February 2013 ~ Volume 1 ~ Number 3

RHODE ISLAND FOOD DEALERS ASSOCIATION

Rhode Island Legislative Update - See You There Trade Day 2013 - Meetings and Event Calendar - Welcome New Member

Member Focused; Results Driven

Mark your Calendars 2012 December - February Meetings and Annual Events

February 10-13, 2013 NGA Convention in Las Vegas

February 12-13 Imperial Distributors Merchandising Show in Worcester, MA

February 13, 2013 Executive Committee Meeting @ 7:30am

February 20, 2013 Legislative Committee Meeting (*Bill Filling*)

February 28, 2012 Food Safety Committee Meeting @ 8:30am

March 7, 2013 RIFDA Annual Trade Day at the Providence Marriott Hotel

March 13, 2013 Executive Committee Meeting @ 7:30am

March 27, 2013 Legislative Committee Meeting (Pre Crossover)

April 17, 2013 Executive Committee Meeting @ 7:30am

April 24, 2013 Legislative Committee Meeting

April 25, 2013 WIC Committee Meeting (tentative)

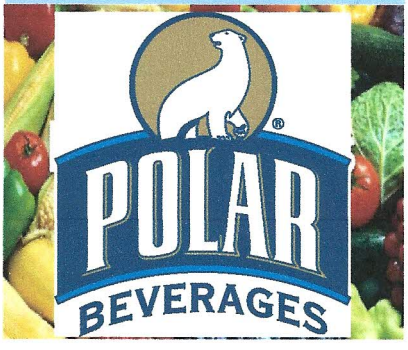
June 21-24 RIFDA Annual Convention at the Red Jacket Resort - Cape Cod South Yarmouth, MA

Welcome New Member

TracBuilders

Thank you

February Supplier of the Month



Rhode Island February 2013 Legislative Update

After a slow start to the 2013 RI General Assembly session where the focus for the first several weeks (particularly in the House where a majority of the bills typically originate) was on same sex marriage there has been a flurry of activity over past two weeks. Many of the same issues we have dealt with over the past few years are back – although sometimes in different formats - while we have also seen a number of bills focused on campaign promises.

On the plus side – and true to their election promises - we have seen a number of bills submitted that reduce, eliminate, or give credit back from the state minimum corporate tax and franchise tax. This is one attempt to reduce the tax burdens in this state and entice more businesses to come in or expand. Many of these bills that offer reductions or credit are based on the number of new – additional jobs that a company adds. Obviously, this is also consistent with another campaign promises to create more jobs. Currently we are tracking 8 different bills that deal with this initiative. We obviously support this type of legislation – but it is doubtful that any of these bills (four in the Senate and four in the House) will move forward until leadership decides what the proper course of action might be – particularly as it impacts the state's revenue. For that reason they will have to have a comfort level on the new budget before considering reductions.

We have also seen a number of bills introduced that are not in the best interest of our industry. Many of these may sound familiar. These include a minimum wage increase bill -with subsequent COLA annual increases (H 5079) that would increase the minimum wage by .50 on Jan. 1st next year. This bill has already had a hearing and is being held for further study. The Food Dealers has sent written testimony to the Chair of House Labor voicing our objections as we did during the committee hearing last year. A new point of objection would be that this is contrary to the legislator's commitment to add jobs in 2013. For this reason and because we had a mandatory increase in January of this year it would not appear that this bill has leadership support. It does appear however that a companion bill will be submitted in the Senate. So, as a result we need to monitor this closely.

As you may have read or seen on the news eVerification is back. The positioning of these bills (H 5016 & H 5236) has changed and to be consistent with the popular theme this legislative session - to add jobs. It would require employers to run mandatory background checks and use only validated workers. This would, in theory, force illegal immigrants from the workforce and those jobs would be filled by legal employees. Although this type of legislation may have some merit it is unclear how efficient and expensive this could be for employers. H 5016 has also had a hearing this past week and is being held for further study.

Late last week we saw the 2013 session version of the beverage tax (H 5228). Similar to last year it would add a tax to distributors and bottlers of 1 cent per gallon (including mixes based on yield) to all sugared beverages. Unlike past bills this one is very specific as to where the revenue would go – basically to education type programs. It has not been scheduled for a hearing and has no companion bill on the Senate side at this point. **CONTINUED on Page 2** ⇨

See You There - RIFDA Trade Day 2013

SAVE THE DATE – Thursday March 7, 2013

Trade Day 2013 – Providence Marriott Hotel-

A Rewarding Day Long Event Including:

Seminar/Panel Discussion
RI State Best Bagging Competition
Networking Cocktail,
Industry Dinner, and The 2013 Food Industry Award of the Year; James Saia, C&S Wholesale Grocers

An updated Schedule of events, times and more will follow soon

The Days Topic:

"Sustainability and the Rhode Island Food Industy"

Presented by Peter Cooke, from the Manomet Center for Conservation Sciences

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Thank you
February Retailer of the Month

Helpful Industry Links

FMI National Legislative Update
http://www.fmi.org/gr/

RI Legislative Info
http://www.rilin.state.us/genmenu

RI Pending Bills & Calendar
http://dirac.rilin.state.ri.us/billstatus

RI News & Press Releases from the House & Senate
http://www.rilin.state.ri.us/news/

National Grocers Association
http://www.nationalgrocers.org/

RI WIC Program
http://www.health.ri.gov/programs/wic//index.php

Looking Forward

Encouraging new members to join is essential as well as increasing our member participation in our annual events. Invite potential members to join us at these events so we can showcase our association. New members and new ideas lead to greater funds. As well as an identifiable recognition that this association exists for the benefits of our members. Lets expand above and beyond continuing the positive momentum of 2012. Membership is what will aid the RIFDA move into the future as a stronger and more vibrant representative of the RI Food Community. Please feel free to contact us at any time.

Rhode Island February 2013 Legislative Update (continuation)

Another familiar piece of legislation that has come forward this week is with regard to GMO labeling (H5278). This would require any product that is sold in RI that is derived from or contains GMO ingredient to be labeled as such. Last year there were several bills introduced so this could be the first of several this year as well. This bill as written give little detail as to how this would be executed or policed – but would be burdensome to a retailer to manage in addition to the manufacturing implications.
True to their environmental awareness commitment we have also seen the first EPR bill introduced (H5264). Although the Senate has an ongoing study commission focusing on this that has not as of yet reported back we have seen proactive legislation in the House. This bill is very broad based and all-encompassing and would require all manufactures/owners of all consumer products to submit and gain approval of a plan that provides for "end of life" for all packaging. Basically they have to have a plan for what becomes of the packaging once the product has been used or consumed – namely how will this packaging be disposed of. This could involve payments to the state from the product originator based on volume of disposing at the state landfill.
As concerning and confusing as this part of the bill is it also has provisions that any product not approved in 24 months of passage cannot be offered for sale in the state. How this would be determined or executed at retail is unclear, but a retailer cannot sell any product not approved. In a session that is focused on creating jobs – this would seem to provoke business to possibly not do business in the state. This bill bear close monitoring.
In addition to the bills on tax relief for business mention previously there is another interesting bill originating in the Senate that we are following. It is S 0009 and covers a number of different elements in addressing credit card unfair practices. This bill provides penalties for violation of the practices outlined and in general many of the provisions are favorable to business. It is not clear that all of the elements of this bill are consistent with – or in fact may conflict with recent federal regulations so it will be interesting to see what the intent of this bill is. Although many of the provisions will be favorable to retailers (and consumers) there are some that are restrictive and could be costly. This bill too seems to be contradictory to adding jobs as it would most likely eliminate positions but it needs to be monitored closely as it does have sponsorship from ranking House members.

Visit www.rifda.com for this update

Grocery Trends and Fast Facts February 2013

Retailers Offering Higher Quality Pizza, Sandwiches to Compete with Restaurants
From QSRweb.com 1/30/13
When the Recession was in full swing, consumers chose grocery stores, warehouse clubs and other retailers over restaurants, seeking out better deals on prepared foods. However, with the economic recovery underway, consumers seem to be returning back to restaurants.
The economic shift means consumers are purchasing retailer meal solutions (RMS) less often than they did two years ago. Thirty-eight percent of consumers said they purchase RMS from grocery stores each week, compared to 42 percent in 2010. In response, RMS menu trends are changing to better compete with restaurant offerings. Some findings from the Retailer Meal Solutions Consumer Trend Report include:
More than two-fifths of consumers who purchase RMS at least once a month (43 percent) say they do so four or more times per month, meaning they purchase RMS at least once a week.
More consumers today than those polled two years ago place a high importance on many attributes, including the value, price, convenience, taste, freshness and quality of prepared foods.
At least four out of five consumers who visit each retail chain measured for prepared foods purchase RMS items at these locations at least once a month, reiterating the strong role routine and convenience plays in the RMS purchasing decision. Though half of consumers think the quality of prepared foods has greatly improved since 2010, nearly two-fifths call for more name-brand foods that typically denote a higher quality perception.
Meat, poultry companies need new products
From Feedstuff Newletter (1/29/2013)
There are few "breakthrough" new food products, especially new beef, pork and poultry products in the meat case, with new food product launches recovering from the recession in 2010 to a record high but since then staying flat, according to Lynn Dornblaser, director of innovation and insight at Mintel Research in Chicago, Ill.
There are opportunities for meat and poultry producers to address this, she said, noting that:
58% of consumers are concerned about food safety, especially for beef and pork;
68% of consumers say they are eating less beef and pork and more poultry due to a desire to eat more healthfully, and 74% of consumers say they eat fish not because they like fish but because they believe fish are healthful.