Letter from the President

Happy Fall Texas Retailers!

It's fall and that means that we are all gearing up for the upcoming holiday shopping season. As the Houston area continues to recover from Hurricane Harvey, it's been very good to see how well and how quickly the area has begun to bounce back, especially the retail industry. We hope that all of you and your families who reside in the areas impacted by the storm are on the road to recovery. For this month's newsletter we want to feature TRA's signature events for 2018, the inaugural Advocacy Summit in March and the annual Texas Retailers Forum in July, our political and advocacy giving efforts and opportunities, and opportunities to support our educational foundation.

In 2018 we will again host two great TRA member and industry events, both of which promise to be can't miss events. The inaugural Advocacy Summit 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, the opportunity to spend a weekend 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. Registration and sponsorship details as well as information about the Advocacy Summit are inside this newsletter.

The 2018 annual Texas Retailers Forum will be in Corpus Christi. The Forum will take place at the Omni Corpus Christi Hotel, July 22-23, 2018. Our 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 hundreds of retail industry leaders from across the state and country at networking functions such as our Awards Dinner, networking breaks, and our closing night party. We are already working on the planning and schedule for next year’s Forum, including an exciting off-site location for our casino themed closing night party.

2018 will also be an important election year, in that all of Texas’ statewide officeholders will be up for re-election, as well as members of the State Legislature and our Congressional delegation. As a result, it will be very important to have the TRA PACs appropriately funded by the beginning of 2018, so our association can support the various elected officials who help us. Last election cycle we had success in raising more PAC funds than we had in recent memory, but 2018 will be even more important, so we need your help. There are several ways that you and/or your company can support TRA’s political efforts on behalf of our industry. There’s TRAPAC, our state level PAC that we have had for many years, our new TRA FEDPAC, which we have just formed to allow us to give to federal candidates, specifically members of Texas Congressional delegation, and our Retail Advocacy Fund (RAF) which is our non-PAC, indirect political account. Please continue to keep our industry strong by giving back to it, since it has given so much to all of us, through contributions to any of TRA’s political accounts.

Last, but not least, another very important way TRA members can support the work of our association is through contributions to our education foundation, the Texas Retailers Education Foundation (TREF). As many of you know, because of the generosity of our members over the years, TREF supports students that are preparing for careers in retail and in many cases studying to be the next generation of leaders in the retail industry. Through TREF’s support of both programs and individual students at the high school, junior college, and university levels, the retail industry in Texas has truly been able to support the development of tomorrow’s retail leaders. New for the 2018-19 school year is the TREF Scholarship Program, which will award individual scholarships to students pursuing careers in retail. I hope you and your respective companies will consider contributing to TREF and helping us educate our industry’s leaders.

As you can see, the TRA team is busy at work laying the groundwork for our most important efforts during 2018, while continuing our work on finishing 2017 strongly. Please don’t hesitate to contact me or any member of the TRA staff team at any time. As always, thank you for supporting TRA.

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.

Register for the Texas Retailers Advocacy Summit!

Legislative Update

Recovery from Hurricane Harvey, which lead a devastating path through Texas’ Gulf Coast region, continues to dominate many discussions in and around the Capitol in Austin this month. TRA is still assisting our members across the state deal with a variety of issues while they sort through the chaos and unexpected complications that storm damage and population shifts are causing in the region. When people return to their homes and stores reopen there will undoubtedly be both state and federal assistance available and that will all have a significant impact on government budget cycles and those in charge of paying the bills when the legislature returns. As of now, Governor Abbott has indicated there is
no immediate need for a Special Session of the Legislature to address hurricane recovery efforts, indicating the state has the ability and flexibility to assist those in need until the regular session begins in January 2019. Just this week, Comptroller of Public Accounts, Glenn Hegar provided a preliminary estimate of the storm damage of $2 billion for the current budget cycle which will be combined with a yet unknown amount of Federal funding assistance. While rebuilding the coast is essential, the strain on the state’s budget will be felt by all others seeking those dollars for everything from school funding to tax relief and agency operations for years to come.

We are also moving into the key campaign season with elected officials across the state announcing their election bids and hitting the fundraising trails. TRAPAC and the soon to be operational TRA FedPAC need your support now! We want to continue to make a strong showing in this upcoming election cycle and help keep Retail friendly law makers in office. Your contributions can be made online HERE or by contacting TRA directly at any time. TRA is the voice of retail in Texas and with your support our voice is increasing its reach daily. Lastly, in response to questions we received from TRA members, below are links to frequently asked questions doecuments for to key new laws that went into effect on September 1st. The new Texting While Driving Ban, as well as the new law on Open Carry of Swords and Long Knives.

Jim Sheer  
VP of Government & Regulatory Affairs

Member Spotlight: Mary Kay, Inc.

MARY KAY®

Recognized today as one of America's greatest entrepreneurs, Mary Kay Ash stepped out into a man’s world in the 1960’s to blaze a new path for women. After retiring from a successful career in direct sales, her dream was to provide women with an open-ended, unparalleled business opportunity. She founded "Beauty by Mary Kay" on Sept. 13, 1963 with her life savings of $5,000, the support of her family and nine Mary Kay Independent Beauty Consultants.

Mary Kay Ash along with those nine women laid the foundation for millions of women from all walks of life who currently enjoy the freedom and flexibility of Mary Kay’s home-based business model. Whether it’s a part-time endeavor or a primary source of income, the Mary Kay opportunity gives women a proven way to pave their own destiny. Today, Mary Kay is a top beauty brand and direct seller in nearly 40 countries around the world.

With more than 54 years of empowering women, Mary Kay is proud to champion women’s entrepreneurship while continuing a powerful legacy of giving back to the global Mary Kay community – all thanks to one amazing woman who has helped millions achieve their dreams through this one-of-a-kind success story.

Visit https://www.marykay.com/ for more information.

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!

2018 Texas Retailers Forum

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.

Register for the Texas Retailers Forum!
Meat Grind Regulation Update

USDA inspectors are out in the market checking grocers that grind meat products in their stores if they are following the record keeping guidelines implemented by USDA IN 2015. We had a report of an inspector asking to check the record keeping at one of our member stores in South Texas this month. To refresh everyone on the requirements you can click here for the link to the FAQ (frequently asked questions) on the Meat Grind Rule or another good review is a blog on the issue from Food Marketing Institute (FMI).

Menu Labeling Update

FDA (Food & Drug Agency) Commissioner Gottlieb released a statement late last month indicating that the agency would be releasing guidance on its menu labeling regulation later this year. There is a bill our industry supports that is still working its way in the House of Representatives House titled the Common Sense Nutrition Disclosure Act (H.R. 772). All of the discussion these days is on Tax Reform so not sure how soon Menu Labeling discussion might take place on the House Calendar. Please click here to review the Menu Labeling Requirements that might impact your businesses.

Overtime Pay

In late August, Judge Mazzant (Obama Administration Appointee) in the U.S. District Court for the Eastern District of Texas ruled against the Department of Labor’s overtime rule (proposed in the last administration), which would have doubled the salary threshold to over $47,000. The judge invalidated
the rule, saying that it was not consistent with congressional intent, which was for the duties test to be the primary focus of the exemption, not salary. Last week’s action follows a temporary injunction placed on the rule ahead of its December 2016 effective date. Click here to read the article from USA News. To review the requirements of the Overtime Rule, click here.

SNAP RETAILER STANDARDS DEFINED IN 2016 FINAL RULE NOW WAIVED

USDA/FNS is now starting to implement some of the provisions of the 2014 Farm Bill defined in the final rules issued by FNS back in December 2016. Those provisions or enhancement of the standards as to stocking requirements were recently overruled by Congress in the Consolidated Appropriations Act of 2017. As a reminder, the Consolidated Appropriations Act requires:

- That FNS not implement the change from 3 to 7 varieties of staple foods in each of the 4 staple foods categories,
- That FNS revert to the former definition of variety, and
- That FNS maintain the requirement for perishable items in 2 staple food categories rather than moving to a requirement for perishables in 3 of the 4 staple foods categories.

Beginning on January 17, 2018, when USDA/FNS receives new applications, they will assess eligibility under the requirements of the final rule that are unaffected by the Consolidated Appropriations Act. The USDA/FNS SNAP Program webpage has been updated to reflect the new guidelines combining the former Enhanced SNAP Retailer Regulations and the Consolidated Appropriations Act provisions to eliminate any confusion.

- A quick overall outline on what the January 17, 2018, requirements mean at the store level can be found here.
- Guidance on the definition of variety can be found here.
- Guidance on what constitutes a stocking unit for purposes of depth of stock can be found here.
- Guidance on the definition of accessory foods, which are eligible foods but are not counted as staples for purposes of store eligibility, can be found here.

USDA/FNS plans to hold a webinar in early December 2017 to review the changes to stocking provisions that become effective in January. We will send out to Food Council the details of the webinar when it becomes available.

Beverage Tax Overturned in Illinois

We just received word from Illinois Grocers Association that Cook County Officials voted 15 to 1 to overturn the Sweetened Beverage Tax in Cook County Illinois. Please click here to read article on the issue.

It was interesting that in August, USDA/FNS had stated that the Beverage Tax violated SNAP Rules.

This issue is getting a lot of action. Michigan Legislature just passed a bill banning local excise taxes on groceries (sales of food and drinks) Mi HB4999 (17R), which is now its way to the Governor for signature and he is expected to sign the bill. There hasn’t been discussions in any of Michigan communities of adopting a sugary beverage tax like Seattle, San Francisco, or Philadelphia but this legislation will make sure no Michigan communities go down that path.
SNAP Program Statistics Update

I’m not sure the numbers from the SNAP Program participation will mean much this month as far as checking for trends. Hurricane Harvey had a significant impact on our communities across the state and that impact is noted in SNAP statistics as well. USDA/FNS approved Supplemental SNAP Benefits to those SNAP participants in the 39 counties impacted by Harvey. So September numbers shows that significant increase across all categories. We don’t know if they will post the Disaster SNAP Benefits to non-SNAP households impacted by Harvey that lived in the 39 disaster declared counties. But I’m sure a certain percentage of them may qualify for SNAP on the regular program. We won’t know the impact until October/November numbers are released. Also included the numbers from our sister states even though the national numbers lag behind by three months.

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

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<th>Participates</th>
<th>Dollars</th>
<th>Ave per Case</th>
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Twelve Month Rolling Average

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<td>Aug-Sep 17</td>
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Look Back To Last Year (2016) at This Time

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How do we compare on SNAP participation to our neighbors and nation-wide? Latest information is July 17 versus July 16

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<th>Participation</th>
<th>Households/cases</th>
<th>Benefits/Dollars</th>
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<td>&lt;3.6%&gt;</td>
<td>&lt;5.0%&gt;</td>
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<td>Texas</td>
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<td>&lt;0.8%&gt;</td>
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<td>&lt;4.2%&gt;</td>
<td>&lt;6.2%&gt;</td>
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<tr>
<td>Arkansas</td>
<td>&lt;6.0%&gt;</td>
<td>&lt;6.2%&gt;</td>
<td>&lt;4.5%&gt;</td>
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<td>Oklahoma</td>
<td>&lt;3.2%&gt;</td>
<td>&lt;2.1%&gt;</td>
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<tr>
<td>New Mexico</td>
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<td>&lt;4.2%&gt;</td>
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How do we compare on WIC Program participation tour neighbors and nation-wide? The latest numbers available are July 17 compared to July 16

<table>
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<th>State</th>
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<tbody>
<tr>
<td>National Average</td>
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<td>Texas</td>
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<td>Louisiana</td>
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<tr>
<td>Arkansas</td>
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<td>New Mexico</td>
<td>&lt;6.1%&gt;</td>
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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!

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