Happy New Year Texas Retailers!

Welcome to 2018! The 2017 holiday shopping season was, by all accounts, record setting. I hope all of your companies and stores benefitted from the great Texas economy, low unemployment, and nice holiday weather. Additionally, I hope everyone enjoyed quality time with family and friends over the holidays. 2018 is already off to a quick start; state legislative interim hearings are taking place and the election season is already in full swing, and TRA is planning two can’t-miss events for our members. Since 2017 was a great year for TRA, we wanted you to have one last look at the year that was. The TRA staff produced this great 2017 highlight video to celebrate our successes last year. Take a look and relive some of the best TRA moments from last year.
As we wrapped up 2017 Tax Reform legislation was passed by Congress and signed by President Trump. As we reported throughout most of last year, TRA played a key role in the successful Tax Reform effort. Thanks to all of our members who supported the effort through your advocacy. We know that so many of you met with your members of Congress in person, called them, and wrote to them about Tax reform (over and over). We couldn’t have done it without you! Be sure to check out the TRA member alert we sent out after the President’s signature of Tax Reform legislation in law, just before Christmas. Many Americans, including those who work for several TRA member companies are already seeing the benefits of Tax Reform through bonuses, raises and other investments in employees. TRA will continue to keep you updated as the new tax law is implemented over the coming months.

At the state level, interim hearings are already in full swing, highlighted mostly by the varying impact Hurricane Harvey will have on all aspects of state government. We expect interim legislative hearings both here in Austin and across the state during the first part of the year. We will keep TRA members up to date on the interim committee processes, as well as opportunities to tell your story directly to lawmakers at hearings on the various interim issues we will be tracking. If you or your company are interested in engaging in the interim committee process, please reach out to TRA’s VP of Government & Regulatory Affairs, Jim Sheer at jsheer@txretailers.org.

2018 will also be a very important election year here in Texas, with all the statewide elected officials up for re-election, as well as most of the State Legislature and our Congressional delegation. The 2018 elections will be one of the most impactful here in Texas in almost two decades. Although, most of the top statewide elected officials will likely win reelection, the changes in the state legislature, as well as within our Congressional delegation have the potential to be very dramatic. Texas will have a new Speaker of the House and quite a few new members of the legislature given the amount of retirements and intra-party primaries that have materialized. On the Congressional level, we will have at least eight new faces in the Texas delegation because of retirements, an over 20% turnover rate from one year to the next. The fact that 2018 will be such an important year electorally underscores the need for TRA to be active politically. We can only do that when our members support the association’s political efforts, through contributions to our PACs (TRAPAC and TRA FedPAC), as well as to our general advocacy fund, the Retail Advocates Fund (RAF). Click here to donate to the Texas Retailers Association PAC! Your support of these key tools will help TRA support those candidates for state or federal elective office, who understand the importance of and support Texas retail. TRA events such as the inaugural Advocacy Summit, March 23-25, will be a great opportunity for members of TRA and the retail industry in Texas to spend valuable time with key lawmakers from our state. Specifically, discussing the most topical advocacy issues facing the retail industry and networking with Texas’s most retail-friendly members of the Texas Legislature and Members of Congress. Click here for more details on how you can participate in the TRA Advocacy Summit.

Additionally, our 2018 Texas Retailers Forum will be in Corpus Christi and will take place at the Omni Corpus Christi Hotel, July 23-24. Our annual educational Forum, hosted by the Texas Retailers Association and the Texas Retail Education Foundation, will provide retailers with timely, topical and quality program sessions and speakers. Attendees will have the opportunity to meet with retail industry leaders from across the state and country at networking functions such as our Awards Dinner, networking breaks, and our popular closing night casino party. Registration and sponsorship details and information about both great events is inside this newsletter. Make plans
now to secure your company’s spot at these can’t miss events.

As we kick-off 2018, we hope that your year is off to a great start and we look forward to having all of you along for the ride, in what is shaping up to be a very significant year for Texas. As always, thank you for supporting TRA, please feel free to reach out to the TRA team anytime, and we look forward to seeing all of you in 2018. Happy New Year!

Sincerely,

Texas Retailers Association
President/CEO

2018 Texas Retailers Advocacy Summit

TRA's Advocacy Summit is a great opportunity to spend a weekend networking with Texas's most retail-friendly Members of the Texas Legislature and Members of Congress. Registration includes access to all panels, speakers, and attendees, all receptions, meals/breaks, and networking opportunities.

*Early Bird Registration extended until January 31, 2018*

Register for the Texas Retailers Advocacy Summit!

Book Your Hotel Room for Advocacy Summit!

Legislative Update
With the holidays over, everyone is back to business and the halls of the Capitol in Austin and the campaign trail across Texas are both busy with lots of activity. Governor Greg Abbott kicked off 2018 with his proposed property tax relief plan this week. Abbott called on lawmakers to curb out of control tax increases by local governments by placing a 2.5% limit on tax revenue growth for any governmental entity without the approval of 2/3 of the local voters. This plan would still allow high growth areas to go above the limit if needed but put more scrutiny and transparency in process while raising the bar for local debt approval. Abbott’s plan also included a measure to insure the state does not burden that capped local revenue collection with unfunded mandates providing that any new service directed by the state to local governments should be paid for with state dollars. This plan will likely be a work in progress on some of the finer points between now and January 2019 when the Legislature convenes once again.

TRA is also following lots of very active political races and are engaging those seeking office on the issues important to you and your businesses. We had a very successful round of meetings this week with a great group of TRA members and more than 16 different candidates for a variety of offices. These meetings and many more to come will be an excellent pathway to our 2018 Advocacy Summit in Horseshoe Bay on March 23-25, 2018. We will have a great program of state and federal issue discussion, as well as, elected officials from around the state in attendance. Please plan to join us, registration can be found here.

Jim Sheer  
VP of Government & Regulatory Affairs

TRAPAC and TRA FedPAC need your support today! TRA is poised to jump into races that are critically important to the retail industry. With your help TRAPAC and TRA FedPAC will work to make sure retail friendly candidates have the support they need and our industry continues to grow and flourish across Texas. Click here to donate to the Texas Retailers Association PAC!
Member Spotlight: *Brookshire Brothers*

Brookshire Brothers is employee-owned and with more than 7,000 employee-owners. We currently operate 115 retail locations across Texas and western Louisiana and don’t take a one-size-fits-all approach to our stores. Each store provides for the unique needs of the community it serves. We operate under ten distinctive retail brands – Brookshire Brothers, Brookshire Brothers Express, B&B Food, B&B Express, Cormie’s Grocery, David’s Supermarkets, David’s Express, Pecan Foods, Brookshire Brothers Pharmacy and Tobacco Barn. From contemporary grocery stores and convenience-supermarket hybrids, we deliver choices to our customers. Community is at the heart of our business and our employee-owners take great pride in serving others. They can be found coaching baseball, volunteering at schools, or helping at local church events. In our stores, customers enjoy the same friendly relationships with top notch service while having an exceptional shopping experience. At Brookshire Brothers, and in each of our retail brands, our mission is to truly be, *Your Community Grocer Since 1921*.

Learn more about Brookshire Brothers at [https://www.brookshirebrothers.com/](https://www.brookshirebrothers.com/).

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**2018 Texas Retailers Education Foundation (TREF) Golf Tournament**

**Texas Retailers Golf Tournament**
*Benefiting the Texas Retailers Education Foundation*

Eagle Pointe Golf Club  
12440 Eagle Pointe Dr.  
Mont Belvieu, Texas 77535  
8:00AM Friday, April 20, 2018  
8:30AM Shotgun Start

Individual Fee: $175  |  Golf Foursome: $700  |  Sponsorships Available!

**Donations Welcome!**

Donations of premium quality items for this year’s tournament are welcome! Examples include:
- Gift Certificates
- Golf Balls
- Golf Tees
- Golf Towels
- Prizes

**Contact Information**

Justin Williamson  
jwilliamson@txretailers.org  
(512) 472-8261 X 106

Learn More About the 2018 TREF Golf Tournament!
The Texas Retailers Forum is at the Omni Corpus Christi Hotel July 22-23, 2018. Our 2018 educational Forum, hosted by the Texas Retailers Association and the Texas Retail Education Foundation, provides retailers with timely, topical and quality program sessions and speakers. Attendees will have the opportunity to meet with hundreds of retail industry leaders from across the state at networking functions such as our Awards Dinner, networking breaks, and a closing night party - aboard the U.S.S. Lexington.

*Early Bird Registration extended until January 31, 2018!*

Register for the Texas Retailers Forum!

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**Tax Advisors Group Conference Call**  
**February 15, 2018**

Join the Texas Retailers Association and TRA Partner Tax Advisors Group for a conference call!

**Date & Time:** February 15, 2018 - 10:30AM-11:30AM  
**Conference Call Line:** 1-972-497-2499  
**Conference Code:** 399047  
**Presenter:** Lynn Krebs PhD CMI, Tax Advisors Group President and CEO
Significantly Minimizing Business Personal Property Taxes – Improving the Bottom Line

How do you determine the market value of depreciable assets? There are three generally accepted methods to determining value. So, why do most tax appraisers only consider one approach? What if that approach usually yields values that are significantly higher than market value? First, we will review the most common method of assessing business personal property (a simplified cost approach). Then we will look at what is considered by most independent appraisers as the most reliable approach to valuing used assets, the direct market or sales approach. Finally, we will compare and contrast these methods, identify pros and cons, and recommend a powerful blended approach, which often results in certified assessed values that are 25% to 35% less than the most common method used by tax assessors.

Learn more about Lynn Krebs PhD CMI and Tax Advisors Group.

97th Annual WAFC Convention

It is my pleasure to invite you and your colleagues to the 97th Annual WAFC Convention, May 5-9, 2018 at the JW Marriott San Antonio Hill Country in San Antonio, Texas.

The WAFC’s mission is “Advancing the Food Industry Through Education and Leadership” and we look forward to bringing that mission to life in San Antonio. The WAFC convention, widely anticipated as the best industry event of the year, brings together top executives from companies of all sectors of the food industry. I do hope that you will attend and take advantage of the opportunity to learn, network and conduct business, while enjoying all that the Texas Hill Country has to offer.

Special thanks to our convention partners, the Illuminators, led by Headlite, Mark Olejnik, who promises to greet and serve our delegates in a manner “second to none.” Renee and I look forward to seeing you in May in San Antonio!

Sincerely,

Mike Stigers
President & Chairman, WAFC

Learn More about the 97th Annual WAFC Convention!
NEW TREF Website Page

The Texas Retailers Association is currently building a new website page for the Texas Retailers Education Foundation. This new page will include a “Retail Job Center” for high school and college students to find retail jobs in their area. Members interested in having their job website pages linked should email Justin Williamson at jwilliamson@txretailers.org.

Grocers Corner - In the Cart

TRA Plastic Container Theft Task Force Shuts Down Another Illegal Grinder

Earlier this month after a tip from one of our member company employees about seeing a pickup truck loaded with plastic totes and baskets, the employee took down the truck’s license number and contacted the TRA Plastic Container Theft Task Force’s Investigator. Our investigator looked up the license plate to get an address for the truck, then placing that address under surveillance until it went out again. Over the next couple of weeks, he followed the truck as it stole various plastic containers from behind retail stores and then made delivery to this location located in East Houston. It was a recycling business buying plastic bags, plastic containers, plastic pallets, plastic trash cans, plastic chairs, etc. Biggest part of the business was the illegal purchase of plastic containers used in the retail industry to move merchandise/products.

Houston Police Department (HPD) along with our Task Force Investigator conducted a sting at this recycler about mid-day and after HPD arrested three persons at the location and designated it a Crime Scene, we were able to get several of our Task Force and Member companies to get tractor trailers to the location that afternoon, evening and into early the next morning to take back their property. HPD Officers, TRA Member Companies, and Task Force Representatives loaded
nine 18-wheelers and one large box truck with 22,162 baskets, trays, pallets, and totes at a replacement value of $130,891.14.

The TRA Plastic Container Theft Task Force is unique and the only one we are aware of in the country to try and address the theft of plastic containers used to move products to retailers from manufacturer/distributors. If you would like more information regarding the Task Force, please visit the TRA Website to read more about this big problem in our industry.

NCWM Will Again Take up Tare on Receipts Proposal

As FMI previously reported, the National Conference on Weights and Measures (NCWM), by a razor-thin margin, rejected Item 2300-3 during the July 2017 NCWM Annual Meeting. FMI testified during the hearing and provided written testimony. If passed, this item would have required front-end equipment, purchased after 2020, to have the ability to print the tare on the register receipt for each item weighed on the front end scale, at the point of sale. Examples of this are all produce, salad bar items, bulk coffee, bulk nuts, bulk cereal, bulk candy, etc.

The 2018 NCWM Interim Meeting documents were recently released and show that this item will be taken up during the meeting which takes place January 21-24, 2018 in St. Pete Beach, Florida.

It is important that you contact your state weights and measures department and let them know that this is an extremely expensive ask of retailers. In Texas our contact is Stuart Strnad, Director for Consumer Product Protection. Stuart's contact information is stuart.strnad@texasagriculture.gov or 512-463-5706. Your state weights and measures director may be voting for an item of which your executive office would not approve. This is a time when many governors are reeling in the red tape and rolling out the red carpet to dump burdensome and unnecessary regulations so that all businesses may thrive and help the economy by providing jobs.

Many of you have contacted your state director earlier this year, but it is important that they hear from you again so they know this issue is still important.

Food Marketing State Issues Report December 14, 2017

Food Safety Modernization Act Update

The Texas Office of Produce Safety Compliance as a part of the Food Safety Modernization Act (FSMA) is now officially open and wants to help industry comply with the new produce safety rules. Please click here (FSMA Compliance Timeline) to track the compliance timeline for implementation of the FSMA rules. In addition you can log on here or click here for contact information on the TX Produce Safety Team and click here to check out the regions the state is divided into by the Safety Team. If you have any additional questions, please reach out to Richard De Los Santos, Director Texas Office of Produce Safety at Texas Department of Agriculture. You can reach him at 512-463-7472 or Richard.DeLosSantos@TexasAgriculture.gov.

SNAP Program Stocking Requirements Effective January 17, 2018

As mentioned in last month’s newsletter, Food & Nutrition Service (FNS) was required to lower the stocking requirements for SNAP Vendors that were authorized to participate in the SNAP
Program. The new requirements are effective January 17, 2018. Click here to review a one-page outline of the new requirements put together by FNS. FNS has also developed a webinar to explain the new stocking requirements that can be found by clicking here.

**Want to become a SNAP Vendor?**

Enclosed in this article is a link to an application notice to become a SNAP Vendor. Food & Nutrition Service (part of United States Department of Agriculture) can authorize SNAP Vendors. We continue to hear examples of where grocers are taken advantage of by some folks/companies that offer to set their store up for a fee and/or purporting “government-sanctioned” equipment and services for EBT acceptance. If you are a new store owner and are looking at becoming a SNAP vendor, please click here to review the process and if you have any questions please reach out to your wholesaler representative or with us here at Texas Retailers Association.

**SNAP Program Statistics Update**

As expected we are continuing to see impact on the SNAP Program participation as well as the dollars spent due to Hurricane Harvey. December numbers continued the slight decline from November but really fairly stable compared to last year at this time. We have included current numbers for Texas as well as comparison to our sister states. We added Florida only this month to give you an idea of the impact following a natural disaster. You will note the national numbers for participates is from September 17 and the households and benefit dollars are from October 17. Just taking most recent information posted. Also, just a reminder the national numbers lag behind information provided by our state agency. Enclosed is the most current information available.

Please contact Joe Williams: jwilliams@txretailers.org or 936-258-3414 if you have any questions regarding the statistics update.

<table>
<thead>
<tr>
<th>Month</th>
<th>Cases</th>
<th>Participates</th>
<th>Dollars</th>
<th>Ave per Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 17</td>
<td>1,712,663</td>
<td>4,021,517</td>
<td>$459,304,225.00</td>
<td>$268.00</td>
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<tr>
<td>Dec 17</td>
<td>1,675,354</td>
<td>3,931,594</td>
<td>$446,920,844.00</td>
<td>$267.00</td>
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**Twelve Month Rolling Average**

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<th></th>
<th>Cases</th>
<th>Participates</th>
<th>Dollars</th>
<th>Ave per Case</th>
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<tbody>
<tr>
<td></td>
<td>1,670,105</td>
<td>3,946,545</td>
<td>$454,596,096.00</td>
<td>$272.00</td>
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</tbody>
</table>

**Look Back To Last Year (2017) at This Time**

<table>
<thead>
<tr>
<th>Month</th>
<th>Cases</th>
<th>Participates</th>
<th>Dollars</th>
<th>Ave per Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 17</td>
<td>1,648,030</td>
<td>3,891,968</td>
<td>$443,969,497.00</td>
<td>$269.00</td>
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<tr>
<td>Feb 17</td>
<td>1,630,846</td>
<td>3,847,537</td>
<td>$442,386,110.00</td>
<td>$271.00</td>
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</table>

How do we compare on the SNAP Program participation to our neighbors and nation-wide. The latest numbers available are Oct 17 compared to Oct 16 except for participates and that is Sept 17.

<table>
<thead>
<tr>
<th>States</th>
<th>Participates-Sept</th>
<th>Households-Oct</th>
<th>Benefits-Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Average</td>
<td>&lt;03.3%&gt;</td>
<td>+3.3%</td>
<td>+19.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>+20.9%</td>
<td>+38.5%</td>
<td>+73.9%</td>
</tr>
<tr>
<td>Florida</td>
<td>&lt;-02.1%&gt;</td>
<td>+53.2%</td>
<td>+281.9%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>&lt;-03.5%&gt;</td>
<td>&lt;-0.4%&gt;</td>
<td>&lt;-05.7%&gt;</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>&lt;-03.3%&gt;</td>
<td>&lt;-01.9%&gt;</td>
<td>&lt;-04.4%&gt;</td>
</tr>
<tr>
<td>Louisiana</td>
<td>&lt;-14.2%&gt;</td>
<td>&lt;-08.5%&gt;</td>
<td>&lt;-38.5%&gt;</td>
</tr>
</tbody>
</table>
How do we compare on WIC Program participation tour neighbors and nation-wide? The latest numbers available are Oct 17 compared to Oct 16.

<table>
<thead>
<tr>
<th>State</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Average</td>
<td>&lt;-05.8%&gt;</td>
</tr>
<tr>
<td>Texas</td>
<td>&lt;-06.3%&gt;</td>
</tr>
<tr>
<td>Louisiana</td>
<td>&lt;-05.2%&gt;</td>
</tr>
<tr>
<td>Arkansas-</td>
<td>&lt;04.4%&gt;</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>&lt;-06.0%&gt;</td>
</tr>
<tr>
<td>New Mexico</td>
<td>&lt;05.8%&gt;</td>
</tr>
</tbody>
</table>

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About the Texas Retailers Association

The Texas Retailers Association (TRA) is a 501(c) 6 non-profit organization dedicated to keeping Texas “retail friendly” for business owners through legislative advocacy. Since 1926, our diverse membership has represented every segment of the retail industry throughout Texas — from the smallest neighborhood store to the largest corporate chain. Recognized as the Voice of Texas Retail, TRA effectively advocates for Texas retailers at the State and Federal level while providing value-added services and partner programs for its members. Visit www.txretailers.org and join today!