



Pennsylvania Food Merchants Association

Advocating the views of convenience stores, supermarkets, independent grocers, wholesalers and consumer product vendors.

May 16, 2016

Vicky Robinson, Chief
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Ms. Robinson,

On behalf of the members and leadership of the Pennsylvania Food Merchants Association, I thank you for the opportunity to comment on the USDA rule changes on retailer standards for SNAP. We believe that these proposed rules reach well beyond the statutory intent of the 2014 Farm Bill; enact serious impediments to SNAP beneficiaries who depend on these benefits to feed their families; and fail to reflect an industry that is changing rapidly.

- This rule will force many convenience and small-format grocery stores to no longer accept SNAP payments and customers. If the goal of this regulatory change is to improve overall nutrition by limiting store eligibility, then it reflects a time long since gone. The modern convenience and small-format store has diversified its offerings greatly, allowing a shopper to purchase all types of food.

Convenience stores are also typically open at hours that other retailers are not. SNAP participants that work on second or third shifts, who are not able to shop during normal business hours, often utilize their benefits at convenience stores to feed their families the next day.

PFMA recommends that these rule changes be revisited to offer greater inclusivity to small-format stores. Removing the prohibition of multi-ingredient food to determine eligibility and adjusting the 15 percent prepared food sales requirement would allow many of these stores to continue to serve SNAP participants.

- In addition to the above concern about small-format stores, the rule prohibiting eligibility for stores with 15 percent or more of prepared food sales could preclude some supermarkets from participation. As the industry evolves, more grocery perimeters are specializing in prepared food, and are well-liked by their customers and communities. In

Pennsylvania, liquor laws require any grocery store that sells malted beverages to have a separate eatery, which would be considered a part of the larger store under these regulatory changes. If any of these eateries is successful to the point that it encompasses 15 percent of sales, the core grocery store would be precluded from SNAP participation.

We recommend the percentage be either removed altogether or increased substantially to address the modern food retail industry.

- The rule needs better definition on what comprises a “variety” of staple food categories. The requirement that a store needs to maintain stock of seven different varieties of each staple food category has the potential to be nearly impossible to fill, even for the most creative of retailers.

For example, if the definition of “variety” would require seven different stock keeping units (SKUs), like ground beef, steak, and sausage, most retailers would be able to meet or accommodate their offerings to meet the standard. However, if variety is more encompassing and includes broader definitions of meat, a store would move beyond what may be the typical offering of beef, pork, poultry, and fish to more unusual meat which sell in smaller volumes or not at all in certain communities.

This would either preclude this store’s participation in SNAP, or would force stores to stock food that they cannot sell, leading to greater food waste. The potential for food waste is multiplied by the depth of stock requirements. We recommend that “variety” be defined specifically as SKUs to avoid this unintended consequence.

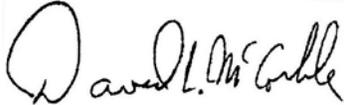
- The rule will exacerbate already existing food deserts. Many rural or urban communities are not fortunate to have large-format stores in their communities. For example, in the remote Pennsylvania town of Renovo, there is one small, independently-owned grocery store in town. The only other SNAP retailers within a 20 mile radius are convenience stores, general stores, and a farmer’s market that is open on a very limited basis. If these small format stores were unable to meet these new standards due to their limited customer base, SNAP participants may be forced to drive upwards of an hour to find their nearest large-format grocery store.

Urban communities face a different problem. Philadelphia residents without access to a car make use of corner groceries, bodegas, and other local retailers within walking distance. While larger stores may be within a few miles, the impracticality of carrying bags of food, taking them on the city bus, or paying for a taxi makes shopping there difficult.

Times are changing in food retail. The channels have been blurred from 20 years ago, when grocery stores sold food intended to be prepared at home, and smaller stores sold a bag of chips and a soda that would be consumed before the customer reached their

driveway. Now, one can buy a banana, turkey sandwich, and bottle of water at a bodega or convenience store, and can do their grocery shopping after enjoying a Cobb salad at the supermarket café. We ask that USDA focus its efforts on providing beneficiaries with greater food options, rather than limiting where they can buy that food.

Thank you for your consideration,

A handwritten signature in black ink that reads "David L. McCorkle". The signature is written in a cursive style with a large initial "D".

David L. McCorkle
President and CEO

Cc: Representatives K. Michael Conaway and Collin Peterson, House Agriculture
Committee
Representatives Pat Roberts and Debbie Stabenow, Senate Committee on
Agriculture, Nutrition, and Forestry
Senator Bob Casey
Representative Glenn Thompson