



TOP LINE REPORT

March 2019

Board of Directors

State Director

Dan Shaul

Chairman

John Porter
Porter's Super Market
Crane, MO

President

Chuck Murfin, III
Murfin's Markets
Ozark, MO

Vice President

Gerry Kettler
Niemann Foods
Quincy, IL

David Carlton

RPCS, Inc.
Springfield, MO

Jim Hamblin

Town & Country Supermarkets
Fredericktown, MO

Leah Hamilton

Missouri Lottery
Jefferson City, MO

Mary Beth Hart

Hy-Vee
West Des Moines, IA

Jim Hickman

Hickman's IGA
Mexico, MO

Dan Kramer

SHAZAM
Johnston, IA

Charlie Lynn

Associated Wholesale Grocers
Springfield, MO

Jon McCormick

Retail Grocers Association of Greater KC
Shawnee Mission, KS

Cindy McMillian

Ozark Empire Grocers Association
Springfield, MO

Kevin McVeigh

Mac's Super Saver
Kahoka, MO

Rich Morris

Supervalu
Champaign, IL

Ed Mullins

Prairie Farms Dairy
Edwardsville, IL

Jed Penney

Schnucks
St. Louis, MO

Joe Polizzi

Town and Country
Salem, MO

Rick Prenger

Prenger Foods
Marceline, MO

Bob Snyder, III

Snyder Foods
St. Louis

J. Max Van Hoose

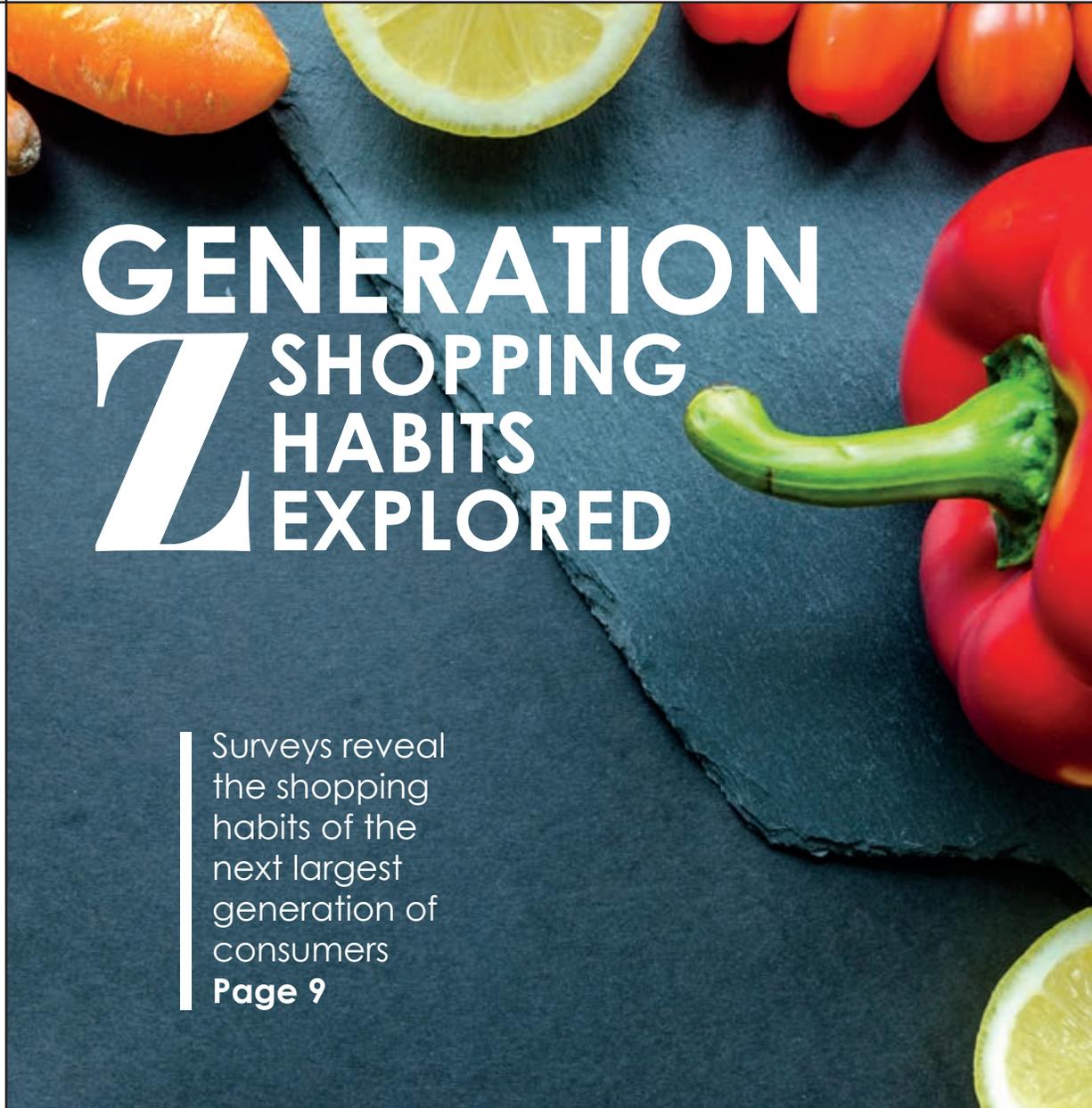
Harps Food Stores
Springdale, AR

Mike Willis

Dierbergs Markets
Chesterfield, MO

Don Woods

Woods Supermarket
Bolivar, MO



GENERATION Z SHOPPING HABITS EXPLORED

Surveys reveal
the shopping
habits of the
next largest
generation of
consumers
Page 9

A publication of the Missouri Grocers Association dedicated to providing information on legislative and regulatory issues within the state that directly affect the interests of the Missouri food industry. Missouri Grocers Association • 315 North Ken Avenue • Springfield, Missouri 65802 • 417-831-6667 • ISN 1522-0990

PRSR STD
U.S. POSTAGE
PAID
Springfield, MO
Permit No. 293

BE A SURVIVOR

Not all independent grocers are going out of business.
Independent grocers can still compete and win!



Not as profitable as you once were? Independent grocers are in a fight for their lives. Don't be the next grocer forced to shut their doors. Continuing to operate in the same manner and hoping for different results will not be a winning long-term strategy. The future remains bright for those who embrace the change necessary to survive and prosper. While transitioning wholesalers may require some extra effort and a change to the status quo, isn't it worth it to make the call sooner rather than later to learn how Associated Wholesale Grocers can provide you a lower cost of goods and a real chance to compete in the marketplace today and in the future?

For a lower cost of goods Dave McKelvey 713-876-6240
PLEASE CONTACT: Neal Schumacher 573-489-1545

2019 MGA GROCERS DAY AT THE CAPITOL RECAP

This year's Grocers Day at the Capitol was greeted with a winter weather mix of ice and snow. However, the warm reception from legislators and staff inside the capitol allowed for another successful trip. This year's visits focused on building relationships with the large number of incoming freshmen in the House of Representatives, renewing and strengthening relations with the senators and reinforcing the importance of the grocery industry with leadership in both chambers.

We have already seen the benefits of a successful event as three of the four bills that were labeled as bills of importance to the grocery industry have seen positive movement. Both egg bills SB133(Cunningham) and HB270(Shaul) have crossed over to the opposite chambers clean and await passage and a trip to Governor Parson's desk for signage. The Governor is in support of both of these bills.

SB10 (Cunningham) minimum wage bill has progressed through the process and was briefly heard on the senate floor before the legislative spring break. HB423 pertaining to video lottery terminals has been heard in committee and the final committee version should be voted on shortly after the break.

The e-script bill is still awaiting a committee hearing, and it appears that will happen sooner than later.

While we have seen success with the bills that we discussed during our visits the most important take-away from this year's event is the relationships that were created and or strengthened. These relationships are the foundation on which future success will be built.



Want a Reliable Coupon Program?

Want to track your coupon shipments and payments?



Let ACS share our 40 years of Customer Service experience to get you what you want!



American Coupon Services

"Streamline the redemption of your digital, paper and paperless coupons"

A Division of Your Local Grocers Association

For more information call 417-831-6667 or visit www.AmericanCouponServices.com

NGA

WORKING FOR INDEPENDENT GROCERY RETAILERS & WHOLESALERS IN WASHINGTON, DC

With the swearing in of the 116th Congress in January, Americans now find themselves with a divided government. While Democrats in the House have oversight and anticorruption top of the agenda, they will also look to address other policy issues such as infrastructure, labor and employment and healthcare. Below are some policy issues that will be on the forefront of many grocers' minds, as well as NGA's government relations agenda during the 116th Congress.

Labor Policy

Regulatory: Most of the significant changes to labor policy have occurred via executive actions under the National Labor Relations Board (NLRB), the Occupational Safety and Health Administration (OSHA), and the Department of Labor (DOL). We expect to see the Administration continue in its efforts to remove employment and labor regulations that are opposed by the business community. Current pending rulemakings include rolling back the NLRB's joint-employer rule that expands franchise liability, revisions to workplace injury and illness tracking rules, revisions to Ambush election regulations, and business-friendly overtime regulations.

While Democrats in the House may pass legislation aimed at curtailing these regulatory policies, those bills will likely die in a Republican Senate. However, since Congress controls the federal government's purse strings, it's likely that Democrats will want to pour additional funding into the coffers of the enforcement arms of each employment and labor regulating agency. Given any additional resources, we may see increased scrutiny by government regulators over the employment and labor practices of more businesses. Secondly, Democrats will use the power of their Committee Chairmanships to pursue investigations and oversight activities over the labor regulators. This increased scrutiny will slow down regulations and rulemakings that favor employers.

Minimum Wage Hike: Democrats intend to push legislation that will increase the minimum wage. Many of them have gotten behind a \$15/hour minimum wage bill. In the past, Republicans have opposed such measures, but the outstanding question now is,

will President Trump get behind a wage increase, as he seeks to appeal to working class families in his 2020 campaign?

Paid Family Leave: Paid Family Leave is expected to take a front seat in Democrats' efforts to appeal to working families ahead of the 2020 presidential race. With historic amounts of females winning seats in Congress and a White House that has expressed its support for paid family leave reforms, the time is likely ripe for a debate over new policies that will impact employers and employees. Both Republicans and Democrats agree that something must be done on this issue, but there is no consensus yet.

Payments

With Democrats in control of the House, NGA's goal to reform the payments system and level the playing field for merchants becomes more attainable. Democrats are known for being aggressive when it comes to regulations of financial institutions, especially if the impact of those rules favors consumers. With Democrats in charge, we could have an opportunity to thoroughly scrutinize the anticompetitive behavior of the card brands, and hopefully usher in changes to some of their most harmful payment acceptance policies.

Healthcare

DIR Fees: DIR fees are the fees that pharmacies may see Pharmacy Benefit Managers (PBMs) charge outside of administrative fees, collected at point of sale, and are often charged retroactively after a sale is made. Grocers with pharmacies have seen skyrocketing DIR fees. A bipartisan coalition is forming to contain the fees. If Congress moves bipartisan healthcare legislation, especially related to drug pricing, then it may be an opportunity to move the needle to fix DIR fees once and for all.

By Laura Strange

Senior Vice President
Communications & External Affairs
National Grocers Association

TIMES CHANGE.

VALUES DON'T.

Delivering a frictionless experience for your customers is a top priority for your success. And that's why we'll continue to work behind the scenes to advocate for open standards that foster innovation and competition, and ensure interoperability in the payments industry.

**ADVANCE WITH
THE RIGHT PARTNER.**



6700 Pioneer Pkwy / Johnston, IA 50131
855-314-1212 / shazam.net

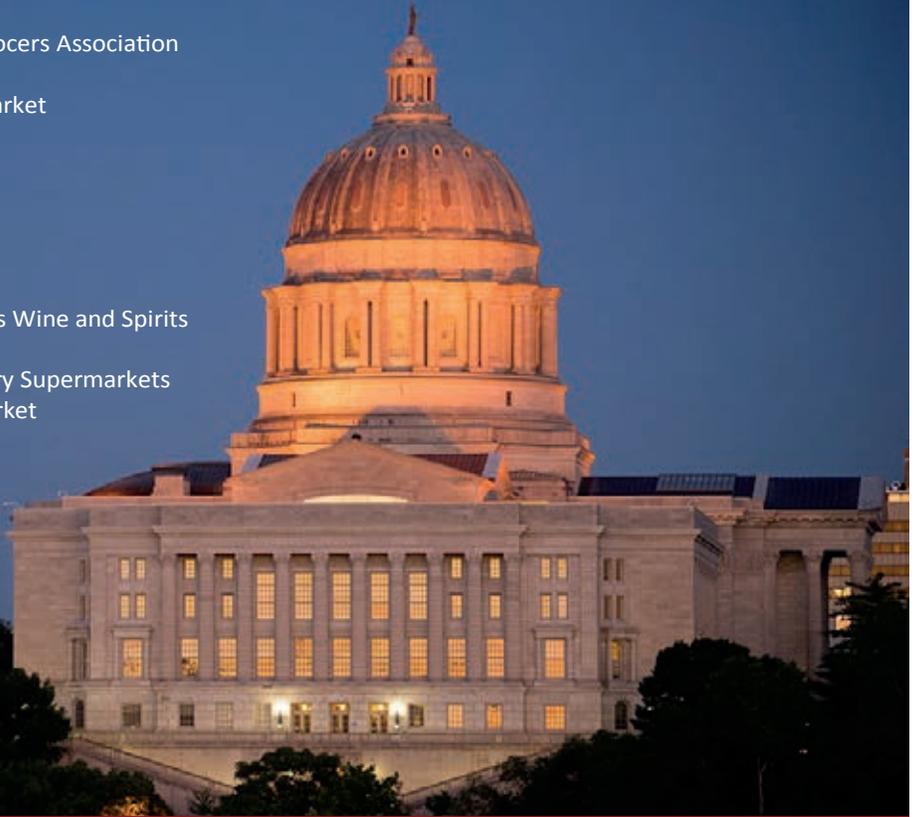


THANK YOU FOR SPONSORING

Grocers Day at the Capitol

February 19-20, 2019

Ameren	Ozark Empire Grocers Association
Anheuser Busch	Ozarks Coca Cola
Associated Wholesale Grocers	Porter's Supermarket
Ball's Food Stores	Prairie Farms
C & R Markets	Reddy Ice
Cash Saver 417	RPCS, Inc.
Dierbergs Markets	Schnucks
Harp's Food Stores	Shazam
Harter House Hollister	Snyder Foods
Hess Meat Machines	Southern Glazer's Wine and Spirits
Hiland Dairy	SuperValu
Hy-Vee	Town and Country Supermarkets
Mace Supermarket	Woods Supermarket
Missouri Lottery	
Monsanto	
Moser's Foods	
Murfin's Market	
Niemann Foods Inc.	



Exhibitors!

Have you received your exhibitor packet yet?
We have sent them out and they are filled with all the information
you need to get registered for this year's Convention.

If you have not received it yet or have questions call
Cory at the MGA office (417-831-6667) or email him at
ccampbell@missourigrocers.com



FALL BACK INTO SUCCESS

2019 MGA Convention 🍁 October 16-18 🍁 Tan Tar A Resort

We hope to see you at the MGA Convention this fall!



EVERY TICKET HELPS FUND EDUCATION.

Together, we've given more than
\$5.5 BILLION to Missouri and
public education.

Learn more at [MOLottery.com](https://www.molottery.com)



Play Responsibly

Missouri Lottery proceeds comprise approximately 4 percent of the state's funding for public education. ©2018 Missouri Lottery Commission.

GENERATION Z SHOPPING HABITS EXPLORED

While many, many articles have been written about how Millennials are killing this or that industry (also television sitcoms, traditional sit-down dinner dates, golf and of course, retail shopping at malls and stores), in reality, they're only disrupting the way things have been. They still buy the products they want, consume media like movies and shows, buy groceries and eat food from restaurants more often than previous generations. They just prefer to go about it in different ways – “cutting the cable cord” in preference to streaming services, fast casual food and delivery options and online shopping to name a few. It's a matter of needing to change old, traditional ways of marketing and selling to keep up with a younger generation's preferred way of living.

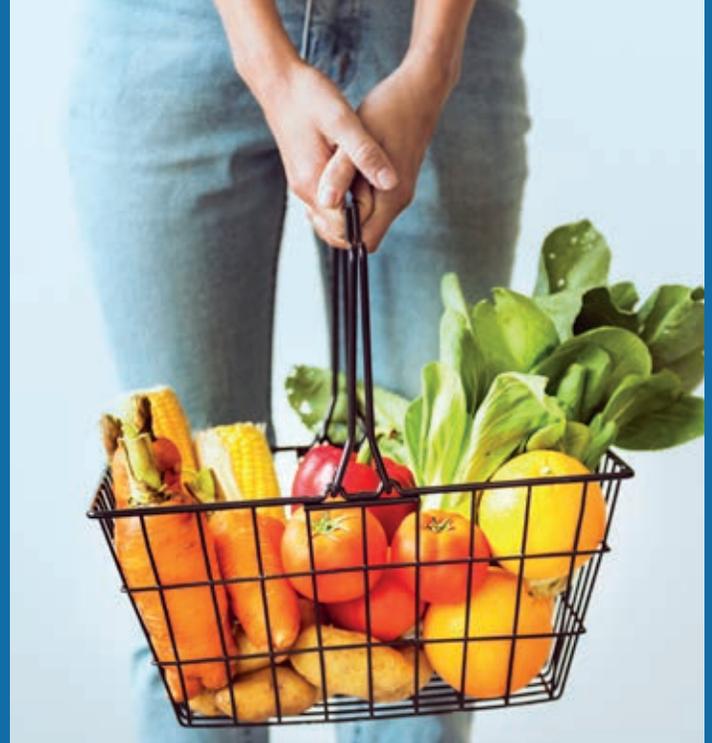
But Millennials are also not the only age group disrupting the status quo. Now you have to contend with the growing influence and spending power of their kids, Generation Z.

Ten years ago, the Millennials were the largest group that was influencing family purchasing. Parents of Millennials wanted their kids to eat healthily, so they bought organic food. Parents had to drive their Millennial athletes to soccer and hockey, so they bought minivans and SUVs. Parents wanted to be able to reach their kids easily, so they bought them mobile phones.

Now Generation Z, born from 2000 on (or 1998, depending on who you ask), is in the influential stage. Also known as the iGeneration, the oldest ones are just now leaving home, entering college and earning their own money, but the younger ones are still influencing the purchasing of their Millennial parents. As more and more of them enter into adulthood, there are a few things you need to consider before Generation Z starts disrupting your industry. Basically, it's going to be an intensified version of the Millennial tidal wave of change.

For one thing, Generation Z will become the largest generation of consumers by the year 2020. And they already account for \$29 – \$143 billion in direct spending. Figure out early what it is they want, and how they want it, and you can avoid those disruptions and get ahead of the game.

According to Forbes Magazine, the older Generation Z segment (ages 16 to 21) is spending the most of their money on cars (including gas, insurance, and taxes), groceries, entertainment, school (textbooks, tuition), mobile phone, restaurants, and debt payments. The younger Generation Zers (6 – 11) are spending their allowances on toys, candy, video games, movies, board games, magazines and comics and restaurants.



The iGeneration also believes in research. As many as 46% of them research items on their mobile devices before buying items in a store. So what does that mean for retailers? For one thing, if you're not part of the omnichannel now, you'd better start soon. This means that not only does the online experience have to match the in-store experience — which has to be fun and enjoyable on its own — but you want to make sure your website is filled with product photos, inventory information, and as many product details and customer testimonials as you can stick on a single website.

This also means you can try to take advantage of both free two-day shipping to compete against the bigger stores and chains, as well as offering buy online, pickup in store (BOPIS or BOPUS) for people who can't wait but can find a way to get to the store to pick up the same item in a few hours.

Malls may be primed for a comeback too. According to a Pricewaterhouse Cooper survey, 81% of young Gen Z said they prefer to shop in stores, while 40% will only shop in stores. In addition, 60% of young Gen Z prefer the mall for shopping, and malls are three times more popular than other types of stores. They also said they prefer “fun experiences” and “live events” in their favorites stores. Remember what we said about engaging in-store experiences?

Of course, if things are going to start changing on the retail front because of the influence of the iGeneration, you'll want to be ready for it. More mobile accessibility, better product information and inventory transparency, and even being able to analyze point of sales data and translate that into new sales and sourcing opportunities are all keys to success with Generation Z.

By Brandon Pierre

Senior Director for Customer Success - Community & Analytics at SPS Commerce



Protecting your life's work.

FEDERATED LIFE®

*Helping to shield your business and those who
matter most. Learn more by contacting your local
Federated marketing representative today.*

It's Our Business to Protect Yours
FEDERATED
INSURANCE®

Federated Mutual Insurance Company and its subsidiaries* | federatedinsurance.com
18.03 Ed. 1/19 **Not licensed in all states. © 2017 Federated Mutual Insurance Company

Local. Natural. Sustainable.

Give your shoppers the dairy foods they've trusted for generations. Beloved by consumers everywhere, Hiland Dairy's locally-made dairy products are farm-fresh and naturally delicious.

Give them Hiland.

HilandDairy.com/Retailers



Locally Made.
Naturally Delicious.™



**NO Artificial
Growth Hormones**

**All Hiland Milk Is
Tested for Antibiotics**

Along with great-tasting dairy, your local farmer-owners also care about the environment. With each farm's commitment to sustainability, we're doing more with less — while still producing the highest quality product.

See more about sustainability at HilandDairy.com/Sustainability