



Project name: Healthy Food Finance Initiative - Mobile Grocery Feasibility Study

Company Name: Rosebud Economic Development Corporation (REDCO)

Project due date: May 30th, 2020

Contact: Matthew Wilson

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Introduction:

The Sicangu Food Sovereignty Initiative (FSI), also known as the REDCO Food Sovereignty Initiative, is a subsidiary of the Rosebud Economic Development Corporation (REDCO). It is also one limb of the newly formed Sicangu Community Development Corporation (SCDC), which, in addition to food, focuses on education, health, and housing in order to improve quality of life for the Sicangu Lakota Oyate (Rosebud Sioux Tribe).

Founded in 2014, the initiative has been working on the Rosebud reservation to empower Sicangu families and build relationships through food. To do so, the FSI is working to grow a new generation of Lakota food producers and entrepreneurs in order to increase food and agriculture related enterprises locally, increase the use of local foods at home, and deepen Lakota identity through food experiences.

The FSI works to achieve these goals via educational and cultural programming, community outreach, economic development work, and bringing affordable, high quality produce to market. Modern conveniences coupled with the lingering historical trauma of colonization and the separation of families perpetuated by the boarding school system have led to a sharp decline in traditional knowledge around food and culture for the younger generations. In addition, food security, let alone food sovereignty, is still a struggle for many families on the reservation.

Poverty prohibits many families from purchasing more expensive health foods, and the price barrier is compounded by a lack of housing and transportation. Spanning 1,970.362 square miles and home to 85% of the 34,947 enrolled tribal members, there are only three grocery stores, eight convenience stores, and three stand alone venues to purchase prepared foods on the reservation. These establishments are concentrated in the more populated communities of Mission/Antelope, Rosebud, and St. Francis. Of the twenty communities that comprise the tribe,

two communities face sixty mile or more roundtrip journeys to reach a grocery store. Another four communities face round trip journeys of at least 40 miles, and yet another eight communities travel over twenty miles roundtrip to reach a grocery store.

Project overview:

The FSI has operated the Keya Wakpala Farmers' Market in Mission, SD each summer since 2015. Since then, the market has grown from a single vendor (the Initiative selling produce from its Keya Wakpala teaching garden) to hosting up to eleven vendors per market, or seventeen vendors over the course of the 2019 season. During that same time, the number of markets hosted per season has grown (from eleven in 2017 to fourteen in 2019), as have sales for the Keya Wakpala Garden, increasing from an average of \$86.43 in sales per market in 2017 to \$241.19 in 2019.

In 2019, the FSI launched mobile market sites in the communities of St. Francis and Parmelee, limited to the FSI selling produce and occasionally one or two other vendors. These mobile market sites were intended to be a pilot to increase community awareness and gauge interest in the possibility of a year-round, mobile grocery store offering affordable healthy foods that will service all, but particularly remote, communities on the reservation. Seven mobile markets were held in each community in 2019, with average sales of \$51.55 per market day. In November 2019, the FSI purchased a cargo van, which will be used to expand the mobile farmers' market to at least six communities in 2020. The expanded mobile farmers' markets will also offer expanded inventory, which will eventually help to inform stocking decisions for a mobile grocery store.

Project Goals and Scope of Services:

In order to increase access to healthy, locally produced foods for tribal members of the Sicangu Lakota Oyate and promote economic opportunity for tribal producers/entrepreneurs, the project will determine the economic feasibility and potential impact of mobile market retail opportunities, specifically the feasibility of a year round mobile grocery store that will provide service to remote reservation communities. The long-term goal is for the mobile grocery to be at least self-sustaining within the first five years of operation, and ideally profitable to some extent.

Considerations of self-sustainability should include vehicle costs, such as the initial cost of purchasing and retrofitting a vehicle to serve as the mobile grocery store (including the feasibility and cost of retrofitting the vehicle to be accessible for those with mobility impairments to board and shop), cost of vehicle upkeep and maintenance, fuel costs, energy costs for maintaining climate controlled refrigerators and freezers, annual registration & insurance costs, as well as personnel costs, and the upfront cost of fully stocking the store as well as ongoing stocking costs. While profitability of a mobile grocery would allow continued investment in programs that empower Sicangu families and help build a local food economy, making healthy, locally produced foods available at affordable prices to tribal members is the key long and

short-term objective, and as long as the grocery store is self-sustaining, should be prioritized over profit.

Market potential of a mobile grocery store should also be considered. Currently, household demand in Todd County for groceries comes to approximately \$12.5 million per year. The majority of this spending is captured by grocery stores in Mission, SD, with Buche Foods capturing approximately \$7 million and Turtle Creek Crossing Super Foods capturing approximately \$5 million in sales per year. The market for groceries is already fairly saturated, and currently meets 96% of demand. These sales figures also include purchases made using SNAP income, of which approximately 7,000 residents of Todd County are beneficiaries.

Of course, there may be SNAP recipients who choose to travel elsewhere to purchase groceries, as do some residents who do not receive SNAP benefits. Offerings at grocery stores on the reservation are limited, and may in some instances be higher in price and lower in quality than foodstuffs available at grocery stores off of the reservation. Considerations of market potential should not only identify what portion of the existing market a mobile grocery could capture, but also address the possibility of capturing the demand for groceries that are currently unavailable at brick-and-mortar stores on the reservation. The latter might include niche categories such as organic or sugar-free.

While the market for groceries is fairly saturated already, the market for food eaten away from home has a large amount of unmet demand. Market demand in Todd County for these foods is \$10.5 million, but just under \$2 million of that is captured within Todd County limits. There is approximately \$8.5 million in this market that is currently captured by establishments off of the reservation. When considering market potential and self-sustainability of a mobile grocery, the option for hot prepared food might also be an area of consideration that would increase both the mobile grocery's competitiveness (both Buche Foods and Turtle Creek have prepared hot foods for purchase and a dining area in-store) and its profitability.

In addition to the feasibility of a grocery store, the project will determine the market potential of local and/or indigenous products. Market potential will be addressed from a demand standpoint - is there a market for such goods on the reservation? If not, how can the FSI work to develop a market for these goods? Feasibility will also be addressed from a production standpoint - what is the current availability of local and/or indigenous products that could be carried in a mobile grocery store? If local and/or indigenous products are not currently available, what steps can the FSI take to build a local food economy and increase the number of local indigenous products and producers? The FSI is currently working to do so through year-long, incubator internships at the Keya Wakpala teaching garden. Interns learn the skills needed to launch their own small-scale agricultural operation and can apply for a grant of start-up funds upon completion. The initiative also offers market opportunities for existing producers via the Keya Wakpala Farmers' Market. Other projects to expand the number of local producers are also currently under consideration.

As part of our goal for the mobile grocery to be self-sustaining, the project will also address what type of food the grocery store should stock, based on potential demand in reservation communities. The Rosebud reservation has high rates of obesity and diet related illnesses such as diabetes, largely due to lack of education around food and increased consumption of non-native foods over the last several decades, as well as high prices for fresh foods including meat, dairy, and produce. Increasing availability and affordability of healthy and culturally appropriate foods is a goal, but we also want to stock food that will be in demand by tribal members. In the vein of determining demand, the project should also explore the feasibility of offering an online order system for the mobile grocery store, with customers able to place an order ahead of time and pick up their order when the mobile grocery stops in their community. Considerations of feasibility for this aspect of the project should include whether or not such a system would be utilized by tribal members, the cost efficiency of creating and maintaining an online order system, and the added labor costs that would be required to put together online orders.

The project will also determine the feasibility of a mobile grocery store servicing the Rosebud reservation from a legal standpoint; what relevant aspects of federal, state, county, and tribal law will affect and govern operations? If there are currently legal barriers to the operation of a mobile grocery store, what actionable steps should be taken in order to overcome those barriers?

The information obtained from the feasibility study will be used to develop a business plan for a mobile grocery store. It will also be used by the Food Sovereignty Initiative when planning future steps to increase market access for tribal food entrepreneurs and when developing programming to increase the number of tribal food producers producing food for local consumption.

Deliverables

The deliverables include a feasibility study on the market potential, economic feasibility, and potential impact of a mobile grocery store. Market potential and economic feasibility considerations are discussed in the section outlining project goals above. The potential impact should be considered in terms of how many people the mobile grocery can reasonably expect to service, and how many people will take advantage of a mobile grocery store that accepts SNAP/EBT. Impact should also be measured in terms of dollars leveraged by the mobile grocery store, as well as dollars leveraged and jobs created for local producers and entrepreneurs whose products will be stocked in the mobile grocery store.

Anticipated Selection Schedule

The Request for Proposal timeline is as follows:

Request for RFP: February 15th, 2020

Deadline for Questions: March 1st, 2020
FSI Responds to Questions: March 15th, 2020
Quotes from Service Providers Due: April 1st, 2020
Selection of Service Provider: April 15th, 2020
Project due: May 30th, 2020

Time and Place of Submission of Proposals

Respondents to this RFP must submit one original and five copies of their proposal, received no later than April 1st, 2020. Responses should be clearly marked "RFP - Food Sovereignty Initiative" and mailed or delivered to the contact person listed above. Responses may also be submitted via email: please email matthew.wilson@sicangucorp.com with the subject line "Request for Proposal - Food Sovereignty" with the proposal attached as a pdf.

Timeline

The project is to be completed by May 30th, 2020.

Elements of Proposal

A submission must include, at a minimum, the following elements:

Description of the firm or organization including a general overview and names and credentials of the team who will be completing the project.

A one-page narrative outlining the organizations strengths and distinguishing skills or capabilities as they relate to the project.

A proposed budget for the project, including a breakdown of the time and cost requirements for each deliverable outlined in the 'Project Goals and Scope of Services' and 'Deliverables' sections.

Testimonies from past clients.

May include previous examples of completed feasibility studies.

Evaluation Criteria

The successful respondent will have been operating continuously and offering consulting services for a minimum of 24 months.

The education, experience, knowledge, skills, and qualifications of the firm and the individuals who will contribute to the project.

The competitive cost of services.

The expertise of the firm in completing similar studies or projects.

Tribal affiliation will also be considered. REDCO is a tribally chartered corporation under the Rosebud Sioux Tribe (RST), and as such follows the tribe's procurement policies. Indian preference therefore applies. However, all service providers are invited to apply, and evaluation of other criteria in addition to tribal affiliation will play a significant role in the selection process. The selected service provider will be required to have or obtain a Rosebud Sioux Tribe business license prior to commencement of the project.

Possible Roadblocks

Potential roadblocks include the public availability of data. The Rosebud Reservation includes the entirety of Todd County, as well as parts of Mellette, Trip, Gregory, and Lyman counties in South Dakota. Oftentimes, publically available data is segregated by counties, which may prove to be a barrier. The RST may possess relevant tribal data, but this is not a guarantee and will likely only be available upon request.

In addition to public availability of data, it may be difficult to realize the scope of current indigenous producers and entrepreneurs. Many tribal producers may be operating small family businesses without permanent physical storefronts, and they may or may not have a Facebook page, website, or readily available contact information for their enterprise. The FSI may be able to provide some assistance on this front, particularly by connecting the service provider to our current Keya Wakpala Farmers' Market vendors, but determining the availability of local and/or indigenous products to stock in the mobile grocery may prove difficult.

Budget

The ideal project budget is \$30,000, with the possibility of up to \$40,000 for the right proposal. The budget includes all costs incurred by the service provider in completion of the project, including any travel expenses that may be necessary for visits to the Rosebud.