- **Promote Local Shopping and Visitor Engagement:** Launch community campaigns to shift perceptions about pricing and highlight the value of local stores. Align store hours and offerings with visitor patterns and family needs.

NEXT STEPS & RECOMMENDATIONS FOR JDAS, STAKEHOLDERS, LEADERS

- Facilitate Collaboration: Bring store owners together to review findings and share solutions
- Coordinate Grant Applications: Support grant writing, match funding identification, and submission
- Offer and/or Support Technical Assistance: Provide resources, connections for mentorship and planning support for POS systems, marketing, and inventory tools
- Advocate for Policy Change: Engage in state and federal conversations about fair pricing and rural grocery equity
- Track Progress Annually: Develop a review process to monitor store metrics and update strategies

INTRODUCTION

Rural access to fresh, affordable, and convenient food options is a growing challenge for rural communities in North Dakota. Nelson and Pembina counties, home to 18 small communities, face significant challenges to food access due to grocery store closures and turnover, higher food costs, and travel distances. Strengthening rural grocery stores and increasing access to fresh foods are essential for the well-being of, and the futures of, rural communities.

In 2023, the North Dakota State Legislature approved $1 million for the state's first Rural Food Sustainability Grant Program. The competitive grant program, administered by the ND Department of Commerce, offered two types of grants: One for feasibility studies that examined the viability of potential projects or initiatives aimed at increasing food accessibility and sustainability in rural area, and a second to support the creation of or expansion of financially sustainable projects or initiatives that aimed to increase rural food access.

The Pembina County Job Development Authority (JDA), in partnership with the Nelson County JDA, and supported by the Red River Regional Council, received one of the six Component One feasibility study grants awarded.

Additionally, the Crystal Community Boosters, supported by the Pembina County JDA and the RRRC, received one of the five Component Two project grants: $134,000 to match locally raised funds to assist the nonprofit community organization in purchasing and reopening a local convenience store, which also stocks groceries and operates a restaurant.

This is the final study report with recommendations for local stores, communities, the North Dakota Department of Commerce, the North Dakota State Legislature, the Pembina County JDA, the Nelson County JDA, and the Red River Regional Council. The study report and recommendations are intended to help local businesses, community leaders, decision-makers, and others take steps to strengthen small town grocery stores and improve rural food access.

PURPOSE, FUNDING & PROJECT TIMELINE

The purpose of this study was to assess food access challenges in Pembina and Nelson Counties and to identify potentially innovative, sustainable solutions for rural grocery stores and communities. The study aimed to gather data on shopping habits, grocery stores, farmers markets, problems/needs, and potential solutions that could improve food access for residents and strengthen the viability of small-town grocers.

PURPOSE OF THE STUDY

This study looked at the grocery landscape in Nelson and Pembina counties to find practical ways to improve food access and keep rural stores open and thriving. Goals included:

- Assessing local stores: Through site visits and interviews, we looked at how stores are doing and what challenges they face.
- Understanding shopping habits: Surveys and foot traffic data helped us see where people shop, how far they travel, and what barriers they face.
- Exploring opportunities and solutions: We looked at population trends, market segments, and reviewed successful rural grocery models and strategies that could work here.

We focused on data that can help leaders make smart decisions, with recommendations to boost access, affordability, and long-term success.

STUDY GOALS:

- Evaluate the condition and operations of local grocery stores.
- Understand consumer shopping habits, barriers, and preferences.
- Use foot traffic data to analyze market potential for food and grocery stores.
- Identify potential, realistic, local and systemic strategies to strengthen small town grocery stores and rural food systems.

This study was made possible by a $20,000 ND Rural Food Sustainability Grant awarded jointly to Nelson and Pembina Counties. An additional $5,600 was provided as local in-kind support.

BUDGET & TIMELINE:

Total Project Budget: $25,600
Grant Awarded: $20,000
Local Match: $5,600 (in-kind JDA staff time and resources)

BUDGET HIGHLIGHTS:

- $12,000 – Placer.ai software
- $2,100 – Research staff (RRRC)
- $7,500 – JDA staff (Nelson & Pembina)
- $1,500 – Travel & meetings
- $2,500 – Additional staffing

KEY PROJECT PHASES:

- Planning: Summer–Fall 2023
- Data Collection: Winter 2023–Spring 2025
- Analysis & Reporting: Spring-Summer 2025

STUDY METHODOLOGY

This study used qualitative (surveys, interviews) and quantitative data (Placer.ai) methods to gain insight into local food access and store operations:

CONSUMER SURVEYS (2023, 2024 & 2025)

- Interviews & Site Visits with store owners in Lakota, Michigan, Tolna, and McVille in Nelson County; Walhalla, Pembina, and Drayton in Pembina County.
- Pricing Survey comparing local store prices to regional competitors
- Population, Market Segments, and Foot Traffic Analyses using Placer.ai data
- Review of national rural grocery data and studies
- Background research on rural grocery sustainability models

This analysis looked at economic trends, population changes, shopping patterns, and local food markets across the region. Data came from public and private sources and helped identify where local food systems are strong and where competition, gaps, and market opportunities exist.

The research also included past surveys, a new food access survey in Nelson and Pembina counties, and interviews with store owners and local leaders. These helped show how shopping habits and food access differ by age, income, family size, and travel distance.

GROCERY STORE OWNER/OPERATOR INTERVIEWS

Participating grocery store owners and operators in Nelson and Pembina counties engaged in interviews and a business retention and expansion survey.

PLACER.AI MARKET DATA & VISITOR TRAFFIC

Placer.ai is a leading location intelligence and foot traffic analytics platform that enables both public and private entities to better understand patterns of human movement in physical spaces. By leveraging anonymized location data from mobile devices, without collecting or using any personally identifiable information, Placer.ai offers valuable insights while maintaining strict privacy standards. Data is de-identified, aggregated only when a minimum threshold of 50 unique devices is met, and stripped of personal identifiers to ensure user privacy.

LIMITATIONS

One key limitation of the platform is its inability to capture data from Canadian visitors. This poses a notable challenge for border communities like Pembina County, where cross-border traffic is a significant contributor to local commerce.

Despite this limitation, Placer.ai remains the most comprehensive foot traffic analysis tool currently available to us and proved extremely beneficial for our study.

DATA

Placer.ai provided a unique opportunity to analyze foot traffic and visitation trends in rural communities where such data is often unavailable. We were able to generate reports for grocery stores that detailed visit counts, unique visitors, peak visit times, average duration of visits, preferred shopping days, and the geographic origin of shoppers. For many store owners, this was the first time they had access to such detailed insights about their customer base.

Additionally, the platform enabled us to produce broader market reports at the county and city levels, highlighting data such as out-of-market visitors, employment activity, and residential demographics. One particularly valuable insight was the size of each grocery store's trade area, many of which were significantly larger than expected, with some customers traveling over an hour to shop.

The depth of information made available through Placer.ai was instrumental in our research and analysis. Due to the high cost of the software, small organizations such as local Job Development

Authorities typically cannot access these kinds of tools independently. However, through this study, we were able to bring valuable data to numerous communities that would otherwise lack the resources to obtain it.

Beyond informing our rural food access feasibility study, Placer.ai data supported a variety of local planning efforts and grant applications. The following page outlines the specific reports generated for each community in Pembina and Nelson Counties, and beyond those counties.

Given the significant value this tool brought to our research, we are currently exploring sustainable funding options to ensure continued access in the future.

In this report, we included insights from the overall market, population change estimates, demographics, and travel/tourism reports.

We will be providing the grocery stores that participated in this study with individualized Placer.ai marketing reports, but for confidentiality reasons, we did not include those business-specific details in the study report.

PLACER.AI DATA PLATFORM REPORTS

NELSON COUNTY

ANETA

- Aneta Turkey BBQ

LAKOTA

- Cenex
- Dollar General
- Lakota Turkey BBQ

MCVILLE

- McVille Market
- McVille Days

MICHIGAN

- Michigan Hometown Foods
- Michigan Days

NELSON COUNTY

- Market Report
- Travel & Tourism
- Population Change Estimates
- Market Demographics

PEKIN

- Pekin Days

PETERSBURG

- Petersburg Days

TOLNA

- Lyndi's Market
- Tolna Days

PEMBINA COUNTY

CAVALIER

- Cavalier Farmers Market
- Cavalier Motorcycle Ride-In event
- Dollar General
- Leever's Food
- Off the Charts Music Festival

CRYSTAL

- Roadside 66/ The Chuck Stop

DRAYTON

- 1878 Grocery Company
- Drayton Riverfest

MOUNTAIN

- August de Duece Event

NECHE

- Northdale Oil
- City of Neche

PEMBINA

- Catfish Challenge
- D&K Grocery
- Pembina 4th of July

PEMBINA COUNTY

- Market Report
- Travel & Tourism
- Population Change Estimates
- Market Demographics

ST. THOMAS

- St. Thomas Daze

WALHALLA

- CB Grocery
- Dollar General
- Walhalla 175th anniversary celebration
- Walhalla Farmers Market
- Walhalla Pumpkin Fest event

CAVALIER COUNTY

- Frost Fire reports 2017-2024
- Leevers Food, Langdon

WALSH COUNTY

GRAFTON

- Collette Fitness Center
- Grafton bike path
- Grafton Summerfest Celebration
- Swimming Pool
- Last Chance Bar and Grill
- Unity Medical Center

HOOPLE

- Tater Days

MINTO

- Minto Community Days

PARK RIVER

- 4th of July Celebration

PISEK

- Nepomuk Narly

GRAND FORKS COUNTY

GRAND FORKS

- Choice Health and Fitness
- Sanford Grand Forks Clinic
- Town Square Farmers Market

OTHER COMPARISON REPORTS

- Detroit Lakes Community Center
- Perham Area Community Center

STUDY LIMITATIONS

This study gathered significant data that is proprietary and confidential, as it involves specific details about individual businesses. Individualized reports have been developed for each business, however, that data, analyses, and recommendations are not included in this report.

WHAT THIS STUDY DIDN'T COVER:

- Store financial records (like profit/loss reports)
- Retail demand forecasting
- Health or nutrition education
- In-depth shopper interviews

More engagement with grocery business owners and community leaders was intended—but this phase had limits. Time, distance, and staffing changes resulted in not being able to carry out this part of the research.

RURAL GROCERY OVERVIEW

Over the past several decades, small and independent grocery stores in cities and rural areas have been caught in the crosscurrents of deep economic and policy changes that have also reshaped communities themselves.

The closure of small-town grocers is not an isolated issue—it is one piece of a larger story about shifting economies, depopulation, and uneven investment in rural America.

NATIONAL TRENDS

- Independent grocery stores' market share has dropped from 53% in 1982 to just 22% today, largely due to policy changes that ended enforcement of fair pricing laws like the Robinson–Patman Act.[1]
- Grocery market concentration has increased by over 450% since the 1980s, with the top four chains now controlling a majority of the market.
- Other kinds of stores that stock food, such as convenience stores, supercenters, and dollar stores, non-existent in 1990, have taken hold in rural areas while grocery stores have closed.[2]
- National chains can dominate markets without investing locally

The impacts on rural grocery stores, then, have been two-fold – pressures from wholesaler consolidations and pricing practices – and – business and population losses in area communities due to other consolidations.

LOCAL IMPACTS

- Smaller grocery stores in large cities and small towns are struggling – but not because local people and businesses don't want to shop there.
- Rising food prices, population shifts, and wholesale consolidation make it harder for small stores to survive.
- Small stores often pay more for the same products than big chains.
- Many operate on thin margins with aging equipment—one breakdown can mean closure.

THE ECONOMIC ROLE OF GROCERY STORES IN RURAL COMMUNITIES

Grocery stores play a critical role in supporting rural economies and community development. Their presence contributes to both direct and indirect economic benefits[3]:

- **Employment Generation**: On average, approximately 24 jobs are created for every 10,000 square feet of grocery retail space.[4]
- **Property Value Impact:** The introduction of a grocery store can enhance neighborhood desirability and increase nearby residential property values. In lower-income areas, this effect may help stabilize or reverse declining property trends.[5]
- **Commercial Revitalization**: Grocery stores often serve as anchor institutions, attracting additional businesses and encouraging investment in surrounding areas.
- **Support for Local Trades:** Store construction, maintenance, and operations generate demand for services such as plumbing, electrical work, and carpentry.

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[1] Mitchell, S. (2024). The policy shift that decimated local grocery stores. *Institute for Local Self-Reliance.* https://ilsr.org/articles/policy-shift-local-grocery/
[2] Stevens, A., Cho, C., Cakir, M., Kong, X. & Boland, M.A. (2021). The Food Retail Landscape Across Rural America. U.S. Department of Agriculture, Economic Research Service. EIB-223.
[3] Rural Grocery Initiative. (2021). *Grocery store considerations for city leaders*. Kansas State University. https://www.ruralgrocery.org/learn/library/
[4] Bell, J., Mora, G., Hagan, E., Rubin, V., & Karpyn, A. (2013). Access to Healthy Food and Why It Matters: A Review of the Research. PolicyLink. *www.policylink.org*
[5] Reinvestment Fund (2007). The Economic Impacts of Supermarkets on their Surrounding Communities. Reinvestment Brief, Issue 4. *www.reinvestment.com*

- Resilience During Economic Disruptions: Grocery stores have demonstrated stability and continued operation during economic downturns and public health emergencies, reinforcing their role as essential community infrastructure.

SMALL TOWNS, LOCAL GROCERY STORES, AND THE FUTURE

Similar patterns of consolidation and business shifts at national levels have impacted the economic fabric of Pembina and Nelson county's small towns – independent of the productivity of their local economies.

Over the past 50 years, as larger multi-national companies and government agencies closed local branches based on decisions not related to the region's needs or customer traffic, rural communities have lost the jobs, services, and critical economic variety that once sustained thriving Main Streets.

Agriculture is one of North Dakota's largest and most productive industries, with its direct and indirect impacts accounting for $41.3 billion – or $25.5% -- of the state's gross business volume, and 20.7% of all employment, as well as 7.5% of state and local government revenues. Crop production accounts for 52% of the state's agricultural gross business volume – and the state's agricultural productivity has been growing[6].

Most of the crops and livestock in the state are raised by family farmers. In North Dakota:

- 86% (21,555) of the state's 25,068 farms are primarily owned and operated by families or individuals.[7]

Small town grocery stores are interconnected to the viability and future of their communities. When they become smaller or close, it means:

- Longer travel times for basic needs increases individual and family expenses.
- Local businesses, institutions, care centers buy food elsewhere.
- Less money staying in the local economy.[8]

NORTH DAKOTA'S RURAL FOOD ACCESS CHALLENGE

The idea of a rural "food desert" has been around only since the 1990s, coined by a task force studying what was, at the time, a new phenomenon.

In the 1980s, most of North Dakota's small towns between 100 and 2,100 people had a grocery store, and the success of that store, or stores, in many cases, was linked to the health and variety of other businesses within the community.[9]

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[6] Bangsund, D., & Hodur, N. (2025). North Dakota Agriculture Industry Economic Contribution Analysis Summary Report. *AgEcon Search*. 10.22004/ag.econ.352086
[7] USDA 2022 Farm Census
[8] Lichter, D. T., & Johnson, K. M. (2025). Depopulation, deaths, diversity, and deprivation: The 4Ds of rural population change. *The Russell Sage Foundation Journal of the Social Sciences, 11*(2), 88-114. DOI: https://doi.org/10.7758/RSF.2025.11.2.05
[9] Leistritz, L. F., Mortensen, T. L., Bastow-Shoop, H., Braaten-Grabanski, J., Schuler, A., & Fedorenko, J. (1990). Revitalizing the retail trade sector in rural communities: Experiences of 13 North Dakota towns. Agricultural Economics Report No. 250, August 1989. *Farm Research (48)*2. North Dakota State University, Department of Agricultural Economics. hdl:10365/27796

Since 2014, North Dakota has lost 47 rural grocery stores, leaving only 90 among the 339 towns with populations between 100 and 2,100.[10]

LOW ACCESS TO FOOD

Pembina and Nelson Counties are among 34 North Dakota counties considered to have Low Access to fresh foods and full-service grocery stores or supermarkets with more than $2 million in annual sales.

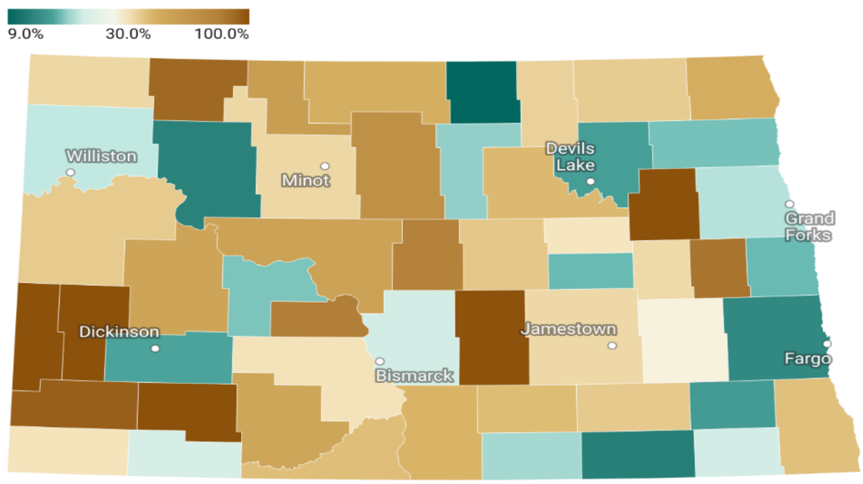
The USDA defines low access areas as census tracts where at least 500 people or 33% of the population live more than 10 miles (non-metro areas) away in a rural area or more than one mile away in a city) from the nearest grocery store with multiple cashier stations.[11]

Under this definition, the convenience store-grocery in Lakota and small grocery stores in towns like McVille, Michigan, Tolna, Walhalla, Pembina, and Drayton are not counted by the USDA in its grocery store research.

North Dakota's agricultural towns and farmers in 34 counties have low access to grocery stores

On average, 45% of rural residents in 34 ND counties live 10 to 20 miles, or more, from a grocery store, about 5x more than rural areas nationally. Two counties do not have a grocery store.

The USDA defines these tracts as Low Access Areas, or food deserts. Rural grocery stores are essential for well-being, local businesses, tourism, workforce attraction, and competitiveness.



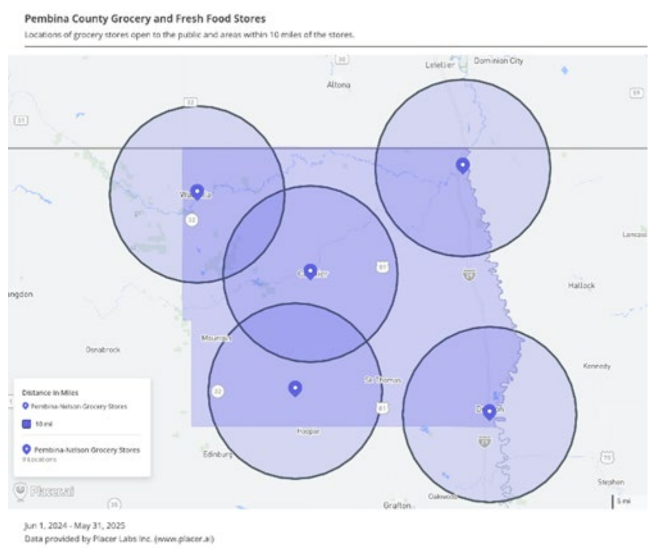
Map: Red River Regional Council • Source: USDA ERS Food Access Research Atlas (2015, 2019) • Created with Datawrapper

[10] Huber, E. (2025). Testimony to the North Dakota Senate Agriculture and Veteran Affairs Committee from the North Dakota Association of Rural Cooperatives. https://ndlegis.gov/assembly/testimony/ SAVA-2228-20250207-35983-F-HUBER_ELLEN-1
[11] USDA Economic Research Service. (2025). *Food Access Research Atlas*. https://www.ers.usda.gov/data-products/food-access-research-atlas

PEMBINA COUNTY

PEMBINA COUNTY INDEPENDENT GROCERY STORES OVERVIEW

Pembina County has two independently owned grocery stores, a community owned grocery store, one that is part of a small grocery store chain with 11 stores in North Dakota and Minnesota. One privately owned grocery store is not open to the general public. There is at least one convenience store that also carries a limited selection of grocery staples and fresh food.



- Leever's Foods – Cavalier, chain grocery store
- D&K Grocery – Pembina, independently owned
- CB Grocery Store – Walhalla, independently owned
- 1878 Grocery Company – Drayton, community owned, privately operated
- Campus & Co – Neche, privately owned church grocery store, only for church members, not open to the public

STORES INCLUDED IN THIS STUDY:

- CB Grocery, Walhalla
- D&K Grocery, Pembina
- 1878 Grocery Co., Drayton

Travel distances between communities can range from 10 to 30+ miles, making residents dependent on reliable transportation and store stability for local food access.

GROCERY STORE PROFILES

D & K GROCERY: FRIENDLY, ESSENTIAL FRESH FOOD STORE

D&K Grocery in Pembina serves the very rural corners of northeastern North Dakota and northwestern Minnesota. Owned and operated by the same owner for nearly 20 years, D & K is known for offering weekly grocery delivery and in-house meat cutting. The store provides a selection of fresh products and essential goods, with a focus on serving the needs of its community.

STORE HIGHLIGHTS

- Weekly Delivery: Offers personalized grocery delivery every Wednesday, especially for seniors and those recovering from surgery.
- Fresh Meat Cutting: Provides in-house meat cutting, adding value for customers seeking fresh, local options.

- Community-Oriented: Long-time community supporter; store provides critical food access for area residents in North Dakota and Minnesota.

FOOT TRAFFIC INSIGHTS FROM PLACER.AI

- Solid Growth: Visits rose by 13.8% in past 12 months.
- Longer Engagement: Highest average visit duration at 19 minutes, suggesting browsing or larger basket sizes.
- Weekend Peaks: Strong Saturday and Sunday traffic, ideal for promotions.
- Core community business: Most customers stop at grocery store to/from home, work, or local businesses.

CB GROCERY: COMMUNITY CORNERSTONE SAVED FROM CLOSURE

The store's current owner bought the business in 2020 to keep this community cornerstone operating in Walhalla, despite being new to the grocery business. The store has become a community cornerstone, offering weekly deliveries and planning to expand with a deli and commercial kitchen. Store is located on the way to the area's premiere tourist attractions: Frost Fire Park and Pembina Gorge State Park.

STORE HIGHLIGHTS:

- Deli Expansion Plans: Preparing to launch a deli with a commercial kitchen to offer hot meals and support local bakers.
- Local Delivery: Provides phone-in ordering and weekly delivery service.
- Multi-Service Hub: Operates a connected bottle shop and campground, enhancing convenience for locals and visitors.

FOOT TRAFFIC INSIGHTS FROM PLACER.AI:

- Core community business: Most customers stop at grocery store to/from home, work, or local businesses.
- Strong Growth: Visits increased by 30.8% year-over-year.
- Longer Visit Duration: Average visit lasted 17 minutes, suggesting deeper engagement.

1878 GROCERY COMPANY: COMMUNITY-OWNED GATHERING PLACE

The 1878 Grocery Company in Drayton is a community-driven grocery store operated by a for-profit LLC and owned by the Drayton Economic Development Corporation (DEDCO). It was established to preserve essential food access after the town's previous store closed in 2022. The store features a commercial kitchen, offers fresh-cut meats, and produces smoked items like jerky and sausage in-house. It also provides hot meals such as rotisserie chicken and pork.

STORE HIGHLIGHTS:

- In-House Meat Cutting and Smoking: The store offers fresh meat, including house-smoked jerky and sausages, prepared on-site in a commercial kitchen.
- Rotisserie Meals: Regularly prepares and sells hot rotisserie chicken and pork, providing convenient meal options for customers.

- Community Kitchen Access: The store is exploring renting its commercial kitchen to local cottage bakers, supporting small food entrepreneurs and expanding local product offerings.

FOOT TRAFFIC INSIGHTS FROM PLACER.AI:

- Steady Performance: Visits grew by 11% over the past 12 months.
- Balanced Daily Traffic: Consistent visits across weekdays, with peaks on weekends.
- Efficient Visits: Median visit duration of 8 minutes, indicating quick, purposeful shopping.

SHARED STRENGTHS AND NEEDS

BUSINESS OPERATIONS

STRENGTHS:

- Community-Centered Service: All stores are deeply embedded in their communities, offering personalized services like phone orders and local delivery.
- Inventory Awareness: Owners are attentive to inventory turnover and waste, adjusting orders to match demand and reduce spoilage.
- Flexible Staffing Models: Stores are experimenting with hybrid staffing, part-time roles, and youth employment to manage labor needs.

NEEDS:

- Supply Chain Volatility: All stores face challenges with freight costs, product shortages, and tariff impacts, especially for Canadian-sourced goods.
- Labor Shortages: Difficulty finding and retaining skilled staff, particularly for specialized roles like meat cutting or deli prep.
- Operational Burnout: Owners and managers are stretched thin, often covering multiple roles without sufficient backup.

ENTREPRENEURSHIP

STRENGTHS:

- Owner Commitment: Each store is led by highly motivated individuals or community groups who stepped in to preserve local access to groceries.
- Openness to Innovation: Interest in cooperative buying, commercial kitchen rentals, and self-service or hybrid models is strong.
- Grant Engagement: Owners are actively pursuing grants and partnerships to support sustainability and growth.

NEEDS:

- Capital for Expansion: All stores have identified growth opportunities (e.g., delis, bakery, hardware sections) but lack the funds to implement them.
- Business Planning Support: Some stores lack formal business or transition plans, which could hinder long-term sustainability.

- Marketing and Perception: Persistent misconceptions about pricing compared to larger stores affect local shopping habits.

ESSENTIAL EQUIPMENT

STRENGTHS:

- Proactive Planning: Owners are actively seeking quotes and planning for upgrades to essential equipment like hoods, condensers, and deli counters.
- Creative Resource Use: Some stores have repurposed or salvaged equipment from other businesses to reduce costs.

NEEDS:

- Outdated Refrigeration: Multiple stores have aging coolers and freezers with poor energy efficiency, increasing utility costs and maintenance risks.
- Limited Equipment Redundancy: Equipment failures (e.g., furnaces, condensers) pose significant operational risks due to lack of backups or capital for immediate replacement.

AGING FACILITIES

STRENGTHS:

- Strategic Renovations: 1878 Grocery completed major renovations with grant and loan support; CB and D&K are planning targeted improvements.
- Ownership or Long-Term Control: Most stores own or have stable arrangements for their buildings, allowing for long-term planning.

NEEDS:

- Structural Issues: CB Grocery has shifting floors; D&K and CB both face challenges with rooftop-mounted equipment complicating roof repairs.
- Energy Efficiency Gaps: Older buildings lack insulation and modern systems, and access to energy efficiency programs is limited or complex.

COMMUNITY ENGAGEMENT & PERCEPTION

STRENGTHS:

- Local Loyalty: Each store has a core group of loyal customers and community members who value having a local grocery option.
- Willingness to Collaborate: Owners are open to working with local producers, bakers, and economic development groups.

NEEDS:

- Changing Shopping Habits: Many residents still shop out of town or online, often due to misconceptions about local pricing or limited product selection.

- Visibility and Education: Stores need support in communicating their value, pricing competitiveness, and community impact to shift public perception.

SHARED SUPPLIER: SPARTANNASH

CB Grocery, D&K Grocery, and the 1878 Grocery Company use SpartanNash as their main grocery wholesale supplier. SpartanNash supplies 2,300 independent grocery stores and has a distribution center in Fargo. The company has additional grocery store support services, which vary by region of the country, to support grocery store operations, that it offers for a fee, including electronic shelf labels, point-of-sale systems, business operations, and marketing.[12]

We recommend that the three stores learn more about the types of services and grocery operations support that might be available through SpartanNash.

However, we recognize that the future of SpartanNash as a wholesale supplier to these stores, and the services and support that might be available, is now quite uncertain.

On June 23, 2025, C&S Wholesale Grocers announced a $1.77 billion acquisition of SpartanNash, the grocery wholesaler that supplies Pembina County's three independent grocery stores[13]. The combined company will operate over 60 warehouses and serve nearly 10,000 independent retailers nationwide. The merger is positioned as a strategy to improve supply chain efficiency and compete with large national retailers.

KEY POINTS:

- SpartanNash's Midwest distribution network will expand C&S's national reach.
- The companies expect improved pricing and logistics for independent grocers.
- The merger is pending regulatory approval and expected to close by year-end

For Pembina County stores, the merger may bring operational benefits, such as broader product access and potential cost savings. However, it also reflects a broader trend of consolidation in the grocery supply chain, which could reduce supplier diversity and limit flexibility for small retailers.

RURAL FOOD ACCESS CONSUMER SURVEY: PEMBINA COUNTY

(Fall 2024–Winter 2025)

This survey was conducted to better understand grocery shopping behaviors, food preferences, and store priorities among residents of Pembina Counties. The goal was to gather input from adults across different age groups to identify patterns and challenges related to local food access. The findings provide a snapshot of how residents shop, what they value in food and store options, and

[12] https://spartannash.com/wholesale

[13] Wilson, B. (June 23, 2025). C&S Wholesale Grocers acquires SpartanNash for %1.77B. *Supermarket News*. C&S Wholesale Grocers acquires SpartanNash for $1.77B

where improvements may be needed. It also asked questions on out-of-town shopping, travel distance, SNAP use, farmers markets, and food security. The survey was adapted from the 2023 ND Rural Grocers Consumer Survey.

SURVEY RESPONSE SUMMARY

- Total responses: ~174
- Age split: 71% from ages 25–54, 28% from ages 55+

DEMOGRAPHICS

- **Families with Children**: 58% of respondents have at least one child under 18 in the household; 78% of respondents ages 25 to 54 have one or more children living at home.
- **Access:** 76% live within 10 miles of a grocery store, but distance remains a challenge for some.
- **Shopping Behavior:** Most reported shopping locally weekly or 2–3 times per week, often combining trips with other errands.

STORE IMPROVEMENTS DESIRED:

- Lower prices and more sales (68%)
- Better produce and meat quality (66%)
- More variety and locally grown foods

SURVEY INSIGHTS: DIFFERENCES BETWEEN AGE GROUPS

SHOPPING FREQUENCY AND CONVENIENCE

- Adults 25–54 are more likely to shop during early evening (4–7 p.m.) and afternoons, aligning with work schedules.
- Adults 55+ prefer mornings, likely due to more flexible schedules and a desire to avoid crowds.

SPENDING PATTERNS

- 25–54 age group reports higher weekly grocery spending, with 44% spending $101–$200 per week.
- 55+ group tends to spend less, reflecting smaller household sizes or fixed incomes.

STORE PRIORITIES

- Younger adults (25–54) prioritize store cleanliness, customer service, and proximity to work.
- Older adults (55+) emphasize parking availability, proximity to home, and store layout.

FOOD PREFERENCES

- 25–54 group values fresh produce, meat, and variety, including special diet options (e.g., gluten-free).

- 55+ group places more importance on locally sourced and organic foods, and are less concerned with variety.

TECHNOLOGY AND SERVICES

- Younger adults show more interest in online ordering, curbside pickup, and e-wallet payments.
- Older adults are less likely to use these services, preferring traditional in-store shopping.

INSIGHTS FROM PARTICIPANTS WITH CHILDREN

Pembina County has gotten younger – that is, there are many more young adults and young children in the county than 5 years ago. **In June 2025, infants and toddlers ages 0–2 made up 25% of all children under 12 in Pembina County, totaling 212 children[14]**.

The following zip code areas/cities all have more young children (0-9) in their populations than the county average (11%):[15]

- 58225 Drayton: 17%
- 58216 Bathgate: 16%
- 58271 Pembina: 16%
- 58265 Neche: 16%
- 58243 Hoople area: 21%

This baby boom suggests that there are higher concentrations of younger adults in these areas. More than 70% of survey participants were ages 25 to 54, while this age group comprises about 37% of the county's population.

KEY DIFFERENCES

- Spending: Households with children are more likely to fall into the $101–$200 per week grocery spending range, reflecting higher food needs.
- Shopping Time: These households prefer shopping in the afternoon and early evening, aligning with work and school schedules.
- Trip Efficiency: A large portion of these respondents combine grocery trips with other errands, indicating a need for convenience.

STORE PREFERENCES

- Cleanliness and Layout: Important for families managing children during shopping.
- Customer Service: Friendliness and helpfulness are valued, especially when shopping with kids.
- Parking: Easy access is a priority.

FOOD PREFERENCES

[14] North Dakota Department of Health and Human Services
[15] ACS 2018-2023 5-year

- Fresh Produce and Meats: High priority for family meals.
- Special Diets: Interest in gluten-free, low-sodium, and other dietary options.
- Organic and Local: Appreciated but secondary to freshness and quality.

TOP PRIORITIES

- Lower Prices and Sales: Most frequently cited improvement needed.
- More Variety: Especially in produce, meats, and ready-to-eat meals.
- Better Quality: Families want reliable, fresh food options.

IMPLICATIONS FOR GROCERY STORES FROM CONSUMER SURVEY

- **Flexible Hours**: Extend hours to accommodate both early risers (55+) and evening shoppers (25–54).
- **Targeted Promotions:** Offer discounts and loyalty programs tailored to younger families and budget-conscious seniors.
- **Enhanced Services:** Invest in curbside pickup and online ordering for younger shoppers, while maintaining in-store support for older customers.
- **Product Mix:** Stock fresh, high-quality produce and meats, with options for special diets and local products.
- **Community Engagement**: Promote local sourcing and farmers markets to appeal to both age groups' values.

The survey results show that while shopping habits and preferences vary by age, there are shared priorities across the community—such as access to fresh food, reasonable prices, and convenient store locations. These insights can help local grocery stores and community leaders make informed decisions to better meet the needs of residents and support long-term food access in the region.

PRICE SURVEY

This in-store survey identified 25 to 30 common grocery staples at Pembina County stores and compared prices to those offered at regional alternatives (e.g., Walmart, Sam's Club, Hugo's)

KEY FINDINGS

- Walmart's lower prices and online ordering for pick-up make it especially attractive for families.

MARKET CONTEXT: PEMBINA COUNTY AND ITS COMMUNITIES

This report provides a concise demographic and economic overview of Pembina County, North Dakota, with comparative insights from neighboring counties—Walsh County (ND), Kittson County (MN), and Cavalier County (ND). Drawing on recent data from 2023–2024, the analysis highlights key population trends, income levels, workforce dynamics, and educational attainment. It identifies both strengths and emerging concerns that shape the region's economic resilience and community well-being. Special attention is given to the implications for local grocery stores and the urgent need for housing investment across the county.

PEMBINA COUNTY OVERVIEW (2024)

From 2010 to 2022, Pembina County saw an -8.6% shift, declining from 7,402 people to 6,763, a trend that has been seen throughout rural North Dakota counties.

2024 POPULATION & GROWTH[16]

- Population: 6,588 (down from 6,844 in 2020)
- 2020–2024 Decline: -3.7%
- 2000–2020 Decline: -20.3%

ECONOMY & INCOME

- Median Household Income: $75,603 (lower than Walsh and Cavalier)
- Per Capita Personal Income: $83,598 (higher than Walsh and Kittson)
- Poverty Rate: 8.9% (lowest among peers)
- Unemployment Rate: 3.5% (slightly higher than neighbors)

EDUCATION

- Bachelor's Degree or Higher: 22.9% (above Walsh and Cavalier, below Kittson)

LABOR FORCE

- 10-Year Change: -11.4% (significant decline)
- Workforce Shrinking: Reflects aging population and outmigration

TOP 3 STRENGTHS

- **High Per Capita Income:** Shows strong earnings among residents, possibly due to high-wage sectors like manufacturing and finance, rent, and other sources.
- **Low Poverty Rate:** At 8.9%, Pembina has the lowest poverty rate among its peers, suggesting relative economic stability.
- **Educational Attainment:** Nearly 23% of adults have a bachelor's degree or higher, supporting workforce quality and adaptability.

TOP 3 CONCERNS

- **Population Decline:** A 20% drop since 2000 and continued decline through 2024 threatens long-term sustainability.
- **Shrinking Labor Force**: A 10-year decline of over 11% in the labor force limits business growth and service provision.

[16] StatsAmerica.org; ACS 2018-2023 5-year

- **Housing Shortage**: Despite population loss, housing vacancy is low and new construction is minimal (only 4 permits in 2024), creating a mismatch between housing supply and demand. Pembina County needs an additional 627 housing units by 2030 to meet demand.[17]

MARKET IMPLICATIONS FOR GROCERY STORES

HOUSING INVESTMENT IS CRITICAL

- Why: A lack of housing constrains the ability to attract and retain families and workers.
- Action: Incentivize in-fill development, rehab vacant units, and support multi-family housing near services like grocery stores.

SUPPORT FOR AGING AND SHRINKING COMMUNITIES

- Why: Older adults make up a growing share of the population.
- Action: Grocery stores can offer delivery, smaller packaging, and senior discounts; communities can invest in aging-in-place infrastructure.

LEVERAGE ECONOMIC STRENGTHS

- Why: High per capita income and low poverty suggest spending power exists.
- Action: Grocery stores can expand local and specialty offerings; communities can market quality of life to remote workers and entrepreneurs.

SPOTLIGHT ON CHILDCARE

Access to affordable, high-quality childcare is a critical factor in supporting working families and sustaining rural communities. In Pembina County, 2025 data reveals a significant gap between the number of children potentially needing care and the available licensed child care capacity. With 818 children likely needing care and only 153 licensed slots, current supply meets just 19% of estimated demand. This shortage affects not only families but also local businesses, including grocery stores, which rely on a stable workforce and thriving community.

PEMBINA COUNTY MARKET OVERVIEW FROM PLACER.AI

Recent market and tourism data for Pembina County (June 2024–May 2025) from Placer.ai reveals promising trends that could directly benefit grocery stores in Walhalla, Pembina, and Drayton.

Despite a slight decline in resident population (-1%) and employment (-3.9%), the county saw a 2.1% year-over-year increase in out-of-market visitors, totaling over 273,000. This influx of visitors—combined with steady daytime and hourly activity—suggests growing opportunities for local businesses, especially those in food and retail.

KEY TRENDS AND STANDOUT DATA

- **High Visitor Volume**: Out-of-market visitors reached 273,200, with consistent daily and hourly activity, especially during midday and weekends.

[17] Red River Community Housing Development Organization. (2024). *Building Rural Prosperity: A look at current and future housing needs in North Dakota's Region 4.*

- **Top Visited Locations**: Drayton dominated the top 5 most visited places, including Taco John's, Love's Travel Stop, and Cenex—indicating strong traveler traffic and food service demand.
- **Grocery Store Visibility:** CB Grocery in Walhalla ranked among the top 10 most visited sites in the county, with over 50,000 visits—highlighting its role as a key community hub.
- **Retail Hotspots:** Leevers Foods and Dollar General in Cavalier also ranked highly, showing that grocery and general retail remain essential destinations.

OVERNIGHT VISITOR DATA AND IMPLICATIONS

Tourism plays a growing role in Pembina County's local economy, with recent data revealing valuable insights into where visitors come from, how long they stay, and which communities they frequent. Between June 2024 and May 2025, thousands of overnight visitors traveled from across the region and beyond, contributing to extended stays and increased local spending. Communities like Cavalier, Walhalla, Pembina, and Drayton emerged as key destinations, with average stays ranging from 2 to 3 nights.

- 52.6K overnight trips
- 134.8K visit nights

These patterns highlight the importance of tourism in sustaining local businesses—especially grocery stores, which benefit from the daily needs of overnight guests. Understanding these trends helps communities plan for future growth and better serve both residents and visitors.

- Cavalier, Pembina, and Walhalla are the most visited overnight destinations, with visitors staying between 2.6 and 3.1 nights on average—indicating strong potential for extended-stay spending at local businesses, including grocery stores.
- Most long-distance visitors come from regional hubs like Grand Forks and Fargo, with an average stay of 3.4 nights. **This suggests that Pembina County is a multi-day destination for regional travelers.**

IMPLICATIONS FOR GROCERY STORES IN WALHALLA, PEMBINA, AND DRAYTON

- Extended Stays = Higher Spending: Visitors staying 2–3 nights are likely to purchase groceries, snacks, and essentials—especially in towns like Cavalier, Walhalla, and Drayton.
- Regional Tourism Opportunity: With most visitors coming from nearby metro areas, grocery stores can tailor offerings to familiar regional tastes and promote local products.
- Strategic Stocking & Hours: Stores may benefit from aligning hours and inventory with peak visitor days (weekends) and needs (ready-to-eat meals, beverages, travel-friendly items).

CONCLUSION

Based on the findings in the Pembina County Rural Food Access Report, the feasibility of improving grocery store businesses in Pembina County is promising—but contingent on targeted support, strategic planning, and community engagement. Here are the key conclusions:

1. STRONG FOUNDATIONS EXIST

Local grocery stores in Pembina County are deeply rooted in their communities. They are led by committed owners and supported by loyal customer bases. These stores have already demonstrated adaptability through services like delivery, in-house meat cutting, and plans for deli expansion. This foundation provides a strong platform for future improvements.

2. OPPORTUNITIES FOR GROWTH ARE REALISTIC

There is clear potential for growth through:

- Expanded prepared food offerings (e.g., delis, grab-and-go meals)
- Commercial kitchen rentals to support local food entrepreneurs
- Collaborative marketing and increased marketing efforts to shift public perception and increase local shopping

Foot traffic data and survey responses show that residents value local stores and are willing to support them—especially if prices, variety, and quality improve.

3. CHALLENGES ARE MANAGEABLE WITH SUPPORT

The most pressing challenges—aging equipment, staffing shortages, and limited capital—are common among rural businesses and can be addressed through:

- Access to grant funding and low-interest financing
- Technical assistance for business planning and inventory management
- Peer learning and shared services among stores

4. DEMOGRAPHICS AND MARKET TRENDS SUPPORT INVESTMENT

Despite population decline, Pembina County has:

- A growing number of young families with higher grocery spending
- A strong tourism base with over 273,000 out-of-market visitors annually
- High per capita income and low poverty rates, indicating spending power

These trends suggest that with the right strategies, stores can expand their customer base and increase revenue.

FINAL OBSERVATIONS

Improving grocery store businesses in Pembina County is feasible and worthwhile. The stores are well-positioned to adapt and grow, but they will need coordinated support from local leaders, state programs, and community members to overcome structural and financial barriers. With strategic investment and collaboration, these stores can continue to serve as vital anchors for rural food access and economic resilience.

NELSON COUNTY

KEY FINDINGS

- Grocery Store Landscape: Nelson County has four active grocery stores, each vital to its community. These stores face common challenges: aging infrastructure, limited staffing, and tight margins.
- Consumer Insights: Surveys of ~300 residents reveal distinct needs between younger families (ages 25–54) and older adults (55+). Both groups value cleanliness, fresh food, and local service, but differ in shopping habits and product preferences.
- Market Trends: Despite national rural grocery decline, Nelson County shows signs of resilience—population growth among young families, increased foot traffic, and strong community support for local stores.
- Technology Gaps: Many stores lack online presence, modern POS systems, and digital marketing—limiting their competitiveness and reach.

STRATEGIC OPPORTUNITIES FOR STORES

- Modernization & Technology
    - Upgrade infrastructure (lighting, refrigeration, flooring).
    - Adopt digital tools for inventory, marketing, and online ordering.
- Enhanced Local Product Offerings
    - Expand fresh produce, meats, and locally made goods.
    - Introduce ready-made meals and culturally diverse options.
- Financial & Technical Assistance
    - Support more connections to assistance, resources through a county-wide grocery initiative that brings together local, county, regional, and state partners.
    - Increase access to grants and energy-efficiency funding.
- Collaborative Approaches
    - Promote peer-learning; collaborative marketing and other efforts; explore cooperative buying and shared distribution.
    - Partner with schools, healthcare, and senior services.

Nelson County is at a crossroads. With coordinated investment, community engagement, and modernization, its rural grocery stores can not only survive—but thrive—as essential pillars of local health, economy, and resilience.

NELSON COUNTY GROCERY STORES OVERVIEW

Nelson County has four operating stores, each playing a vital role in community food access:

- Lakota – Lakota Cenex / C-Store
- Michigan – Michigan Hometown Foods
- Tolna – Lyndi's Market
- McVille – McVille Market

Travel distances between communities can range from 10 to 30+ miles, making residents dependent on reliable transportation and store stability for local food access.

LAKOTA CENEX C-STORE: FROM CONVENIENCE STORE TO GROCERY LIFELINE

The Lakota Cenex C-Store added grocery items in 2019 after Lakota Grocery closed. Owned by the Farmers Union Oil of Devils Lake, Lakota Cenex is part of a farmer-owned cooperative that operates six convenience stores in the region. The Lakota location employs 4 full-time and 12 part-time staff, and is managed by Jorde, who also oversees operations across sites. It is one of the few fuel-and-food hybrids to successfully bridge the gap between grocery needs and convenience service.

GROCERY DEPARTMENT FEATURES:

- Large section for refrigerated and frozen foods
- 54 feet of dry grocery shelving
- Full deli with commercial kitchen (sandwiches, salads, fried chicken, pizza, etc.)

FOOT TRAFFIC INSIGHTS FROM PLACER.AI:

- Lakota Cenex C-Store, located on U.S. Highway 2, is most visited business in Nelson County.
- Customer traffic is growing, however data doesn't differentiate between grocery and gas station customers. Customers likely bundle shopping: Fuel, food, and essentials.

MICHIGAN HOMETOWN FOODS: GROCERY STORE WITH STAYING POWER

After the original store closed in 2008, the community stepped up, raising funds and working with the Michigan Job Development Authority (JDA) to reopen it. While store operations have had multiple turnovers since 2008, today, Michigan Hometown Foods is a community-owned store operated by a small, committed team. Fresh meat, and multiple grab-and-go, take-home hot and cold foods made in the store are valued by customers.

STORE HIGHLIGHTS:

- Cuts its own fresh meat in-store
- Prepares hot meals, soups, casseroles, and deli items, and made-to-order foods
- Recently upgraded dairy cooler and deep freeze through local fundraising ($46,000)

FOOT TRAFFIC INSIGHTS FROM PLACER.AI:

- Customer traffic up +29% in past 12 months compared to a year ago.

- Core business: Most customers stop at grocery store to/from home, work, or local Michigan City businesses.

LYNDI'S MARKET: HEART OF THE TOLNA COMMUNITY

Lyndi's Market, located on Main Street in Tolna, North Dakota, is more than a grocery store—it's a community hub now owned by a local resident. The store changed owners in 2024, and is an important source of fresh food and daily essentials for local residents, especially the town's senior citizens and the growing number of young families.

STORE HIGHLIGHTS:

- Offers affordable pricing strategies to move fresh produce quickly
- Recently certified for SNAP and e-WIC, increasing access for all
- Carries a good selection of grocery staples, fresh produce, dairy, and meat

FOOT TRAFFIC INSIGHTS FROM PLACER.AI:

- Customer traffic is up +23% in past 12 months compared to a year ago.
- Key local business: Most customers stop at grocery store to/from home, work, or local Tolna businesses.

MCVILLE MARKET: LOCAL ROOTS, COMMUNITY VALUE

McVille Market, operated by father-and-son team Nathan and Luke Horneck, serves as a critical food access point and core business in McVille. Re-opened in May 2024 after a several-month closure in 2023, the store has since established itself as a resilient business committed to community service.

STORE HIGHLIGHTS:

- Offers fresh foods and everyday grocery essentials
- Community-supported with steadily increasing daily revenue since opening in 2024
- Carries local favorites like Stromme Honey and Owl Creek Jam

FOOT TRAFFIC INSIGHTS FROM PLACER.AI:

- Customer traffic is increasing, up + 25% in past 12 months compared to a year ago.
- Most customers are local, going to grocery to/from home; significant percentage stop at grocery on way to/from local medical and care centers and businesses.
- Shows value of economic variety and connections between grocery store and core services and businesses to attract customers who make multiple stops.

SHARED STRENGTHS AND NEEDS

BUSINESS OPERATIONS

- All stores are locally operated, ranging from owner-run to cooperative or community-owned models
- Staffing is lean: most stores operate with 2–4 full-time staff and several part-time helpers

- Common business challenges include manual pricing, tight margins, and limited online visibility

ENTREPRENEURSHIP

- Owners/managers are deeply committed to community service and developing stronger local business and institutional relationships
- Innovations include deli foods, fresh-cut meats, made-to-order meals, and hybrid C-store models

ESSENTIAL EQUIPMENT

- Equipment needs are widespread: coolers, freezers, compressors, and kitchen infrastructure
- Some stores face issues with aging or nonfunctional units, or units that don't meet health codes
- Local fundraising and grant support have been very helpful (e.g., Michigan's $46K for new coolers)

AGING BUILDINGS

- Some store buildings have major structural issues: poor insulation, roof damage, failing HVAC, sewer odors, and damaged flooring
- At least two stores both report critical infrastructure gaps and accessibility concerns: Lack of automated doors are a barrier for older customers

COMMON WHOLESALER: WHY IT MATTERS

All four stores currently source products from the same wholesale distributor that specializes in supplying independent, small-town grocery stores:

MASON BROTHERS (WADENA, MN)

- Founded in 1920, Mason Brothers is a family-owned wholesale grocery distributor based in Wadena, Minnesota.
- The company supplies over 400 independent grocery and convenience stores across six states, offering more than 20,000 products, including fresh produce, meats, dairy, frozen foods, and general merchandise.
- Mason Brothers is known for its regional sourcing, personalized customer service—including merchandising and layout support—and reliable next-day delivery within an eight-hour radius.
- Its long-standing commitment to independent retailers positions it as a key partner for rural grocery stores in the Upper Midwest.

WHY IT MATTERS:

- Stores benefit from access to affordable house brands like Heartland Farms and Abby's Bakery. Mason Bros. also carries lower-priced, competitive offerings for grocery staples such as cheese and dairy products from Minnesota and Iowa producer cooperatives.
- Provides more than food: Company offers merchandising, advertising, store layout, and tech support.

- Supportive, accessible store representatives: Grocery store reps understand the rural context and are in frequent contact with Nelson County store operators.
- Reliable logistics: Delivers 2x a week to Nelson County stores; can offer next-day delivery with temperature control from regional hubs.
- Potential for Deeper Support: Mason Bros. could serve as a partner in mentoring, modernization, and coordinated ordering for Nelson County stores. Having a rural-focused grocery wholesale supplier is important for helping rural grocers stay competitive.

RURAL FOOD ACCESS CONSUMER SURVEYS

SURVEY 1: MCVILLE AREA (SPRING 2023)

Following the closure of the McVille grocery store, over 100 residents attended a community meeting. A countywide online survey gathered 200 responses, focusing on where people shop, grocery spending, and key decision factors.

SURVEY 2: PEMBINA-NELSON STUDY (FALL 2024–WINTER 2025)

Building on the first survey, this round added questions on out-of-town shopping, travel distance, SNAP use, farmers markets, and food security. Tools were adapted from the 2023 ND Rural Grocers Consumer Survey.

SURVEY RESPONSE SUMMARY

- Total responses: ~300 (200 in 2023, 98 in 2024–25)
- Age split: Half aged 25–54, half over 55

KEY FINDINGS: SHOPPING HABITS & PRIORITIES

Survey responses reveal how age, income, and household structure shape grocery habits in Nelson County. These factors influence not just what people buy, but how often and where they shop.

Understanding the shopping priorities of different age groups can help local grocery stores better serve their community. The survey results highlight the top store-related and food-related priorities for residents aged 25–54 and those aged 55 and older. Addressing these preferences can enhance customer satisfaction and loyalty.

INSIGHTS FROM CONSUMERS AGES 25 TO 54

This group represents a valuable customer base—high-spending, family-centered, and eager to support local businesses when expectations are met.

- 71% live with children under 18
- 57% report household incomes above $101,000, but need dollars to stretch
- 55% live within 10 miles of a local grocery store; 45% live further
- 73% spend $101 or more weekly on groceries

TOP PRIORITIES FOR THIS GROUP:

- Store environment (clean, well-lit, organized)
- Competitive pricing and regular sales
- More advertising, updated online information
- Quality customer service and local product support
- Fresh, current food—especially produce and meat

RECOMMENDATIONS TO GROCERY STORES

- Add specials and advertise more frequently
- Update online information and post regularly to social media
- Offer pickup through app or online orders
- Introduce fresh meals, baked goods, and culturally diverse foods
- Extend hours and optimize layout for convenience

INSIGHTS FROM CONSUMERS AGES 55 AND OLDER

This demographic prioritizes consistent quality, convenience, and community support. Many shop in the mornings, suggesting that stores could engage this group through early-day specials, senior discounts, or in-store experiences.

- 79% live with one other adult; 15% live alone
- 31% report household incomes of $50,001 to $75,000; 28% $75,001 to $100,000
- 67% live within 10 miles of a local grocery store
- 77% spend $100 or less weekly on groceries

TOP PRIORITIES FOR THIS GROUP:

- Store cleanliness, organization, and lighting
- Support for local businesses
- Friendly, helpful customer service
- Prices and proximity to home

FOOD-RELATED PRIORITIES:

- Fresh, current products
- Quality produce and meat
- Good variety
- Locally grown or made products
- Ready-to-eat foods

CONSUMER FEEDBACK FOR LOCAL GROCERY STORES

- Store Environment: Both age groups value a clean, organized, and well-lit store. Ensuring a pleasant shopping environment is crucial for attracting and retaining customers.
- Support for Local Businesses: Older residents, in particular, prioritize supporting local businesses. Highlighting locally sourced products and community involvement can resonate well with this demographic.

- Customer Service: Excellent customer service is a top priority for both age groups. Training staff to be friendly, helpful, and knowledgeable can significantly improve the shopping experience.
- Pricing and Specials: Competitive pricing and regular specials are important, especially for younger shoppers. Offering promotions and discounts can draw in more customers.
- Convenience: Proximity to home is a key factor for both age groups. Additionally, younger shoppers appreciate longer hours, online ordering, and a variety of ready-to-eat foods. Adapting to these needs can increase convenience and attract more shoppers.

PRICING SURVEY

Spring 2025
This survey compare prices for 25 to 30 common grocery staples at Nelson County stores to regional alternatives (e.g., Walmart, Sam's Club, Hugo's)

KEY FINDINGS:

- Local stores carrying Mason Bros. house brands are competitive on staple items like milk, bread, canned goods, and eggs
- Walmart's lower prices and online ordering for pick-up make it especially attractive for families.

CONSUMER SURVEY INSIGHTS ON SHOPPING BEHAVIOR AND COMPETITION

Nelson County residents are on the move for groceries, which reflects both competition by larger grocery stores and supercenters, but also reflects the advantages of communities that have attracted families that want the benefits of a rural lifestyle and the conveniences of a larger city:

- 60% of surveyed households shop at Walmart in Devils Lake or Grand Forks.
- Many drive 25–60 miles, and some go up to 120 miles to reach big-box stores in Fargo.
- 55% shop in Grand Forks; 44% in Devils Lake—bundling errands and stocking up monthly.

But local stores still play a vital role:

- 55% of respondents said they include local grocers in their regular routine.
- Michigan Hometown Foods saw nearly 24,000 visits last year—ranking in the county's top 10 most visited spots.
- McVille Market and Lakota Cenex C-Store were also frequently named by shoppers.

Convenience stores are key players:

- Dollar General in Lakota logged nearly 79,500 visits—a major draw for packaged goods.
- Cenex in Lakota had over 208,000 visits, showing the power of multi-purpose, high-traffic locations.

IMPLICATIONS

People will travel for price and variety—but they still value local access, especially for:

- Fresh foods

- Quick trips
- Personal service
- Community connection
- To stay competitive, local stores can focus on what big chains can't offer:
- High-quality produce and meat
- Locally made or sourced products
- Friendly, familiar service
- Extras like ready-to-eat meals, special orders, or seasonal goods

Bottom line: Over half the community already shops local. With the right mix of quality, service, and convenience, that number can grow.

INSIGHTS AND STRATEGIES FOR GROCERY STORES

1. DUAL MARKET DYNAMICS: FAMILIES VS. SENIORS

- Younger Adults (25–54) drive volume and revenue: They shop for larger families, spend more weekly, and are more likely to seek out bulk items and online conveniences.
- Older Adults (55+) shop more frequently, but in smaller quantities. Their preferences lean toward product consistency, familiar brands, and clear promotions rather than price-chasing or tech-based shopping.

Implication: Nelson County stores need dual strategies—value packs, evening hours, and tech conveniences for families; smaller packaging, printed sales flyers, and early-day service for older adults.

2. SHOPPING PATTERNS REFLECT PRICE AND VARIETY TRADE-OFFS

- While Walmart dominates for price-sensitive and variety-seeking consumers (61% shop there), over half still shop at local stores, demonstrating a clear preference for convenience, service, and community loyalty.
- However, price competitiveness remains a major challenge for small stores, especially on non-house brand items.

Implication: Stores that can maintain price parity on staple goods while emphasizing customer service, fresh products, and prepared food may retain more spending locally.

3. DISTANCE AND MOBILITY ARE NORMALIZED

- Many respondents regularly drive 30–60 miles for groceries—some even farther. This demonstrates that rural consumers are highly mobile and willing to travel for better prices or wider selection.
- Implication: Convenience alone isn't enough. Rural stores need to offer something compelling—like specialty items, meal kits, or community-centered services—to compete with distant competitors.

4. TECHNOLOGY GAPS ARE HURTING LOCAL STORES

- Respondents showed a desire for more advertising, online advertising through social media, updates to Google, and an interest in online ordering, especially younger families, but local stores lack consistent online marketing strategies and e-commerce options.
- WIC/SNAP access is also limited in some stores, excluding potential customers.

Implication: Addressing online marketing needs, as well as digital and regulatory barriers—e.g., modern POS systems, online menus, WIC certification—can expand market reach and improve store viability.

5. PRODUCT STRATEGY MUST REFLECT HOUSEHOLD REALITIES

- With only 7–8% of households having 3+ adults, and a clear split between larger families and seniors, stores need product mixes tailored to each:
- Larger portions, lower price-per-unit items for families.
- Smaller packages, grab-and-go, and single-serve meals for seniors.

Implication: Differentiated product curation (e.g., "family packs" vs. "senior specials") could improve satisfaction and reduce waste.

6. PREPARED FOODS AND GRAB-AND-GO ARE A GROWTH OPPORTUNITY

- Consumers across age groups expressed interest in ready-to-eat and ready-to-heat foods.
- Implication: Investing in a small deli, hot food bar, or even daily specials can generate higher margins and meet evolving consumer preferences.

NELSON COUNTY MARKET OVERVIEW: POPULATION AND VISITOR GROWTH

SUMMARY INSIGHTS

POSITIVE TRENDS & IMPLICATIONS

1. A Rising Share of Young Families Signals Housing Demand

- Several Nelson County communities are experiencing a baby boomlet. ZIP code and American Community Survey data shows that children ages 0–9 make up 13–26% of the population in towns like Brocket, Tolna, and Petersburg—well above the state average for this age group.
- When adjusted for the 5% undercount typical for children in Census data (U.S. Census Bureau, 2022), the actual share may be even higher.

Implication: This growth creates steady demand for starter homes, affordable rentals, and child-friendly amenities—and ensures consistent grocery sales from larger households.

Recommended Action: Prioritize family-focused housing and neighborhood development in towns showing population momentum.

2. Increasing Numbers of Adults Ages 25–49

- In several ZIP codes—especially those near U.S. Highway 2—adults ages 25 to 49 now make up 35–40% of the population, a notably strong representation for rural areas.

- These are prime working-age residents and often parents of young children, which translates into higher grocery spending, school enrollment, and interest in community stability.

Implication: Investing in housing options for this group—like energy-efficient single-family homes and multi-bedroom rentals—will help keep families in the county.

Recommended Action: Pair housing incentives with grocery and retail investments, such as store updates, delivery options, and family-friendly services.

3. Earnings and Educational Attainment Are Improving

- From 2020 to 2024, median earnings for all workers in Nelson County increased, and the share of adults age 25+ with a bachelor's degree or higher also rose.
- These trends suggest a growing number of residents with stable incomes and professional or skilled jobs, meaning commuters to Devils Lake and Grand Forks.

Implication: These residents can support more diverse and premium grocery offerings, and they are likely seeking quality housing near work or transportation routes.

Recommended Action: Expand housing options for mid-income earners, and encourage local grocery stores to stock fresh foods, locally made products, and ready-to-eat meals that align with consumer expectations.

4. Foot Traffic from Visitors and Commuters Remains Strong

- Placer.ai data shows over 191,000 out-of-market visitors per year in Nelson County—a number 60 times greater than the local population.
- The daytime population is ~2,500, boosted by 1,400 workers and commuters—many of whom are not county residents.

Implication: Grocery stores, especially those in Lakota and Michigan, can tap into this audience by offering lunch items, grab-and-go meals, and essentials for travelers and commuters.

Recommended Action: Include grocery upgrades in broader downtown revitalization or highway corridor plans to increase visibility and capture more non-resident spending.

5. Housing Development Is Already Underway—and Working

- Between 2023 and 2025, at least 37 properties were sold, and at least 2 to 4 new homes have been built with the support of local housing groups.
- Available housing shifts contributed to a 5.5% increase in Nelson County's population between 2019 and 2023—a rare reversal of rural population decline.

Implication: Even modest housing investments can reverse population trends, grow the tax base, and strengthen demand at local grocery stores.

Recommended Action: Replicate these housing efforts in other towns, especially those with operating grocery stores, to reinforce a positive feedback loop between residential growth and retail sustainability.

Together, these trends show that Nelson County is in a stronger position than many rural places to support growth. With coordinated action across housing, retail, and transportation sectors, leaders can build on this momentum to retain families, attract workers, and sustain essential businesses like local grocery stores.

POPULATION PROJECTIONS AND IMPLICATIONS FOR GROCERY STORES

Nelson County is experiencing a shift towards population growth due to younger adults and families moving in. This trend is driven by several factors, including energy, education, housing, and business development.

GROWTH CORRIDOR ALONG U.S. HIGHWAY 2

- U.S. Highway 2, links the energy development region around Williston to hubs in Minot, Devils Lake, and Grand Forks.
- Rural communities and larger cities along Hwy 2 are growing

Using Placer.ai and STI PopStats™, which identifies potential change at community levels, and is much more useful than countywide figures for rural places, we mapped the zip code areas and communities in Nelson County and the region.

The STI PopStats™ 2023-28 projections show a greenbelt of growth or minimal population loss within 5 to 10 miles of U.S. Highway 2 between Devils Lake and Grand Forks.

COMMUTING AND LOCAL DEVELOPMENT

Nelson County's communities are well-positioned for those seeking a rural lifestyle within commuting distance of Devils Lake and Grand Forks. In 2022, a significant number of residents commuted in and out of the county for work. Expansions in healthcare, airports, universities, technology, and downtown revitalization have contributed to growth in these larger cities.

IMPLICATIONS FOR GROCERY STORES

Population growth, particularly among households with children and working-age adults, benefits grocery stores. These households tend to spend more on food, shop more frequently, and value convenience. Therefore, maintaining and expanding rural food access is crucial. However, areas with higher percentages of residents aged 65+ are projected to see population declines. Without significant efforts to increase housing, especially in communities with grocery stores, further population decline is expected.

Strategic housing development, particularly for young families, can support local population growth and, in turn, benefit grocery stores by increasing demand and ensuring their sustainability.

CROSSROADS BETWEEN GROWTH AND LOSS

The zip code areas in Nelson County with higher percentages of residents age 65+ are projected by STI PopStats™ to see population losses as high as 5% (orange) in the next 5 years. Without significant efforts to increase housing in Nelson County's communities, the North Dakota State Data Center estimate out-migration and deaths will result in further population decline of ~10% a decade.

MARKET CONTEXT – POPULATION & VISITOR INSIGHTS

Foot traffic analysis (Placer.ai) shows about 191,500 out-of-market visitors annually, presenting opportunities to align grocery offerings with commuter and visitor needs. (Placer.ai & STI Data, June 2024–May 2025)

- **Resident Population**: 3,000; slight decline of –0.3% vs. 2022
- **Out-of-Market Visitors**: 191,500; Up +4.3% year-over-year
- **Local Employees: 1,400;** Up +1.5% year-over-year
- **Daytime Population (Workplace Estimate**): 2,500

WHAT THIS MEANS FOR LOCAL GROCERY STORES

- Visitor growth = opportunity. Out-of-town traffic is rising—fueling potential for hybrid models, travel-focused marketing, or grab-and-go offerings
- Daytime population is nearly as large as the full-time resident base. Stores may benefit from catering to working adults with lunch specials, convenience items, and early/late service hours
- Population is small—but dynamic. In a low-population county, understanding how and when people are present (not just where they live) is key to sustaining grocery operations

TOP VISITED PLACES – IMPLICATIONS FOR LOCAL GROCERY STORES

Data from Placer.ai shows top visitor destinations in Nelson County:

VISITOR RANKINGS (JUNE 2024–MAY 2025)

Data from Placer.ai shows top visitor destinations in Nelson County:

Rank	Location	City	Visits
1	Cenex	Lakota	208.6K
2	ARCO	Michigan	79.6K
3	Dollar General	Lakota	79.5K
4	Dairy Queen	Lakota	70.1K
6	Michigan Hometown Foods	Michigan	23.8K
7	The Section Line Bar & Grill	McVille	19.1K

VISITOR TRAFFIC SUGGESTS:

Grocery Stores Can Compete

- Michigan Hometown Foods is among the county's top 10 most visited locations.
- This shows strong community loyalty and consistent foot traffic when stores offer fresh food and customer service.

Travel Stops & C-Stores Dominate Volume

- Cenex in Lakota had the highest foot traffic by far (>208K visits), reflecting its dual role as a fuel stop and grocery resource.

- Hybrid models may present good growth potential in rural settings.

Grocery Stores can benefit from Dollar General with Strategies

- Dollar General ranks 3rd in visits – and may be keeping local shoppers in the area – rather than losing them to Walmart. Visitor traffic shows consumers shopping at both dollar stores and local grocery.

CONCLUSION

Nelson County's grocery stores are vital to the health, economy, and resilience of its communities. Despite challenges such as aging infrastructure, staffing shortages, and competition from large retailers, the county's stores have demonstrated adaptability and strong community support. With targeted investment and strategic planning, these stores can continue to thrive and meet the evolving needs of residents.

STRENGTHEN INDUSTRY CONNECTIONS AND ACCESS TO RESOURCES

We encourage Nelson County grocery stores to join the North Dakota Grocers Association (NDGA) to gain access to statewide advocacy, industry updates, and peer networking opportunities. We recommend learning more about support services offered by Mason Brothers Wholesale, which provides merchandising, marketing, and operational assistance tailored to independent grocers. Connecting with the North Dakota Rural Electric Cooperative (NDREC) and the Rural Grocery Initiative—particularly Kansas State University's nationally recognized program—can also provide valuable technical assistance, toolkits, and training resources. These partnerships can help Nelson County stores remain competitive, resilient, and responsive to changing consumer needs.

ADDITIONAL RECOMMENDATIONS

1. **Invest in Infrastructure and Energy Efficiency**
   Support store owners in upgrading refrigeration, lighting, and building systems through local and state grants or low-interest loans. Improving energy efficiency can reduce operating costs and extend the life of essential equipment.

2. **Expand Digital Capacity and Online Visibility**
   Provide technical assistance to help stores adopt modern point-of-sale systems, maintain updated websites, and engage customers through social media. These tools are increasingly important for attracting younger shoppers and improving operational efficiency.

3. **Strengthen Local and Regional Collaboration**
   Facilitate peer learning and cooperative purchasing among Nelson County stores. Shared marketing, distribution, and training efforts can reduce costs and increase competitiveness.

4. **Support Workforce Development and Succession Planning**
   Partner with schools and workforce agencies to create pathways into grocery retail careers. Encourage store owners to develop succession plans to ensure continuity and reduce burnout.

5. **Leverage Visitor and Commuter Markets**
   Use foot traffic data to align store hours and offerings with peak visitor times. Promote grab-and-go meals and local products to capture spending from tourists and daytime workers.

By implementing these strategies, Nelson County and its stores can build on its strengths to help grocery stores remain accessible, sustainable, and responsive to community needs.

APPENDIX

CONSUMER GROCERY SURVEY QUESTIONS

Demographics

Q1: What is your age?

Q2: What is your gender?

Q3: Are you a veteran?

Q4: Which county do you live in?

Q5: If you live in Nelson County (otherwise skip question), what is your zip code?

Q6: If you live in Pembina County (otherwise skip question), what is your zip code?

Q7: How many people are in your household?

Q8: How many children under age 18?

Q9: How many adults (age 18 and older) live in your household?

Q10: What is the combined income of all adults in your household?

Grocery Shopping Habit

Q13: Tell us where you usually shop for groceries.

Q14: How challenging do you find the distances to get to grocery stores?

Q15: On average, how much does your household spend on groceries each week?

Q16: What time of day would you prefer to shop for groceries?

Grocery Shopping Priorities

Q17: What is important to you when choosing where to shop for groceries? (Related to store quality and customer service).

Q18: What is important to you when choosing where to shop for groceries? (Related to food).

Q19: How far do you live from the closest local grocery store (that sells fresh produce, fresh meat)? This may be different from the store you shop at the most (your primary food store).

Q20: How often do you visit your local grocery store? This is the grocery store that is closest to you, even though it may not be the one you shop at the most.

Q21: Improvements: What could your local food store do that would help you shop there more often? (Check all that apply)

Q22: Improvements in food quality and/or variety: What could your local food store do to help you shop there more often?

Alternative Food Options

Q23: Do you shop at any of the following farmers markets?

Q24: Which do you shop at, and why?

Q25: Do you combine your grocery trip with other trip purposes?

Q26: Tell us how you get to places. What kind of transportation do you use?

Food Insecurity/Food Assistance/SNAP

Q27: Are you using SNAP/EBT benefits or using a food pantry?

Q28: In the past 12 months, have you ever been hungry or gone without enough food?

Q29: In the past 12 months, have you had help getting food?

Q30: If yes, what organizations have helped you with food?

Q31: In the past 12 months, have you used a food pantry, and if so, which one(s)?

Q32: In the past 12 months, have you used a SNAP/EBT card to purchase food?

Q33: If yes, where are you purchasing food with a SNAP/EBT card?

Q34: Does your local grocery store accept SNAP benefits?

Q35: If no, how far are you driving to use your SNAP/EBT card to purchase food?