

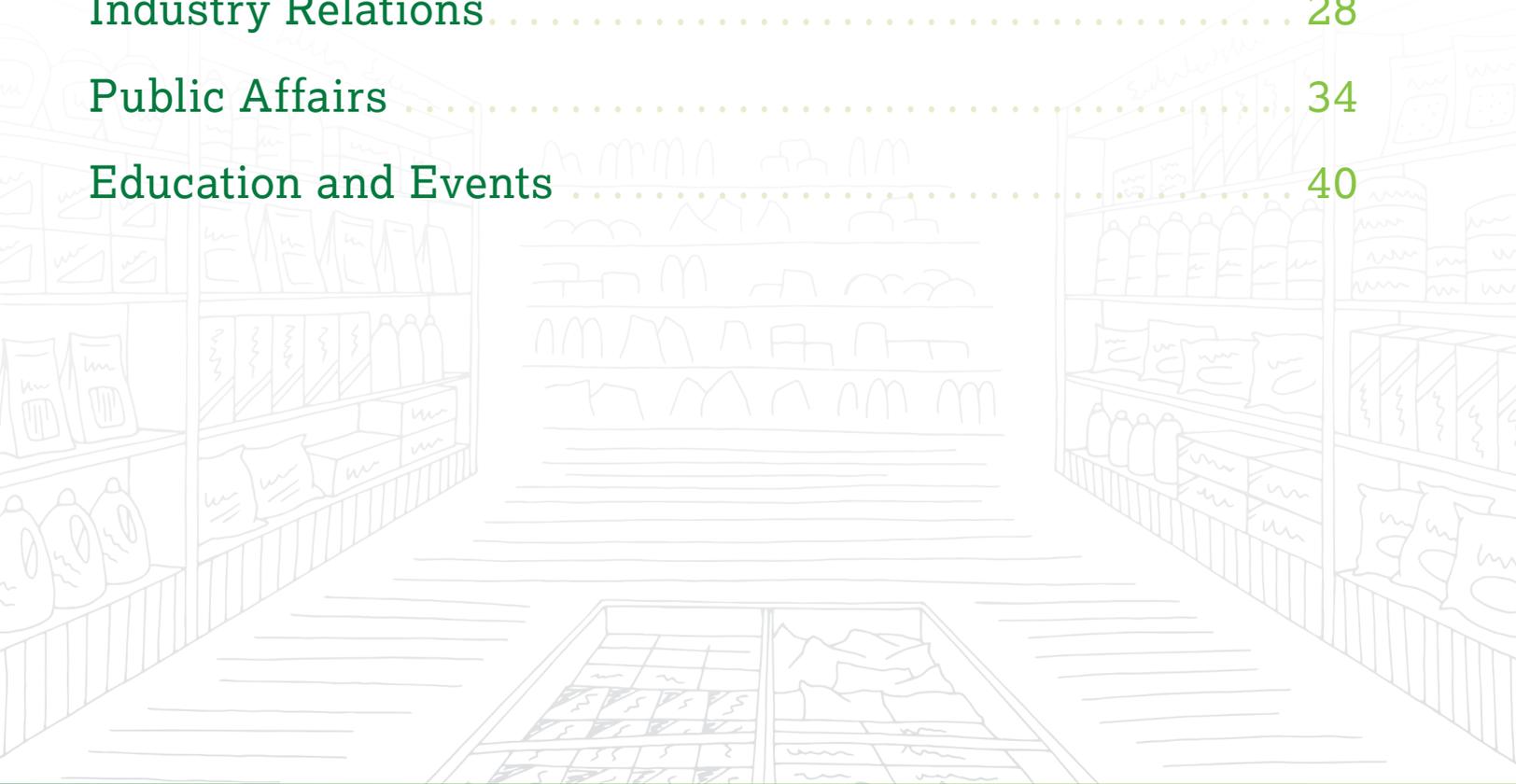


THE FOOD
INDUSTRY
ASSOCIATION

ANNUAL & REPORT 2021



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A Recipe for Success in 2023

One of the great chefs among our generation, Thomas Keller, is famed for saying that “a recipe has no soul; you, as the cook, must bring soul to the recipe.”

The word, soul, is often defined as a moving spirit. From where I sit in the organization, it’s the spark that ignites both our drive and all we do on behalf of the companies we serve each day.

As the food industry association, we take seriously our responsibility for representing the industry’s convictions across all areas of their business. We share a great sense of pride in the work we do together to advocate, collaborate and educate to advance a safer, healthier and more efficient consumer food supply chain.

We continue to innovate our operating model and uphold our new strategy that positions FMI to be successful in an unparalleled and rapidly changing marketplace; clarifies what FMI stands for and what we do each day to support the industry; prepares FMI to serve an increasingly diverse and complex membership; and fortifies FMI’s future governance model and operating capabilities.

A soul is also defined as a “noble warmth of feeling,” and I believe this sentiment is manifested in how our community has grown, aligned with our strategic plan goal of increasing the breadth and depth of the FMI membership and industry engagement. We recruited 21 new retailer, wholesaler and university/college members in 2023, representing a **62% increase in recruitment** over 2022. All active wholesaler members from 2022 retained membership for 2023, and we also welcomed four new wholesaler companies, resulting in a **17% increase in the membership segment** and the highest number of new wholesale members enrolled in a single year since 2016. We achieved a **100% retention rate** among product supplier category members, and we added four new product suppliers in 2023 to reach 27 in total. Finally, we added

a total of **82 new members** to our associate member community, which bolsters our knowledge base and member company resources.

Against the backdrop of the significant growth among membership and our association’s priorities this year, we continued to measure and assess our efforts to understand what drives our members and meets their needs. The FMI annual membership report card measures success through thoughtful evaluation of how we deliver value. Overall, FMI met or exceeded our members’ expectations in the last year. Our report card feedback confirms:

- **95%** of FMI members are satisfied with FMI.
- **95%** of FMI members say FMI has met expectations.

We learned through our member satisfaction exploration that you, on average, join our community for multiple reasons. And your actions demonstrate how, like grocery shoppers, your definition of value continues to morph. Still, our attraction as an organization goes beyond numbers, and thanks to your support of our critical work, we add soul to the association’s mission. In fact, **86% of FMI members are engaged with FMI at some level** – from contributing to our success in advocating for your imperative issues on Capitol Hill to providing insights regarding how the food industry invests in improving the grocery environment and enhancing the shopper experience.

Regarding what you value most, the timeliness of our issue updates and alerts ranks high on your list. We take great pride in our ability to serve you and your teams in a timely manner so that you may have the most relevant and current information that impacts your businesses.

The soul can also be defined as the emotional part of human nature. FMI acknowledges the hard work and dedication of our members as we stay the course

with the bold commitments we endorsed together to support the White House Challenge to End Hunger and Build Healthy Communities. We are all in this together, and we continue to shine a light on our common goals to improve hunger, nutrition and health.

In the pages following, I encourage you to dive into the details of our annual report, and I welcome your honest and constructive feedback so we can continue to nurture and be inspired by the soul of this great industry.

Please allow me to congratulate you, in concert with the FMI team, on the food industry's 2023 accomplishments. It was truly a recipe for success.

Leslie G. Sarasin

President and CEO
FMI – The Food Industry Association



Communications

97%
accept mobile payments,
with 3% planning to do so

96%
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self-checkout lanes

2023 Highlights

The communications, marketing, and insights functions support all FMI departments and subject matter expertise. The department activities support a wide variety of member engagements, member recruitment, consumer insights, FMI policy efforts, and media relations. The following summary offers key activity highlights. Notably, food price inflation continued to serve as a primary theme this year in our media relations activities. We continued to embrace challenge to more clearly communicate FMI's role, mission, and brand to promote the new food marketplace.

Articulating our Brand Vision

In support of the FMI strategic plan to uphold our association's vision, we bring together the key FMI brand elements by managing a cross-functional, cross-departmental editorial calendar. The marquee communication vehicle is fmi.org to optimize FMI content, issues, interests, committee work and member directories. We also developed a short documentary series to tell FMI's story to multiple audiences and reinforce our position as the food industry association. For this series, our goal is to draw personal narratives from our leadership to shape the story of how we serve the industry. The production will be complete by year-end, and FMI will kickstart a marketing campaign to introduce this series at the Midwinter Executive Conference.

Educating on Food Price Inflation

We remain rooted in facts regarding food price inflation education, leveraging our tracking of consumer sentiment and operations data to support conversations across audiences.

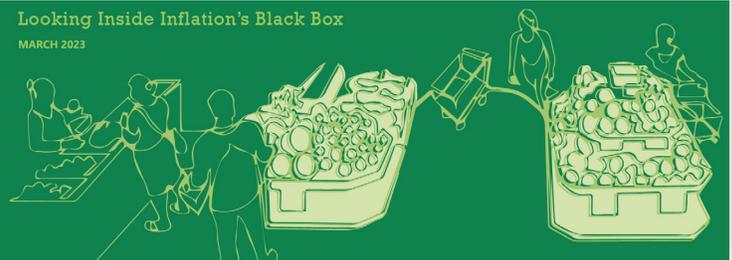
We made a concerted effort beginning in 2020 to be clear and transparent about what goes into food prices, and the drivers of food price inflation have continued to maintain relevancy and urgency in 2023, contributing to FMI's **4,000 mentions** in the press.

Through November 2023, we hosted three media briefings on food price inflation and grocery shopper

IMPACT OF INFLATION ON GROCERY SHOPPER BUYING HABITS



Looking Inside Inflation's Black Box
MARCH 2023



trends, demonstrating through our analysis how we can “future-proof the supply chain” and “go behind the headlines” on these complicated topics.

During these briefings, we explored the causes of food price inflation and the implications of rising Consumer Price Index (CPI) numbers for shoppers, two of which included expert insights from Cal Poly's ag professor Dr. Ricky Volpe. During the summer months, Dr. Volpe offered his counsel on several FMI resources, and he continues to serve as a third-party resource during our holiday season outreach. Notably, Cal Poly is one of FMI's university members.

We created two fact sheets outlining food prices' consistency at the grocery store and directed members and reporters to [FMI.org/FoodInflation](https://fmi.org/FoodInflation) as a consistent resource. This Web page has garnered **more than 1,200 views**.

Aligning on Consumer Sentiment in Tough Economic Times

Throughout 2023, we issued significant pieces of category research – produce, seafood, meat, private brands, foodservice, bakery, nonfoods, frozen foods – that supported the conversation on inflation and showcased our members' investments in creative merchandising and messaging strategies. We maintained our relevance and demonstrated that our industry is on the side of the shopper. We continue to set expectations in the media and align our messaging with proof points about the shopper.

In 2022, our theme was the "Shopper Journey." In 2023, we've studied more closely how consumers define value. We conducted a five-part **U.S. Grocery Shopper Trends** series and earned **121 mentions** in trade, business and consumer press and **1,096 views** of our website experience.

In addition to earned media, we pursued paid media strategies around the biggest food holidays. In November 2023, FMI President and CEO Leslie Sarasin participated in **23 television and radio interviews** across the country about consumers' holiday grocery shopping plans. The interviews resulted in **26.8 million impressions to date**, showcasing how shoppers are prudent and offering suggestions for shoppers' holiday meal plans plus ways to

save. Our members serve as amplifiers for these media relations activities by doing their own outreach around the holidays in their markets and on the national news.

Illustrating Operational Advancements

From our signature research, *The Food Retailing Industry Speaks*, we know food retailers and manufacturers are focusing on investments to personalize and improve the grocery environment and shopper experience.

FMI.org/GrocerySpeaks featured historical context for what was on the industry's plate 74 years ago, which supported strong LinkedIn engagement through organic polling methods on the social media platform and subject matter thought leadership among our FMI brand ambassadors. Complementing this website content, we rolled out short videos for Instagram and LinkedIn regarding our *Speaks* data findings. These videos performed well, garnering **886 impressions**.

We also took an illustrative approach to showcasing the industry's investments, developing *The Evolving Grocery Experience*. This is a visual tool we used with media and various stakeholders to reposition some of the concerns presented in *Speaks* to convey the



food industry's investments in ecommerce; checkout; expanded product assortment; enhanced department features; workforce; and technology. This web experience witnessed **6,489 views**.

We hosted a media briefing on our research, garnering **30 media hits**, but more importantly, made inroads with new business and political reporters regarding our association's imperative issues.

Tackling the Tough Topics: FSMA 204, Traceability

The food traceability rule, FSMA 204, came out in November 2022. This 597-page rule establishes additional recordkeeping requirements for dozens of what the FDA determines are high-risk foods. The rule is incredibly complex and will pose significant burdens on our industry to come into compliance by the deadline of January 2026. The communications team took on the challenge of demonstrating the complexities of this rule to a Capitol Hill audience through the development of a **two-page infographic** that traced the path of a tomato through the supply chain. This resource included metrics and creative visuals to hammer home the points. This infographic has been used as a tool on countless Capitol Hill visits, regulatory meetings, media backgrounders and has been **accessed online 1,225 times**.

Amplifying Food as Medicine to Redirect Uniformed Reporting

Repeatedly, our **policy on food as medicine** has served our ability to adeptly navigate uniformed reporting on issues from aspartame to the debate on ultra-processed foods. Our media relations efforts on this topic culminated in November 2023 with FMI as a lead sponsor of the **Food as Medicine Policy Summit** in Washington, DC. FMI was featured on the program, and we pursued an op-ed and media deskside chats with FMI Senior Director, Health and Well-being, Krystal Register, MPH, LDN, RDN. FMI's annual compilation of health and well-being statistics, **The Power of Health and Well-being** served as our primary media relations tool.

We continued our **video series showcasing food industry companies** and their in-store and community-level food as

medicine activities including promoting health and well-being, disease management and treatment, addressing food security, and food safety. These videos garnered **more than 1,700 views** over the last two years and continue to serve as valuable tools that demonstrate how grocery stores are destinations for health and well-being.



Issues Management

Public Relations Case Study on Food Safety Education

FMI's Dr. Hilary Thesmar and Heather Garlich presented to the American Frozen Food Institute's **Food Safety Forum** in September. Dr. Thesmar was featured on a stakeholder panel and Garlich participated on a panel discussing risk communications. Notably, Garlich was joined by Dr. Ben Chapman, representatives from STOP Foodborne Illness, FDA and Schwan's. This forum was widely attended by interest groups among food safety, including media, and FMI is a partner. In parallel, FMI developed a messaging tool, a **Food Safety In America fact sheet**.

Public Relations Case Study on the Farm Bill

In early November, FMI joined with the American Farm Bureau Federation and Feeding America for a joint press conference to raise awareness about the urgent need for Congress to pass a Farm Bill. The event was branded under the "Farm Bill for America's Families"

coalition, of which FMI is a member. FMI President and CEO Leslie Sarasin joined AFBF President Zippy Duvall and Feeding America CEO Claire Babineaux-Fontenot in a panel discussion and media Q&A on the importance of the Farm Bill to farmers and families across the nation. The powerful impact of having all three organization's leaders - representing the breadth of the food supply chain - in agreement on the need for a Farm Bill was noted by media participants in the room. In her remarks, Leslie emphasized the important role food retailers play in administering the SNAP program to provide all Americans with access to nutritious foods, as well as the Gus Schumacher Nutrition Incentive (GusNIP) Program, addressing food waste, and food donations to the Feeding America network of food banks.

Approximately 60 reporters from across the agriculture, trade, and policy press were invited, with 15 reporters ultimately participating in the event. The CEOs took questions from DC reporters such as *National Journal*, *Politico*, *FoodFix* and agriculture networks. The event resulted in positive coverage in *Politico*, *RFD-TV*, *The Hagstrom Report*, and *Agriculture Trends*.

Uplifting the Industry through Awards and Recognition

Community Uplift Awards

With the aim of growing participation and the diversity of our nominations in 2023 through earned and paid media tactics, FMI partnered with The Shelby Report. Two of The Shelby Report's advisory committee members joined their editorial and publishing team to help judge our winners: Jeff Pedersen of ROFDA and Eric Le Blanc of Category Partners (formerly with Tyson). One of the judges commented on the process saying, "There are some wonderful programs here and some deep needs. It was kind of a ray of sunshine, to be honest." FMI earned above average open and engagement rates with this advertising campaign, which also supported our advocacy and storytelling efforts.

Supermarket Employee Day

Thanks to states such as Iowa, Texas, Missouri, Georgia, Alabama and Louisiana proclaiming February 22

as Supermarket Employee Day, participation in this national holiday is continuing to grow. On Feb. 22, we witnessed **5,800 hashtag mentions** with **over 1.4 million impressions** on social media. Companies in and out of the food industry took part in thanking supermarket employees in creative ways. For 2024's celebration, we are promoting messaging on a "supply chain of thanks," grocers & gratitude and ways to "thank it" forward.

Store Manager Awards

It has been an inspiring year for supermarket employees with our Store Manager Awards receiving the highest number of nominations at **175**. We celebrated them at a live YouTube celebration in the spring that attracted more than **1,300 views**. The "People's Pick" category is a social media initiative within this award process that amplified the brand this year with more than **10,000 engagements**.



Executive Leadership Awards

Having its roots in 1955, the Executive Leadership Awards have since expanded to highlight outstanding food industry leaders for their dedicated work in humanitarian and consumer services, industry relations, entrepreneurial excellence, public affairs, and service to the consumer, community, and industry. In 2023, seven awardees were honored at FMI Midwinter for their outstanding contributions toward advancing and strengthening the food industry. Cumulatively, these honorees donated millions of dollars to charitable organizations; built partner collaboration programs that strengthened the food supply chain; exemplified

building consumer trust and top-tier customer service; propelled a “people-first” focus inspiring a legacy of executive management best practices; focused on solving pressing community challenges such as hunger and nutrition; and championed the needs of the consumer and industry through expert public affairs and government relations.

Growing Participation in the Research & Insights Committee

The FMI Research & Insights Committee was established in 2022, and the committee now boasts more than 60 member companies, representative of both retailer and supplier companies. The group offers guidance to its community by identifying issues worthy of exploration and collaborating on best practices in the profession. Since research and insights are among the top reasons members justify their engagement with us, it makes sense that this community has grown so significantly in one year.

Steve Markenson, vice president of research and insights, joined more than 750 insights professionals and 60 representatives from FMI member companies in Chicago at the **Insights Association annual Corporate Researchers Conference** to explore how brands can drive growth in turbulent times. Markenson co-chaired an FMI-founded food industry track at the conference and presented the findings of FMI’s *U.S. Grocery Shopper Trends* research alongside David Feit, vice president of strategic insights at The Hartman Group. Additional food industry presentations were made by Rich Products, NPD Group, Kimberly Clark, Fairlife, Mars, Toluna, Circana, Hormel, Center for Food Integrity, Nestle, PepsiCo/Gatorade, and others.

FMI issued **more than 30 reports** this year to serve as a guiding voice on the issues that matter most to our members and to support our role in upholding the grocery shopper. Research reports included ongoing topics such as Power of Meat and Power of Private Brands, in addition to several new reports, including State of Pharmacy in Supermarkets, Power of Nonfoods, and a Supermarket Manager Satisfaction survey.

Repositioning SQFI.com for Global Audiences

We advanced the SQFI brand by redesigning the main communications tool, **SQFI.com**. The new website implements a simplified user experience with comprehensive mega menus, thoughtful navigation and super-powered search capabilities.



New features on the site include:

- A Code Selector that helps users identify the right code for their business model.
- Comprehensive landing pages for each code with related resources.
- Streamlined training descriptions and search capabilities.
- Directories connected to SQFI’s database with enhanced user features.
- Multilingual capabilities that offer website content in nine languages.

We will continue to monitor the user experience and engagement on SQFI.com and make improvements for the business model and its global audience.

Increasing Member Engagement through Marketing Automation

In 2023, we implemented a more robust marketing automation system. The main benefits are increased website traffic, and more relevant communications based on digital behaviors, subscriptions, communities, committees, and topical interests. The system is the largest driver of member (and non-member) engagement to issue-specific content. With its reach of **nearly 84,000 community members**, FMI can hyperfocus on subject matter through engagement-based activity to strengthen member value, aid government relations efforts, support our event portfolio, and reinforce all research and insights activity. The improved system provides a bird's eye view of what matters most to our members, community and industry.



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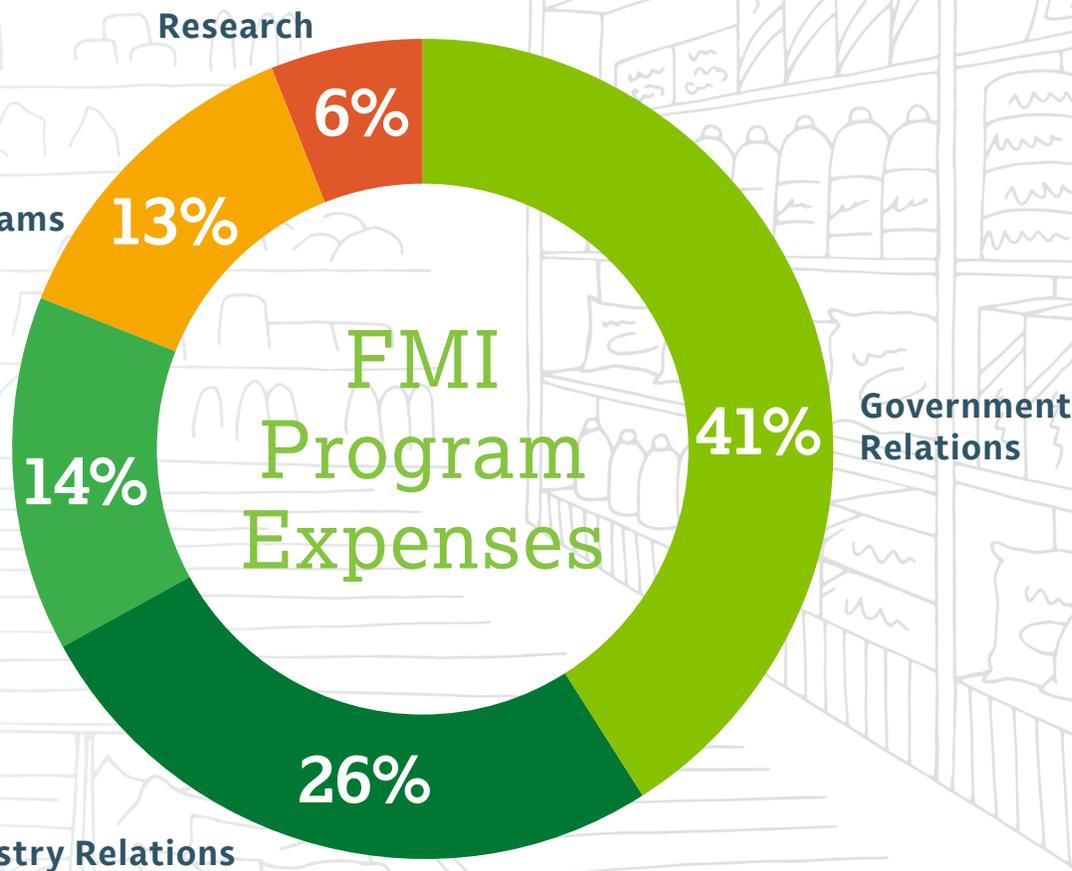
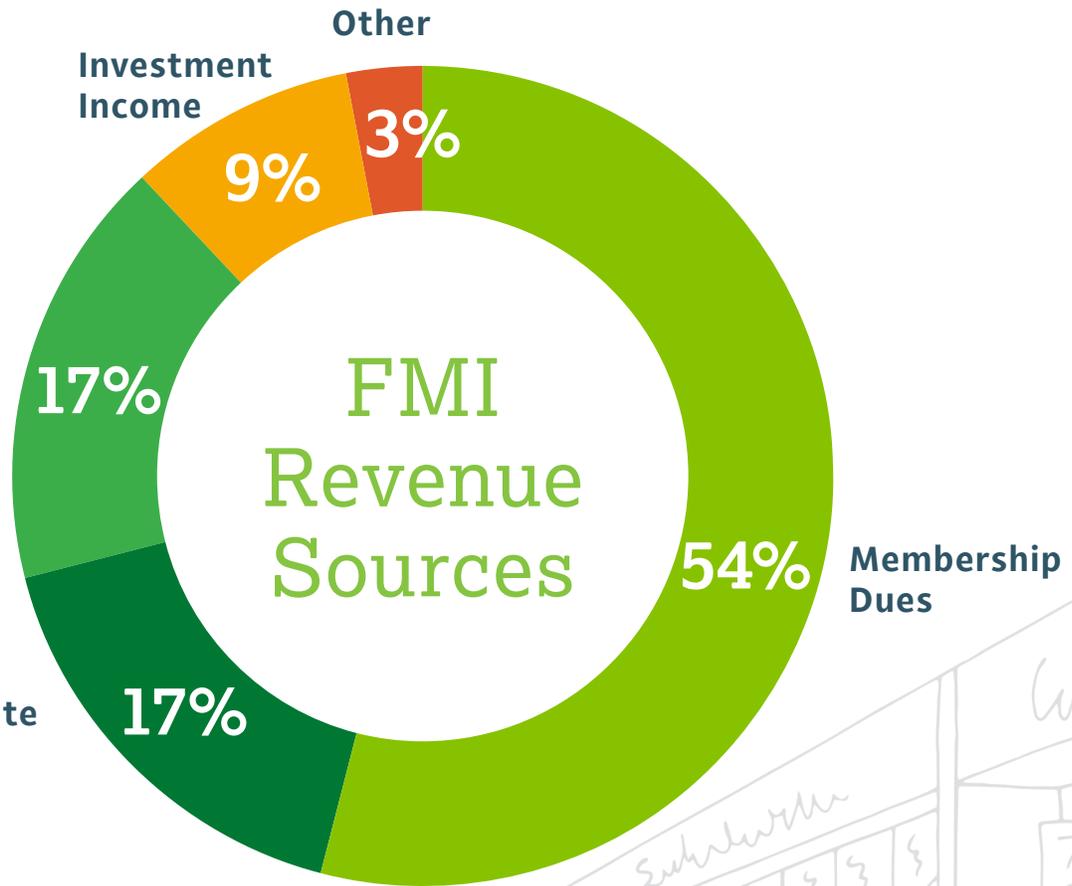
2023 Year in Review Charts

- Providing the retail food industry with the myriad products and services FMI offers requires resources — both human and financial resources.
- Any well run business endeavors to diversify its revenue sources and FMI is no different.
- While membership dues provide the majority of funding for FMI, **more than 46% of its revenues** are derived elsewhere.
- FMI's conferences, education meetings, the SQF Institute and investment revenues provide the majority of these non-dues revenues.
- Net of FMI's program expenses, FMI will run a **surplus of \$2.3 million in 2023**, securing a revenue source for future spending.
- **More than 40%** of FMI's program expenditures are for Government Relations.
- Another **26% is for Industry Relations**.
- The remainder incorporates Communications & Consumer Affairs, Food Safety and Research.

NOTE: Revenue Sources are net of related expenses. For example, Conferences and Education revenues are net of all expenses for labor, A.V., Food and Beverage, etc.

2023 Allocated Projection

2023 Allocated Projection	
Revenue Sources	
Membership Dues	\$8,199,300
SQF Institute	\$2,696,300
Conferences & Education	\$2,621,800
Investment Income	\$1,348,000
Other	\$418,500
Total	\$15,283,900
Program Expenses	
Government Relations	\$5,275,000
Industry Relations	\$3,441,700
Communications & Consumer Affairs	\$1,764,700
Food Safety Programs	\$1,721,300
Research	\$781,200
Total	\$12,983,900
Operating Activities - Net	\$2,300,000



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Final Recruitment Totals for 2023

Retailer/Wholesaler & University/College Memberships

- Recruited 21 new Retailer/Wholesaler & University/College Members in 2023, representing a **62% increase** over 2022.
- All active Wholesaler members from 2022 retained membership for 2023; FMI also welcomed four new wholesale companies, resulting in a **17% increase** in the membership segment and highest number of new wholesale members enrolled in a year since 2016.
- Member retention rate in this segment is well above the industry average of **85%** for trade associations (**90.6%**).

Retailer/Wholesaler

- Conner's Cape Hatteras Supermarket, Inc., Buxton, ND
- DeCicco & Sons Markets, Pelham, NY
- Dollar General, Memphis, TN
- DOT Foods, Inc., Mount Sterling, IL
- Goode's Cash Saver, Vilonia, AR
- Kaps Wholesale Foodservice, Inc., Detroit, MI
- Leever's Supermarkets, Inc., Franktown, CO
- Mar Val Food Stores, Inc., Lodi, CA
- Maya Management Group/El Rio Grande Market, Dallas, TX
- Midwest Food and Meat Distributors, Minneapolis, MN
- Randall Foods, Vernon, CA
- Rastelli Market Fresh, Marlton, NJ

- Reynolds Market, Shepherd, MT
- The Markets of Highlandtown, Baltimore, MD
- Uwajimaya, Inc., Seattle, WA
- World Pantry, San Francisco, CA

International

- The Marketplace Limited, Bermuda

University/College

- Capilano University, North Vancouver, BC
- Kansas State University, Manhattan, KS
- Purdue University, West Lafayette, IN
- Southern Methodist University, Dallas, TX

Product Supplier Memberships

Achieved **100% Product Supplier retention rate** in 2023.

New Product Supplier Members

- Frey Farms, Keenes, IL
- Kellanova, Battle Creek, MI
- Post Consumer Brands, Lakeville, MN
- The Clorox Company, Irving, TX
- WK Kellogg Company, Battle Creek, MI

Associate Memberships

Added a total of 82 new members as of November 17, 2023, with breakdown as follows: Affiliate Partners (39), Association Partners (34) and Industry Partner (9).

For more information, visit fmi.org/membership

Member Satisfaction Survey

FMI has met or exceeded expectations:

- **95%** of FMI members are satisfied with FMI
- **95%** of FMI members say FMI has met expectations
- **86%** of FMI members are engaged with FMI
- **96%** staff responsiveness
- **96%** being easy to do business with
- **94%** effectively bringing together retailers, wholesalers and suppliers
- **88%** helping members grow their business

Store Operations Series for Independent Operators

FMI added several new sessions to the Store Operations Series, which began in 2020. The 2023 installments were presented live quarterly and recorded for on-demand use afterwards. We generated **78** total registrations for 2023 digital seminars, with **613 overall** total registrations from 2020 – 2023.

Share Groups

Expansion of Share Group Engagement

FMI Share Groups continue to demonstrate value to those who participate, fostering a unique relationship with industry colleagues from noncompeting companies in an environment trusted learning.

In 2023, we witnessed notable expansion among these groups with at least two convenings and multiple subgroup meetings. Notably, Associated Food Stores, Pattison Food Group, DeCicco & Sons Highland Park Market, West Seattle Thriftway joined respective FMI communities.

Please let us know if you are interested in a share group. FMI share groups are carefully aligned to ensure they are non-competitors and to ensure other business synergies.

For additional information about FMI Share Groups, visit [FMI.org/ShareGroups](https://fmi.org/ShareGroups)

Food Industry Collaboration

FMI participated in several shows and events among its industry partners, such as the annual meetings and conventions among Associated Wholesale Grocers, National Grocers Association, Western Association of Food Chains (WAFC) and Retailer-Owned Food Distributors and Associates (ROFDA).

The Retail Management Certificate Program (RMCP) continues to be an essential development tool to build a stronger workforce in the food industry, helping retailers invest in people and develop a leadership talent pipeline. FMI hosts a National Advisory Group including FMI member retailers participating in the program with WAFC. The group meets bi-annually to exchange best practices and community college partners have joined in the conversation this past year.

Notable Committee Achievements

Supplier Diversity Next/Best Practices Guide

Commissioned by the FMI Supplier Diversity Committee, this best practice guide captures supplier diversity best practices in the food industry by engaging FMI Supplier Diversity Committee members to share their industry insights, best practices and lessons learned. The member committee has a wealth of talent and showcases the varied experiences across the food industry from both large and small companies on how supplier diversity is important to them and how they have incorporated it into their business practices.

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Continue to Lead Industry to Ensure Food and Product Safety

FMI continued to lead the fast-moving consumer goods industry in ensuring the safety of products sold in food retail, serving as the premier organization providing food and product safety programs, resources, and counsel.

Traceability

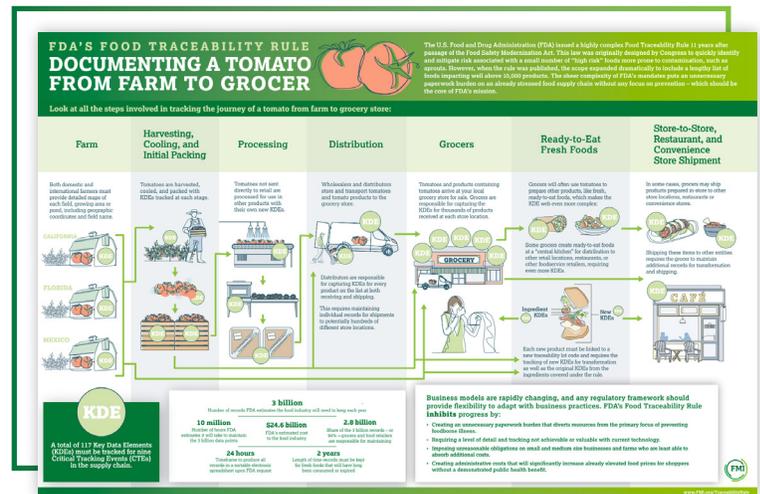
Food traceability plays a critical role in foodborne illness investigations and retailers have various systems in place to help identify products at different points in the supply chain. In November 2022, FDA published the Final Food Traceability Rule, “Requirements for Additional Traceability Records for Certain Foods,” which establishes traceability recordkeeping requirements for persons who manufacture, process, pack or hold foods included on the Food Traceability List or foods that contain listed foods as ingredients. The path toward compliance isn’t going to be easy. The industry is faced with many challenges - the final rule is complex, the scope of the Food Traceability List (FTL) is vast and broad, and the regulatory requirements conflict with operational practices. Regardless, the food industry must navigate the challenging landscape and meet the requirements of the rule by the January 20, 2026, compliance date. This year, the FMI Food Protection Committee worked to gain greater clarity about the rule and will begin to develop tools and solutions to help the industry move toward compliance.

Traceability Resources Completed and available on the FMI FSMA Microsite

- Implementation Guide (November 2023)
- Compliance Guide (November 2023)

FMI Summary of Final Rule: FDA Food Traceability Final Rule (January 10, 2023)

- FMI Traceability Rule Infographic (May 25, 2023)
- Traceability KDE and CTE comparison to GS1 standards (March 8, 2023)



- FMI Member Unanswered Questions (October 5, 2023)
- FMI Member Final Rule Question and Answers (August 16, 2023)

Engagement and Collaboration

Meetings with U.S. Food and Drug Administration (FDA) Traceability Workgroup

Participated in eight direct meetings with the U.S. Food and Drug Administration (FDA) to advocate for flexibility, clarity and simplicity with the traceability final rule on behalf of member companies.

FMI Food Protection Committee Traceability Workgroup Launched in January 2023

Workgroup members consist of FMI retail and wholesale members in food safety, regulatory, and legal who have been working to identify solutions, specifically focusing on the Food Traceability List

and operational challenges, for implementing and complying with the FDA Food Traceability Rule.

FMI Traceability Steering Committee

Launched in June 2023

Convened a multidisciplinary group of members to provide member direction and thought leadership on implementation strategies. The Steering Committee meets monthly to discuss rule compliance and implementation. More than 25 companies are represented on this committee.

FMI and GS1 US Collaboration

Engaged with GS1 US at various levels and working to drive industry adoption of GS1 US standards to provide a common language for compliance with final rule. Have monthly meetings with GS1 US, Industry Relations, GR and Food and Product Safety to discuss issues and update on progress.

Traceability Coalition

Working with associations at the end of supply chain that have similar concerns about the final rule to develop solutions and alignment. The coalition includes FMI, International Foodservice Distributors Association, National Association of Convenience Stores and National Grocers Association.

Food and Beverage Issue Alliance (FBIA) Traceability Workgroup

FMI chairs this workgroup and the goal is to work with industry associations to gain industry alignment on implementation. Participants include associations representing food industry sectors and commodities.

Institute of Food Technologists (IFT) Global Food Traceability Center (GFTC)

We are engaged with IFT's GFTC to build critical traceability capacity across the food industry through knowledge sharing, research and the development of resources to address food traceability challenges and opportunities across the supply chain.

Produce Traceability Initiative (PTI) FSMA 204 Retail Task Force and PTI FSMA 204 Workgroup

FMI volunteers on the PTI task force to align PTI recommendations with FDA final rule on traceability.

New Era for Smarter Food Safety

Published in July 2020, FDA's [New Era of Smarter Food Safety blueprint](#) represents FDA's 10-year plan and outlines the approach the agency plans to advance food safety. The blueprint looks to both the public and private sectors and how they, in partnership, can work to identify and implement solutions that will help achieve the shared goal of protecting public health. While the New Era framework covers a wide array of issues, FMI will focus our efforts on recall modernization; coordination between various federal, state and local government agencies with the industry on foodborne illness investigations; and developing food safety best practices for newer business models including ecommerce and delivery. While the New Era of Smarter Food Safety is an FDA initiative, FMI developed and supported resources from both FDA and external stakeholders that include the following content areas:

- Recall Modernization
- Digital Food Safety: Considerations when Sourcing Digital Technology and Tools
- New Era of Smarter Food Safety Resources

Produce Safety

Produce safety remains a priority for retailers and wholesalers, and FMI members are committed to using science to drive policies and standards. With the devastating flooding that occurred in California recently, the industry is concerned about the potential for an increased risk of contamination as the leafy greens growing season approaches. These types of situations emphasize the importance of having science-based standards in place to reduce the risk of produce contamination.

FMI members continue to collaborate with the produce industry, regulatory officials and scientists to advocate for more research, identify root causes, implement preventive measures, enhance supplier and grower food safety programs and develop resources to help ensure the food industry has strong food safety programs in place to prevent contamination and enhance the safety of fresh produce.

Noteworthy Activities

- FMI engaged the California Leafy Greens Marketing Agreement (LGMA) to advocate for consistent standards regarding flooding and standardized pre-harvest testing when hazards are identified.
- FMI submitted comments in support of the proposed changes to the LGMA Leafy Greens Guidelines pre-harvest testing requirements (August 2023).
- FMI invited Western Growers to join a produce safety workgroup meeting to better understand LGMA processes.
- FMI participated in Healthy People 2030's Produce Safety Workgroup, supporting workgroups on Root Cause Analysis, produce, Salmonella prevention and Norovirus prevention.
- FMI hosted ongoing conversations with FDA's produce safety workgroup to discuss flooding, water and animal intrusion issues.

FDA Closer to Zero Program

As the food industry association, FMI believes FDA should maintain its authority on food safety standards and action levels when it comes to heavy metals such as lead, mercury, arsenic and cadmium in food for babies and toddlers. We agree the federal standards regarding these elements in baby food should be evaluated by FDA and guided by science, and we urge for speed in the agency's process to support consumer trust through a process that is transparent and engages stakeholders. FMI is proactively working through both the legislative and regulatory processes, working closely with its member companies that manufacture and sell food items for babies and toddlers. FMI took the following actions:

- Regarding lead, FMI submitted comments on FDA's draft guidance document.
- Regarding cadmium, FMI attended workshop hosted by USDA and Western Growers
- FMI also continues to work with counsel to review international literature.

Infant Formula Safety

The formula industry has had a few challenging years with outbreaks, recalls and international attention due to supply issues. The industry is held to the standards of existing federal regulations including the Food Safety Modernization Act, which have been in place for several years and raised the standards for food safety across the entire food industry. FMI has publicly stated that it expects clear and transparent communication from companies and from the FDA when foods do not meet federal requirements. In March 2023, FDA issued a letter to the industry outlining concerns about safety and proposing new requirements and solutions with existing authorities. In August 2023, the FDA issued warning letters to three infant formula manufacturers as "part of the agency's ongoing commitment to enhance regulatory oversight to help ensure that the industry is producing infant formula under the safest conditions possible." FMI maintains a collaborative and transparent working relationship with the federal agencies on this issue since the crisis, and FMI membership remains focused on protecting the safety of the foods they sell as well as serving all customers with safe affordable and nutritious foods.

SafeMark®

SafeMark® educates employees on key food safety topics such as sanitation, safe handling, and storage of food, and helps to minimize potential risks during the handling of food.

- The 2022 version of the FDA Food Code was published in December 2022, and authors convened in May to provide content updates specific to the SafeMark training program.
- FMI continues to work with an online learning provider to update computer-based training courses, specifically a new microlearning course to boost knowledge retention while providing flexibility to employees by increasing convenience and decreasing seat time.

Thought Leadership and Education

FMI's food and product safety team participated and presented at various stakeholder meetings and events, including:

- Consumer Food Safety Education Conference (March 2023)
 - Poultry Federation (March 2023)
 - Conference for Food Protection Biennial Meeting (April 2023)
 - Food Safety Summit (May 2023)
 - Annual Western Food Safety Conference (May 2023)
 - Distribution Center Tour (June 2023)
 - International Association of Food Protection (July 2023)
 - AFFI Food Safety Forum (September 2023)
 - Food Safety Month Podcast with Food Safety Magazine (September 2023)
 - FSPCA Annual Conference (October 2023)
 - Cadmium Workshop (October 2023)
- FMI's food and product safety team produced several educational and digital seminars, engaging our members' content experts:
- **Are We Focusing on Risk? Preliminary Results from the Retail Regulatory Inspection Data Analytics Pilot On-Demand** (February 2023)
 - **USDA Agricultural Marketing Service Shares Insights on NOP's Strengthening Organic Enforcement Final Rule On-Demand** (March 2023)
 - **FDA's Food Traceability Rule – The Executive Summary for Independent Operators On-Demand** (April 2023)
 - **Webinar 1: The What- Understanding the Basics of FSMA Rule 204** (August 2023)
 - **Webinar 2: The How- Industry-Defined Guidance to Help Meet FSMA 204 Recordkeeping Requirements** (August 2023)
 - **Webinar 3: The Why- Driving Business Value Beyond FSMA 204 Regulatory Compliance** (August 2023)
 - **Webinar 4: What's Next- Preparing to Meet FSMA 204 Requirements—Tools and Resources** (August 2023)



The Global Language of Business

The What

Understanding the Basics of FSMA Rule 204



Food Safety Collaboration

FMI collaboratively worked with industry partners alongside member companies to support the food industry's efforts for continuous food safety improvement.

FMI Food Protection Committee —

Monthly meetings with food safety professionals working in retail and wholesale member companies.

FMI Product Supplier Scientific Affairs Committee —

Monthly meetings with food and product safety professionals working in product supplier member companies.

Conference for Food Protection (CFP)

CFP seeks food safety solutions through collaboration and consensus building and proposes recommendations to the FDA, USDA and CDC, particularly related to food safety regulations based on science. FMI staff participated in multiple committees for CFP as well as representing the retail sector at the biennial meeting in April 2023.

Association of Food and Drug Officials (AFDO) Healthy People 2030

AFDO represents regulatory officials at the local, state and federal levels and is supporting the public health goals set for the decade.

Alliance to STOP Foodborne Illness

- **Recall Workgroup** — Workgroup of diverse stakeholders developed a **Collaborative Plan to Achieve Customer-Focused Recall Modernization** in an effort to improve recall execution and consumer communications.
- **Produce Safety**

FDA Reorganization Coalition —

With broad stakeholder group

Produce Safety Coalition —

With broad stakeholder group

Partnership for Food Safety Education (PFSE)

Public/private partnership aimed at reducing foodborne illness by developing and promoting education programs for consumers on simple food safety practices based on science-based recommendations.

Advisory Councils on Multiple Research Projects

North Carolina State University, Cornell University, Michigan State University, Rutgers University, University of Florida

CONTACT Produce Safety

Research project with University of Florida, Virginia Tech and University of Delaware to educate the produce industry and the food industry on produce safety topics of interest. FMI sits on the Advisory Board for the Project.

Professional Volunteer Activity Supporting the Goals of FMI's Food and Product Safety Program

- Partnership for Food Safety Education Board of Directors
- International Food Protection Training Institute Board of Directors
- North American Meat Institute Foundation Board of Directors
- Food Safety Prevention Controls Alliance – FMI volunteers with management of FSMA training programs for the industry.

Safe Quality Food Institute

97%
accept mobile payments,
with 3% planning to do so

96%
of stores offer
self-checkout lanes

Executive Summary

In 2023, SQFI successfully achieved its mission to deliver consistent globally benchmarked food safety and quality certifications to safeguard the global food supply chain. SQFI continued its focus on meeting FMI financial targets, building global brand awareness via certification, training programs, and engaging with the food safety community through SQF 365, a yearlong initiative of digital marketing and online seminars, and regional in-person professional development events. SQFI continued to advance its technology capabilities through the redesign of SQFI.com and the selection of a new audit management solution, CMX1. Additionally, SQF successfully completed an FDA pilot program that determined SQF's food manufacturing code and addendum achieved alignment with FDA's FSMA Preventive Controls for Human Food Rule.

Focus on Delivering Financial Targets

SQF delivered **\$10.8 million in gross revenue** to FMI. New customers that endorsed and expanded the adoption of the SQF code throughout their supply chain included: International Paper, Amazon's Whole Foods Markets, Yum! Brands, Sonic, Subway, McDonald's, Americold, and Domino's. Additionally, the SQF brand experienced growth in the dietary supplements, food ingredients and pet food manufacturing business sectors.

Building Global SQF Brand Awareness

SQFI's business development representatives in Australia, Brazil, Canada, Columbia, Mexico, China, Japan, and the United States actively engaged with the global community. Representatives hosted SQF 365 in-person and online regional events that reached more than 4500 participants. New business opportunities were developed with the Chinese dairy industry, Japanese and Australian livestock producers, New Zealand and Australian produce growers and packers and, for the SQF Fundamentals standard, in developing markets in Africa and the Middle East.

Improved Stakeholder Experiences through SQFI.com Redesign

Through interviews and webinars with SQF community members, it was determined that the SQF website needed to be completely overhauled to meet customer needs. The goals of the 10-month process were: 1) to help sites, brand owners and buyers better understand the available SQF tools and resources to achieve their business objectives, and 2) to simplify the customer journey to enable a faster route to certification. New features include improved website navigation to identify the correct code for each facility's business model, more comprehensive menus with the addition of 8 languages, expanded search capabilities, streamlined awareness of training resources, and the certified site directory linked to SQFI's audit management database allowing faster connection to the service provider directory of CBs, training centers, and consultants.

Providing Customer Solutions: Selection of CMX Audit Management Tool

After a comprehensive evaluation of potential partners, SQFI announced the strategic alliance with CMX1 as its



audit management solution provider. The CMX1 platform will provide a more intuitive user experience with comprehensive data analysis and reporting, contributing to both faster customer adoption of the SQF brand and increased productivity among SQF stakeholders. The decision underscored the critical role that technology plays in ensuring the highest standards of quality and food safety certification are aligned with SQFI's commitment to innovation, scalability, and maintaining the utmost security and compliance in operations. This partnership is poised to propel SQF into a new era of efficiency and effectiveness in fulfilling its mission to safeguard the global food supply chain.

SQFI's Role in Managing Risk in the Food Supply Chain: SQF Achieves FDA FSMA Alignment

SQF FSMA Preventive Controls Addendum was acknowledged by FDA as being in alignment with the U.S. FDA FSMA preventive controls for human food requirements. The addendum can be added to the SQF certification audit by both U.S.-based facilities and foreign suppliers to demonstrate compliance with the FDA's Food Safety Modernization Act (FSMA) requirements. Buyers can rely on the results of the SQF Certification audit with the Preventive Controls addendum to assess supplier

conformance with U.S. regulations. Brand owners and retailers seeking to streamline their supplier management process will find the SQF standard as a reliable and resourceful partner to support this transition. Using the SQF benchmarked certification program, in place of their own customer audit, saves the supplier management team and their suppliers time and money by reducing the frequency and redundancy of multiple audits from different customers and third parties.

SQFI Training: Growing Revenue, Auditors, Consultants

SQF's online training programs, which provide education on implementing the SQF code in food manufacturing and distribution facilities, grew revenue from \$750,000 in 2019 to more than \$1.5 million in 2023. Online auditor training, focused on building auditor capability and capacity globally, exceeded budgeted financial goals by +15%.

The Consultant Development Program pilot was launched in 2023 adding 14 new SQF consultants in emerging markets in Latin America. The program is important because SQF consultants are trusted referral sources in a site's decision to use the SQF codes. Expanding the SQF consultant base globally will continue to be a necessary way to build long term SQF revenue in all regions. The pilot program will expand into Asia in 2024.

FMI Foundation

accept mobile payments,
with 3% planning to do so

96%
of stores offer
self-checkout lanes,
which make up 29%
of all transactions

The FMI Foundation's mission is to provide research, education, and resources in health and well-being, which includes food safety, nutrition, and social responsibility considerations.

Foundation and SQF Food Auditing Scholarship Program

In 2023, the FMI Foundation and SQFI celebrated our tenth year offering our Food Safety Auditing Scholarship program and received the most applications to date (86) being awarded to 15 scholarship recipients. Over our ten years, (2013-2023), we have awarded scholarships to 131 recipients, helping to promote careers in food safety auditing.

National Family Meals Month

A successful ninth year promoting National Family Meals Month, centered on expanding the definition of family, exploring partnerships, and sharing resources with other family focused associations and extension agencies.

In a survey meant to detail the scope and reach of the Foundation's September promotion of Family Meals Month (FFM), research partners Harris Poll found that 31% of the U.S. reported seeing Foundation Family Meals resources and nine out of 10 of those said the materials favorably impacted their food choices and increased the number of meals they were eating at home.

Fourteen of our family meals supporting companies submitted their FFM promotional programs for Family Meals Gold Plate award consideration. **These companies were celebrated** at a live-streaming award ceremony November 28, 2023.



Inspiring Careers in Food Workforce Initiative: Partnership with Junior Achievement USA

In 2023, the FMI Foundation worked with project partner, Junior Achievement USA to launch the pilot project for the Inspiring Careers in Food industry workforce initiative, designed to help young people explore careers in the food industry. Publix and SpartanNash were our pilot project participants, serving to test out some of our resources before an official launch of the initiative in 2024.



2023 Unified Voice Educational Events

Gene Edited Food

The FMI Foundation team hosted two digital seminars preparing members for the advent of food products produced through CRISPR biotechnology entering the marketplace. Both digital seminars are available on fmi.org.

- **Preparing for the Arrival of Gene Edited Food Products**
 Featuring speakers from Corteva Agriscience, Pairwise, and Benson Hill, in February 2023, garnered 88 attendees.
- **Getting Market Ready for Gene Edited Food Products**
 In March 2023, had 44 people attending.

Animal Welfare Summit

In collaboration with the Center for Food Integrity and Kinder Ground, the FMI Foundation hosted a member-only Animal Welfare Summit. This hybrid event welcomed a variety of member companies at FMI HQ and online via a livestreamed session. The event focused on current animal welfare issues and the practices, policies, and takeaway strategies to safeguard businesses from activist tactics.

Diversity, Equity and Inclusion (DEI)

On December 6, 2023, the FMI DEI Committee met jointly with the FMI Supplier Diversity for a webinar with George Ingham, Partner with Hogan Lovells law firm, examining the legal, social, and moral implications of the recent Supreme Court decision on “Students for Fair Admissions” case, particularly regarding DEI work. Recording and slides are available by contacting David Fikes at dfikes@fmi.org.

For additional information about FMI Foundation, visit FMI.org/Foundation

Health and Well-being

97%
accept mobile payments,
with 3% planning to do so

96%
of stores offer
self-checkout lanes

FMI Nutrition, Health and Well-being – 2023 Accomplishments

The historic 2022 White House Conference and resulting National Strategy to End Hunger and Build Healthy Communities set the stage to showcase and leverage food industry programs and initiatives that directly improve hunger, nutrition and health in our country. For the past year, FMI has diligently and consistently lifted the collective food industry voice to demonstrate how FMI members innovate to create a better health and well-being focused future for all consumers, building partnerships across the nutrition, food and health care landscapes to collaborate and drive meaningful change.

With a nationwide uptick in attention on nutrition and health in 2023 regarding federal policy initiatives, proposed guidance, media coverage, and overall interest by consumers, community leaders, government agencies and industry partners, FMI has focused on the extraordinary opportunity to be involved in meaningful thought leadership around food and nutrition, following the science to improve public health.

Food retailers, product suppliers and manufacturers continue to be key partners for health and well-being in the communities they serve for both customers and employees, with overwhelming evidence in our latest report, *The Power of Health and Well-being in the Food Industry 2023*.

Priorities

Food as Medicine

FMI supports Food as Medicine programs and initiatives across the food industry. FMI continues to highlight member efforts to reach consumers with evidence-based messaging and nutrition services around encouraging overall health and well-being, disease management and treatment, improving nutrition security, and promoting food safety. Food retail settings provide a unique opportunity for registered dietitian nutritionists (RDNs) and pharmacists to address gaps in health care equity, improve public health and meet consumer demands for health and well-being services.



2023 Food as Medicine Spotlight Video Series

- **Spotlight: Nutrition, Health & Well-being at the Grocery Store**
- **Spotlight: Disease Management and Treatment in Grocery Stores**
- **Spotlight: Improving Nutrition Security at the Grocery Store**
- **Spotlight: Promoting Food Safety at the Grocery Store**

The grocery store provides a natural touchpoint for innovation, nutrition-focused programming and the delivery of evidence-based health information by RDNs. The grocery store allows RDNs to meet consumers where they are on a regular basis to positively impact food purchasing decisions, both online and in-store. With repeated contact this builds trust and loyalty and can ultimately lead to gradual behavior change.

Front-of-Pack (FOP) Nutrition Labeling

FMI frequently and consistently shares the voice of the food industry with federal agencies, key stakeholders, our members and the public via trade press, open meetings and direct communications with FDA. From a nutrition, health and well-being perspective, FMI continues to focus on the use of updated nutrition science, consumer understanding of food labels and how multiple proposed updates might affect consumer interpretation of existing labels and icons.

FMI has clearly voiced the need to prevent consumer confusion, noting conflict between the proposed definition

of “healthy,” nutrient content claims, guidance for using Dietary Guidance Statements, and the FOP schemes currently being tested. FMI continues to co-manage the Facts Up Front program as a widely adopted FOP labeling tool to share clear facts “at-a-glance” on the front of a package to empower consumers to make informed choices to build an overall healthy pattern of eating.

Dietary Guidelines/MyPlate

FMI is recognized as a long-standing partner in supporting our members as across the industry we encourage reaching consumers with evidence-based messaging in alignment with the Dietary Guidelines for Americans (the “what”) and the MyPlate tools (the “how”). FMI also continues to track and share progress from the 2025-2030 Dietary Guidelines Advisory Committee.

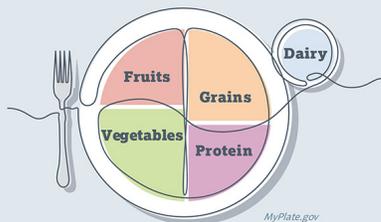
Special Projects

White House Challenge to End Hunger and Build Healthy Communities

FMI’s collective food industry commitments were announced in September 2022 as part of the historic White House Conference on Hunger, Nutrition and Health. FMI members commit to:

- donating **2 billion meals** to food banks and other organizations, and
- reaching **100 million consumers** with evidence-based nutrition messaging.

FMI members have committed to reach **100 MILLION CONSUMERS** with evidence-based nutrition messaging in 2023.



Empowering consumers to make informed healthy choices can be enhanced by industry-driven, science-based, community outreach efforts.

To learn more about FMI collaboration following the White House Conference on Hunger, Nutrition and Health visit: www.FMI.org/WHConference

FMI members have committed to donating **2 BILLION MEALS** to support nourishing communities in 2023.



Ending hunger involves making it easy for everyone to access safe, affordable and nutritious food.

To learn more about FMI collaboration following the White House Conference on Hunger, Nutrition and Health visit: www.FMI.org/WHConference

For the past year, FMI has worked closely with members to gather metrics on the stated commitments.

FMI | White House Conference on Hunger, Nutrition and Health

Following the White House Conference, we have seen a renewed focus on the role food and nutrition play in improving health. FMI continues to showcase how food retail settings provide a unique opportunity for registered dietitian nutritionists (RDNs) and pharmacists to address gaps in health care equity, improve public health and meet consumer demands for health and well-being services.

For more information about the White House Conference on Hunger, Nutrition and Health, visit fmi.org/WHConference

Family Meals Movement and USDA MyPlate Partnership

Strengthening our on-going relationship with the USDA Center for Nutrition Policy and Promotion team, FMI has now partnered with USDA's MyPlate.gov resources to introduce co-branded Family Meals Movement / MyPlate messaging and infographics for the industry to use.

Comments

- Due Jan. 22, 2024: FDA: Reducing Added Sugars Consumption (drafting)
- FMI | The Reagan-Udall Foundation: FOP Nutrition Labeling Virtual Public Meeting (November 22, 2023)
- FMI | FDA: Dietary Guidance Statements in Food Labeling: Guidance for Industry (September 25, 2023)
- FMI | FDA: Draft Guidance: Labeling of Plant-Based Milk Alternatives and Voluntary Nutrient Statements (July 31, 2023)
- FMI | FDA: Quantitative Research on Front of Package Labeling on Packaged Foods (July 17, 2023)
- FMI | FDA: Quantitative Research on Front of Package Labeling on Packaged Foods (March 27, 2023)

- FMI | USDA: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Revisions in the WIC Food Packages (February 21, 2023)
- FMI | FDA: Food Labeling: Nutrient Content Claims; Definition of Term "Healthy" (February 16, 2023)

External Partnerships and Collaboration Meetings

FMI regularly participates in the following stakeholder engagement:

- Tufts Food as Medicine Institute update calls (one-on-one)
- USDA MyPlate Partnership Meetings /Adult and Families Subgroup
- Portion Balance Coalition – Advisory Committee
- Retail Dietitian Business Alliance Advisory Committee
- Academy of Nutrition & Dietetics, Food & Culinary Professionals, Chair

Events / Speaking Engagements

Food as Medicine Summit Washington, DC, Nov. 2023

Presentation on the Food as Medicine Opportunities in Food Retail

Frozen IQ Austin, TX, Oct. 2023

Moderated session on current consumer perceptions around processed foods

Food, Nutrition Conference and Expo (FNCE) Denver, CO, Oct. 2023

Planned, coordinated and executed successful session on Front-of-Pack Labeling

White House Summit - Food as Medicine Chicago, IL, August 2023

FMI supported members presenting on programs and initiatives

White House Summit - Food as Medicine Boston, MA, June 2023

Participated at Tufts Friedman School of Nutrition Science and Policy

USDA MyPlate Partner Meeting Chicago, IL, June 2023

Celebrated continued partnership and community health with USDA CNPP Team

Northgate Gonzalez Visit California, March 2023

FMI served as a Cooking Up Change guest judge and supported MyPlate Healthy Kids Store Tours

Noteworthy Digital Seminar

Understanding Healthy Benefits Cards: Since the beginning of the 2023 calendar coverage year, retail stores have seen an increased use of “healthy benefits cards” by customers. These cards are designed to be used to purchase food and non-food wellness products. Some state Medicaid agencies and private Medicare Advantage plans, and possibly other programs and entities, may be offering these healthy benefits cards to certain beneficiaries or enrollees. FMI has heard reports of technical difficulties with accepting and processing these cards at the point of sale from grocers of all sizes and geographies. We also have heard reports that there are a variety of benefit cards in circulation (i.e., debit-style cards, gift cards) which are issued by different insurers and processors and utilize varying APL/UPC lists.

We worked with Oliver Wyman to deliver this important landscape digital seminar and accompanying white paper: **How Accepting Healthy Benefits Support Customer Wellbeing**

For more information about Health and Well-being, visit fmi.org/HealthandWellbeing



Industry Relations

97%
accept mobile payments,
with 3% planning to do so

88%
of stores offer self-checkout lanes

96%
of stores offer self-checkout lanes

FMI and the industry relations team continues to oversee all industry relations activities, communities, and initiatives – member engagement, content development and thought leadership, frameworks, methodologies, and benchmarks to help enhance members' efficiency, productivity and profitability.

Upholding the Mission of the FMI Violence Preparedness Committee

The FMI Violence Preparedness Committee comes together in a non-competitive environment to share information and best practices; review external and internal stakeholder communications plans; recommend the development of training tools; and promote the advancement of new resources and technologies that support safety and security and reduce the risk of violence anywhere employees are interacting with each other; any situation in the food industry where customers are interacting with each other; and any situation where food industry employees and customers interact.

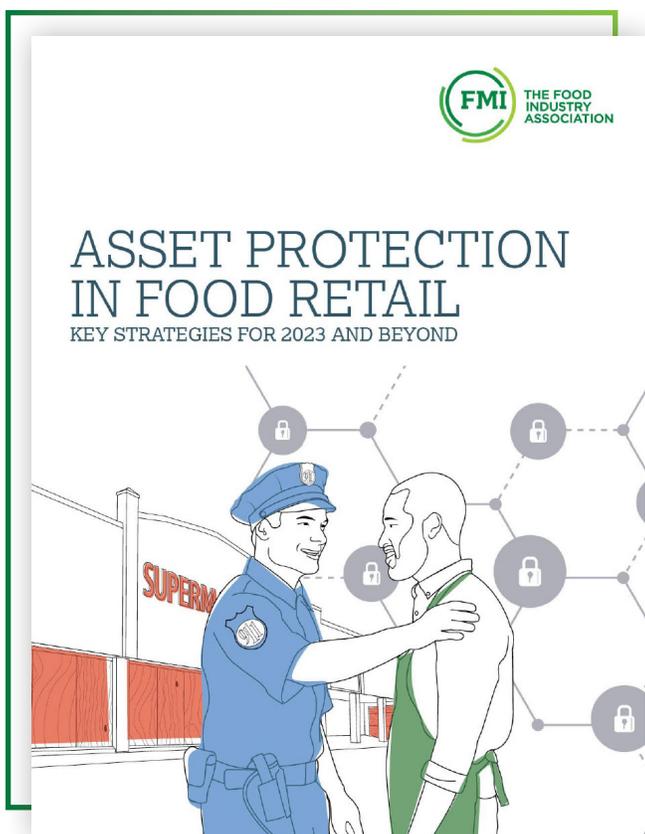
- The Committee recognizes the importance of supporting the mental well-being of associates and communities via targeted resources to prepare for, and react to, acts of violence.
- The Committee works alongside the board-level FMI Communications and the FMI Public Affairs Committees to recommend relevant and related strategies.
- FMI and this Board-level committee will commit to supporting a multifaceted approach to keeping employees and shoppers safe from intentional acts of violence.

With technology and workforce issues designated as top issues for the Violence Preparedness Committee, the FMI Asset Protection community told us in March 2023

that Violence Prevention tops the list among focus areas in their roles, with the highest priorities associated with theft, business continuity planning and active assailant. We know from our research, and in speaking with our committees, that asset protection professionals have been adapting their strategies to address a wide range of traditional and emerging threats—from natural disasters to active shooters. The board-level committee continues to address resources and advocacy efforts against three root causes to violence: Theft and organized retail crime; decline in civility; and mental illness.

Emboldening the AP Community with Resources

Born out of the March 19 – 21, second-annual Asset Protection & Grocery Resilience Conference, Loss Prevention Magazine's Kevin McMenimen and Jac Britton led two Organized Retail Crime (ORC) panels that explored federal government and retailer perspectives regarding ORC. FMI also hosted retailer panels discussing topics from Active Assailant to Operational Shrink, and event Frictionless Shopping and Crisis Communications. Notably, we released the second-annual **Asset Protection in Retail** report to spotlight how asset protection professionals have been adapting their strategies to address a wide range of traditional and emerging threats—from natural disasters to active shooters. Retailers are well along in putting plans in place to address key issues—from shoplifting to civil unrest—even as they work to improve strategies.



Uplifting AP Talent

The Asset Protection Council continues to recognize dedicated leaders in the AP community. To honor their legacy and also continue to recognize people like them in the industry the AP Council instituted an award called the AP Legend Award, which in 2023 went to Mark Gaudette for his many years of service in the AP community, including 23 years as the director of asset protection at Big Y. Mark was presented with the FMI Asset Protection Legend Award, which highlights years of service in the AP Community; mentorship; and contributions to the AP industry. In addition to recognizing legendary talent, the 2023 recipient of the **Asset Protection Rising Star Award** was awarded to Michelle Fisher of Festival Foods and the first runner-up was Patrick Walsh of The Kroger Co.

Assessing Best Practices in the AP Community

Hosted by Weis Markets, the AP Community convened in-person for a fourth-quarter summit to share best

practices concerning theft and organized retail crime mitigation strategies. The agenda covered staffing and policies; internal and external investigation tools; countermeasures through different means across physical, digital, training and their return on investment; a store tour of Weis Markets, which was grounded in legislative, regulatory, technology and training solutions.

Enhancing Supply Chain Resiliency

FMI, in partnership with the **Boston Consulting Group**, released the **2023 Supply Chain Benchmarking** report, which provides key quantitative performance metrics, qualitative industry perspectives and actionable insights to enhance supply chain performance. The focus of the report is to address and solve issues that are important and urgent today while looking for new innovations that will impact future supply chain performance. This benchmarking helps companies and supply chain professionals understand the unique food industry supply chain ecosystem. The insights and metrics assist food retailers, wholesalers, and CPGs to better understand the drivers of performance across the value chain, benchmark their own performance, and look to deliver better service to consumers while managing cost and working capital. The report assesses 2022 and early 2023 supply chain performance through the lens of five key themes:

1. **Service**
Investigate service performance across the value chain through on-shelf.
2. **Cost**
Assess freight & warehousing costs and drivers of cost shifts.
3. **Inventory**
Analyze how inventory has been trending.
4. **Warehousing Performance**
Understand efficiency and labor performance.
5. **Logistics Performance**
Understand dwell time, backhaul, and transportation performance.

These themes were omnipresent at the 2023 FMI Supply Chain Forum, which helped to establish a roadmap for governance and identify near-term priorities for backhaul and codifying best-in-class standards across key metrics.

Exploring Avenues in Information Technology

FMI Midwinter Executive Conference provides a platform to delve into the exponential growth of technology, especially AI. The FMI Tech Exchanges and face-to-face time with technology service providers support member exploration, and our annual FMItech Pitch Competition showcases visionary ideas from emerging technology companies. In 2023, a company called Hyer was recognized for its AI workforce solution. These innovative solutions have the potential

to redefine the grocery industry, addressing challenges like automation, food waste, customer engagement and digital value creation.

In 2023, FMI's Technology Executive Committee established a focus on AI at retail, point solutions to improve operations and the customer experience in 2023, supporting FMI's program goals. Notably, data security and integrity continue to be inherent to business continuity, which resulted in the creation of an I.T. Security Subcommittee this year.

Matchmaking Technology Solutions

The FMI technology portfolio grew in 2023 with the advent of the FMI Tech Directory. Designed exclusively for FMI members, this directory is a treasure trove of



technology providers offering an extensive range of solutions tailored to the food industry. Through the web-based platform, users can customize solutions, connect with providers, and discover new business potential. FMI will continue to expand the network of companies on this platform, with the vision of making it the ultimate hub for generating partnerships with cutting-edge technology solution providers.

Propelling the Fresh Foods Category

The 2023 FreshForward conference, presented with our collaborative partner Deloitte, made it a priority to help identify potential action steps for progress. This year's content focused on meal planning, e-commerce and Gen Z. Strategies are brainstormed by attendees, who participate in facilitator-led breakout groups after each track of the fresh-focused speaker presentations. The attendee takeaways are captured and recorded for a follow-up **Action Guide** that identifies all the key strategies. This year's guide addresses "actionable" steps to make progress on the three fresh topics covered at the 2023 conference in August — ecommerce, meal planning and Gen Z. The guide has been exclusively available to attendees and is now accessible to a wider audience for download.

2023 ACTION GUIDE: KEY STEPS TO MOVE THE FRESH INDUSTRY FORWARD INSIGHTS FROM FRESHFORWARD 2023



The insights at our signature event in fresh foods included information from our **The State of Fresh Foods** research, which explores impacts from the economy and other "macro" forces, and the outlook for technology. The information will be useful in planning fresh foods strategies for the coming year and beyond.

Taking Hold of Fresh Insights

The FMI fresh community steers our strategy and supports our exploration in grocery shopper trends. Major changes in shopper lifestyles and habits typically impact buying and consumption patterns, which inspires our **shopper research** and **ethnographic explorations**. In 2023, we continued this evaluation of the shopper across the major grocery categories of produce, seafood, meat, foodservice at retail and in-store bakery. FMI also pursued a digital seminar series regarding **Top Trends in Fresh** with its knowledge partners at Circana.

Investing in New Partnerships

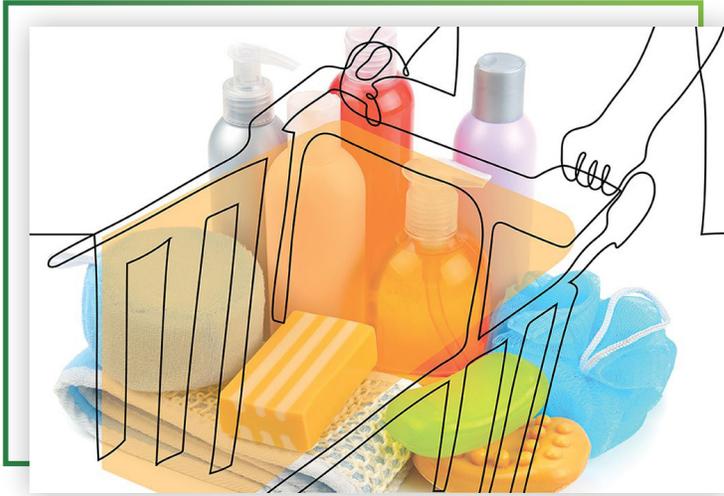
The third edition of the **Power of Frozen in Retail** was unveiled at the Frozen IQ conference in Austin, Texas, to an audience of frozen manufacturers and retail leaders. The research was conducted by 210 Analytics and is made possible by Brecon Foods, Hillphoenix, Nortera and Wawona Frozen Foods. The survey of more than 1,700 consumers revealed that they find value in frozen foods as total meal solutions that save them time, are easy to prepare, and meet their taste expectations. FMI will embark on a co-branded FrozenIQ event with our partners at the American Frozen Food Institute in 2024.

Inspiring Curiosity and Growth in Nonfoods (GM/HH/ HBC)

FMI established a vision for total store collaboration – and our investment in general merchandise, household & health and beauty care is an extension of this vision. We continue to build out a vertically integrated Nonfoods Council, recruiting more than 30 members among consumer-packaged goods companies and solutions providers. FMI convened the nonfoods

community at an exclusive summer event in addition to creating unique activities at the FMI Annual Business Conference and FMI Midwinter Executive Conference, which will continue into 2024.

Notably, FMI invested in consumer research to better understand the nonfoods shopper, which yielded a thought leadership series via the [FMI blog](#). This



nonfoods in grocery stores series shares compelling insights from our *Power of Nonfoods* research among shoppers and industry perspectives to explore nonfoods' role in the food retailing industry.

FMI Strategic Planning & Imperative Issues

FMI facilitates FMI strategic planning process, internally and externally, for final plan approval by FMI board of directors. Utilize the FMI Imperative Issues Roadmap to inform the strategic planning process and blueprint FMI priorities for education at Midwinter, ICC and FMI community priorities and the development of tools, frameworks, methodologies, and benchmarks for members' use.

The Imperative Issues report provides a blueprint for both members and staff to address supply chain, labor, consumer, marketplace, and sustainability issues

through the adoption and implantation of proven and emerging technologies (e.g., generative AI). These issues also informed the 2023 Strategic Plan, which was reviewed and adopted by the FMI Board of Directors in the first quarter of the year. The plan established six priority pillars:

1. Vision
2. Leadership
3. Membership
4. Value Proposition (Advocate, Collaborate, Educate)
5. Imperative Issues
6. Governance.

The FMI staff is engaging in a process to establish its operating plan to implement and address the strategic plan priorities.

Facilitating the Industry Collaboration Forum

FMI facilitates leadership, association, and advisory partners to advance the interests and collectively address workstreams and outcomes across three priority pillars:

1. Product Labeling and Transparency
2. A Social and Environmental Compact, and
3. Health & Well-Being

This forum continually reviews and refine priorities and work products in the context of shifting industry conditions and external factors. Led by its co-chairs, Albertsons' Susan Morris and Mondelez International's Twyla Bailey, the forum addressed:

Product Information, Transparency and Traceability

Supported the growth and development of SmartLabel®; partnered with GS1-US, and Deloitte to keep up with consumer demands, improve trading partner collaboration, enhance interoperability, and move the industry toward FSMA Rule 204 on traceability compliance; and in partnership with GS1-US, focusing on

awareness, education, and advocacy, aligning guidance with GS1 standards, conducting workshops, and peer-to-peer collaboration sessions. FMI, GS1-US, and Deloitte have also engaged in three member pilots regarding supplier on-boarding, transformation events, and data capture and transfer for traceability.

Environmental and Social Compact

Focused on addressing the risks and solutions for carbon footprint measurement, with the largest challenge identified as the emissions associated with supply chain and product use. In turn, FMI and its strategic partner Oliver Wyman have engaged in an exploration/collaboration with members and related stakeholders to consider the benefits of providing carbon footprint measurement through a potential industry utility.

Nutrition, Health & Well-Being

Focused on the outcome of the White House Conference on Hunger, Nutrition, and Health, hosted in Q4, 2022, and the ensuing commitments made by FMI and our members, along with the forum's partners.

Facilitating the FMI Growth Forum

Industry Collaboration is a key pillar for the FMI member core value proposition. To that end, FMI established "The Growth Forum", a combined community of Chief Merchandising Officers and Chief Customer Officers, to focus on imperative and strategic issues impacting the food industry. In 2023, the Growth Forum established key priority issues and discussed way in which to address: Inflation and potential recession impacts; ongoing supply chain disruptions; labor shortage and workforce challenges; omnichannel and new business models; and consumer insights and growth opportunities. The Growth Forum embarked on a research project with FMI partners Circana and Oliver Wyman to address Consumer & Meal Occasion Research, which will debut at the FMI Midwinter Executive Conference.

For additional information about Industry Relations, visit

- fmi.org/AssetProtection
- fmi.org/FreshFoods
- fmi.org/Nonfoods
- fmi.org/SupplyChain
- fmi.org/Technology



Public Affairs

97%
accept mobile payments,
with 3% planning to do so

96%
of stores offer
self-checkout lanes

Highlights

In a year marked by unprecedented activity in Congress, including both a historic election process to select a Speaker of the House and a subsequent vote to remove that Speaker months later, FMI has consistently relied on the relationships and narratives of our members to advocate effectively for the industry regardless of the political climate. FMI's government relations team navigated the complexities of the legislative process and periods of gridlock to effectively educate lawmakers on the food industry's policy priorities while maintaining a regular dialogue with the regulatory agencies that issued industry-affecting regulations at historic levels.

We have made very good and measurable progress on the priority issues outlined at the beginning of the year in addition to a host of other important issues that have developed outside of the priority areas. With another presidential election year upon us, we look forward to continuing our work on these issues with our growing and diverse membership in 2024.

- **Labor:** Workforce Supply and Regulatory Enforcement
- **Food Safety:** Traceability
- **Payments:** Fixing the Broken Credit and Debit Card Markets
- **Pharmacy:** PBM Reform
- **Economy:** Food Prices and Inflation

FOOD INDUSTRY 2023 POLICY PRIORITIES

As the food industry association, FMI works with and on behalf of the entire industry to advance a safer, healthier and more efficient consumer food supply chain.

In January, the FMI Board of Directors identified policy priorities for the food industry for 2023 and beyond. The Board outlined five key advocacy areas that will have significant implications for the industry in the coming years. FMI will advocate on these and other public policy issues under its mission to feed families and enrich lives. Key priorities include:

- Labor**
Workforce Supply and Regulatory Enforcement
The food industry continues to face a significant workforce shortage, despite efforts to increase wages and benefits and provide flexible work schedules. Food retailers and product suppliers strive for creative solutions to enable the industry to attract and retain talent and further invest in their employees. Additionally, the current labor and employment regulatory environment is inflexible and burdensome for employers and threatens to significantly hamper the food industry's ability to grow its workforce.
- Food Safety**
Traceability
Nothing is more important to FMI and our members than food safety. Issued in November 2022, the Food Traceability rule was one of the last remaining regulations required under the Food Safety Modernization Act (FSMA). Industry leaders have expressed ongoing questions and concerns regarding the scope of the rule and how it deviates significantly from a law designed to focus on tracing high-risk foods, not tens of thousands of products. The food industry will be outlining to Congress flexibilities and changes needed for companies to begin to develop compliance strategies for the rule.
- Payments**
Swipe Fee Reform; Credit Card Competition
Grocery merchants and our customers have had to shoulder skyrocketing costs associated with credit card purchases for decades. Reforming the broken credit card market to foster competition and bring financial relief to consumers and main street businesses during these challenging economic times must be a top priority in Congress.
- Pharmacy**
PBM Reform
Due to the anti-competitive practices of many pharmacy benefit managers (PBMs), it is a struggle to keep supermarket pharmacies in business – particularly in underserved, low-income, rural and urban neighborhoods. Patients, physicians and employers that provide health care coverage share our deep concerns. Increased PBM oversight and transparency reform are necessary to reduce drug costs and preserve access to supermarket pharmacies.
- Economy**
Inflation
A number of factors continue to negatively impact the food supply chain and contribute to elevated food prices, including the remnants of the COVID-19 pandemic, severe weather events, labor shortages, and global conflicts. Policies that address these root causes are needed to bring food price inflation down and provide relief to American families.

For more information, visit fmi.org

Labor: Workforce Supply and Regulatory Environment

Despite the food industry's ongoing efforts to bolster workforce recruitment and retention, the federal regulatory landscape continues to bind employers with inflexible requirements. Amid a rigid federal regulatory environment, FMI is actively engaged at every opportunity to provide comments and advocate on behalf of the industry. Our efforts include responding to proposed rules that would significantly increase the federal overtime threshold and allow non-employees to accompany OSHA inspectors in facilities, in addition to the issuance of the final joint employer standard, and alarming NLRB case decisions on union elections. FMI is an active leader in numerous labor and employment coalitions that are taking direct actions on the

regulatory, legislative, and litigation fronts. **A notable success this year was the preservation of the ‘duties’ test in the overtime rule, an issue for which FMI has long advocated.**

Food Safety: Traceability

We continue to demonstrate that we put food safety first in every instance, while engaging aggressively on all fronts to try to reach a productive, achievable result. Our ongoing efforts include regular engagement with the FDA on the complex FSMA Food Traceability Rule. In addition to our regulatory work, FMI’s legislative initiatives are making progress, including the inclusion of report language in both the House and Senate Agriculture Appropriations bills. Getting this language included involved more than five dozen meetings with members of Congress and elevating the understanding of this issue on the Hill. This report language is intended to reinforce the need for FDA to engage with stakeholders to address compliance challenges. Additionally, FMI is leading an effort to introduce standalone legislation in the House and Senate to require specific changes to the FSMA rule regarding the most problematic provisions and require FDA to conduct pilot projects with industry before any compliance date.

Fixing the Broken Credit and Debit Card Markets

Through continued legislative and regulatory advocacy efforts, grocers and our customers are on the cusp of seeing real reform to the broken credit and debit card markets. FMI, our member companies, and the **Merchants Payments Coalition** continue to engage in robust, multi-faceted advocacy efforts to expand support for the bipartisan, bicameral Credit Card Competition Act (S. 1838/H.R. 3881), legislation that creates competition in the **credit card** market by requiring two networks on a credit card just as they are on debit cards. Despite unrelated events overtaking the scheduling of a Senate vote in 2023, the Credit Card Competition Act continues to gain traction in Congress.

Simultaneously and as a direct result of FMI’s petition and advocacy, the Federal Reserve commenced the first public rulemaking process to revise **debit card swipe fees** since initial implementation a dozen years ago. The proposal includes implementation of the FMI-requested automatic adjustment policy. Direct engagement from member companies and state associations in both the legislative and regulatory processes is going to be critical to get this over the finish line.



In June, FMI hosted a group of representatives from FDA at a UNFI distribution center to walk through the operational challenges and complexities associated with the traceability rule. During the tour, we talked through the need for additional flexibilities, clarity, prioritization and an adequate timeline to implement the complex regulation. Following the FDA tour, FMI also invited a number of congressional staff to give them a better understanding of our food supply chain and the costs and complexity of implementing the traceability rule for food distribution.

Pharmacy: PBM Reform

Several FMI-endorsed bills and legislative packages addressing PBM business practices have been passed by House and Senate committees in 2023, making them ripe for broader consideration. Each package includes transparency provisions that would be important to FMI member companies' health plans and supermarket pharmacy operations, as well as prohibitions on spread pricing (which is when PBMs charge health plans more for drugs than they reimburse pharmacies). Of particular significance to FMI pharmacy members, committee-passed legislation from both the House and Senate includes bans on the use of spread pricing in Medicaid while also requiring fair and transparent reimbursements to pharmacies – language FMI helped draft with the help of our pharmacy operations task force. In December, the House passed a significant health care package featuring several FMI-backed measures addressing PBM practices. Additionally, the FMI-backed Senate Finance Committee package includes several pieces of the comprehensive pharmacy DIR reform measure FMI and our pharmacy allies have long sought, representing a significant step toward stabilizing the operating environment for pharmacies. These legislative efforts coincide with increased scrutiny across the board and ongoing investigations into PBM tactics by the Federal Trade Commission and the House Oversight Committee.

Economy: Food Prices, and Inflation

The second half of 2023 saw inflation continuing to level off and begin to return to more traditional levels. Food-at-home inflation is even approaching the Federal Reserve's target rate of 2%. FMI's tracker shows that strong weekly spending at the grocery store continues despite high inflation, indicating that household finances remain relatively stable even in the face of a concerning rise in credit card debt. The job market remains strong and GDP growth has been more robust than expected. Most economists are predicting that the United States is approaching the "soft landing" that many said was impossible only a year ago.

Despite these positive economic indicators, consumer prices are nearly 25% above 2019 levels and surveys of consumer sentiment show that wages are still chasing inflation, and many believe the U.S. is in a recession. Despite the much-improved monthly inflation figures for food-at-home, high prices and inflation remain a dominant part of the national conversation and are likely to be important issues in upcoming political campaigns.

FMI has undertaken a regular series of briefings on food prices and the many factors driving them for members of Congress and their staff since the beginning of "post-COVID" supply chain disruptions in 2021. Many of these sessions were done in conjunction with our economic consultant Dr. Ricky Volpe. This pace continued throughout 2023 and included engagement with the House Agriculture Committee and the Problem Solvers Caucus, among other groups. We are tying many of these briefings or releases to the release of the monthly Consumer Price Index (CPI) data.

Several bills have been introduced in this Congress to address inflation, "price gouging," and price setting, but so far none have gained bipartisan support nor led to a legislative hearing. FMI's education and outreach efforts helped to release some of the pressure surrounding the issue of food price inflation and prevent these legislative proposals from gaining traction.

Feeding Assistance Programs: SNAP, WIC, School Meals

FMI continues to work closely with USDA, FDA, the White House, NASEM and advocates on a number of issues surrounding feeding assistance programs- including Summer EBT, WIC funding needs, enhanced payments technology and issues surrounding infant formula and recalls. While Congress has not reauthorized the Farm Bill, and thus has not permanently resolved several issues, FMI worked to ensure that SNAP-participating retailers continue to receive protection from state contractors levying processing fees on EBT transactions in the current legislative extension through September 2024. To ensure permanent protection from EBT processing fees being imposed by state contractors and shield SNAP retailers from the costs of states migrating to EBT chip cards, FMI helped develop and secured introduction of the bipartisan, bicameral "Ensuring Fee-Free Benefit Transactions (EBT)



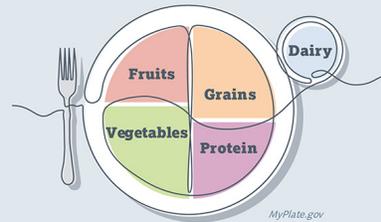
FMI's President and CEO Leslie Sarasin joined a panel of farm and food groups in November to call on Congress to pass a farm bill. The event is part of a broader campaign, "Farm Bill for America's Families," which includes a diverse group of interests, including farmers, food security, nutrition, among others, in support of the passage of a farm bill.

Act" (S. 2449/H.R. 4103). Enactment of this measure as a provision of the 2024 Farm Bill can be achieved through **continued advocacy** by member companies and state associations. We continue to see wide variation in redemption of benefits from state to state and from month to month and appreciate the insights your companies are sharing.

Industry Commitments for the White House Conference on Hunger, Nutrition and Health

One of the subsets of issues on feeding assistance was the **White House Conference** on Hunger, Nutrition, and Health held in September 2022. FMI served as a leader of our members and the industry to collaborate on bold **commitments** to help end hunger and improve health and well-being for Americans and then held an Industry Collaborative to develop new partnerships within the food industry. FMI is on track to exceed both of our ambitious food industry commitments - to donate more than 2 billion meals and reach 100 million consumers with evidence-based messages in 2023 and look forward to celebrating the achievement of these commitments and the hard work and dedication of our members to ensure all Americans have access to safe, nutritious food!

FMI members have committed to reach **100 MILLION CONSUMERS** with evidence-based nutrition messaging in 2023.



Empowering consumers to make informed healthy choices can be enhanced by industry-driven, science-based, community outreach efforts.

To learn more about FMI collaboration following the White House Conference on Hunger, Nutrition and Health visit: www.FMI.org/WHConference

FMI members have committed to donating **2 BILLION MEALS** to support nourishing communities in 2023.



Ending hunger involves making it easy for everyone to access safe, affordable and nutritious food.

To learn more about FMI collaboration following the White House Conference on Hunger, Nutrition and Health visit: www.FMI.org/WHConference



FMI's FoodPAC hosted a breakfast for Senator Peter Welch (D-VT) in July at FMI's townhouse on Capitol Hill. Pictured: FMI's Christine Pollack (left), Senator Welch and FMI's Jennifer Hatcher (right). Senator Welch is a leader in our work for reform of swipe fees and anticompetitive PBM practices.

Regulatory and Legal Efforts

Throughout the year, FMI actively led a wide variety of regulatory and legal issues for the industry. We filed 20 substantive comments on a wide range of regulations, covering critical areas from food labeling claims to overtime pay. These engagements spanned diverse topics, including the phasedown of hydrofluorocarbons, developments in food labeling, Federal Trade Commission rulemakings, USDA programs and guidelines set by the FDA.

FMI's engagement extended beyond filing comments. We held regular meetings with various government agencies, including the FDA, USDA, and EPA, ensuring a continuous dialogue and collaboration on key industry issues. We also actively participated in numerous working groups and coalitions, focusing on vital topics like traceability, dietary guidelines, labeling, and sodium reduction. Additionally, to help assist our members understand the complexities of the FDA's traceability rule, FMI developed a [traceability compliance guide](#).

In addition to these efforts, FMI was keen on educating and updating our members about important industry topics. We conducted webinars and member calls, covering areas such as Green Guides, online labeling, and chemical contaminants in food. We organized our largest Legal, Regulatory and Compliance Conference in recent years, focusing on current legal issues and trends in the food

industry. Finally, we remained active on the legal front by filing amicus briefs in significant court cases impacting the food industry, including litigation concerning heavy metals in baby and toddler foods and price discrepancy issues.

State and Local Successes in 2023

FMI's advocacy programs at the state and local levels have seen significant growth and impact as we currently track **25 state and 22 local issues**. To facilitate collaboration and idea-sharing among state associations, FMI organized several in-person and virtual meetings this year, including our annual state retreat and regional meetings. These gatherings help shape the development of the "2024 State Legislative Outlook," a key resource in preparing for the upcoming legislative session.

This year, we also commissioned a study to analyze the effects of allowing wine sales in grocery stores, specifically focusing on the implications of the new law in Tennessee. Additionally, FMI worked closely with member companies and state associations in North Dakota and Florida on legislation that aimed to remove the interchange fee on state and local sales taxes. This involvement included providing research, developing talking points, and supporting grassroots campaigns. In Connecticut, FMI's "Wine in Grocery" grassroots campaign for the Connecticut Food Association successfully mobilized **over 5,000 letters to state legislators**.



FMI's Elizabeth Tansing and senior manager of government affairs for Albertsons Companies, Samantha Summers with District of Columbia Attorney General Brian Schwalb

Moreover, FMI has taken proactive steps to address the many pending and enacted state bills and regulatory actions affecting food packaging and other items through the creation of the PFAS Working Group, which tackles the complex issues surrounding Per- and polyfluoroalkyl substances. These efforts have led to the development of issue papers and the submission of testimony in various legislative and regulatory forums, highlighting FMI's commitment to collaborative and informed advocacy. Additionally, FMI's advocacy work extends to addressing retail theft issues in the District of Columbia, as evidenced by our industry letter and subsequent meetings with the office of the D.C. Attorney General. Complementing these efforts, FMI maintains a steady stream of communication with its members through bimonthly newsletters, weekly reports, webinars, and the annual State Issues Retreat in Park City, Utah, ensuring that members are well-informed and equipped to navigate the ever-evolving legislative and regulatory landscape.



FMI was proud to join host Anheuser-Busch and fellow agriculture community friends in welcoming fans to a reception at the annual Congressional Baseball Game for Charity in June at Nationals Park in Washington, D.C. Pictured: FMI's Madalyn Farrar, manager, government relations; Stephanie Harris, general counsel & chief regulatory officer.

Photos from the April food industry fly-in



Christy Duncan Anderson, Executive Director of the Albertsons Companies Foundation, accepted a Hunger Leadership Award from the Congressional Hunger Center in June. Congressional Hunger Center Executive Director Shannon Maynard pictured here at the awards ceremony with Christy Duncan Anderson and Samantha Summers of Albertsons and Jennifer Hatcher and Erin McCarthy of FMI."



FMI's Jennifer Hatcher, Elizabeth Tansing and Stephanie Harris with Ira Kress, President, Giant Food, and Tom Cormier, Ahold Delhaize USA, at a ribbon cutting ceremony celebrating Giant Food's new home delivery fulfillment center in Manassas, VA.

Events and Education

97%
accept mobile payments,
with 3% planning to do so

96%
of stores offer
self-checkout lanes

Executive Summary

FMI education and events serve multiple disciplines, and the FMI portfolio continues to deliver valuable resources to our members – from business growth opportunities to professional development. Highlights this year include:

- Increased attendance over 2022 across all but one event.
- Strong sponsorship support with **128%** of goal achieved across all events.
- Served nearly **5,000 industry professionals** through 11 events and conferences.
- Across all events, **96%** or more survey respondents indicated they achieved some or all their goals for attending.
- More than **1,650 Food Retail Leader Certificates** earned since 2018.
- **33** digital seminars serving approximately **3,000** registrants, reduction in activity over 2022 reflects emphasis on in-person connections.
- 2023 Event Sponsorship Revenue totaled **\$1,321,545, \$716,500** in Midwinter alone, representing **20% increase** from 2022 \$1,054,355.

Midwinter

January 20-23, 2023 | Orlando, Fla.

Southeastern Grocers president and CEO Anthony Huckler chaired the 2023 FMI Midwinter Executive Conference where participation numbers achieved record levels with the highest attendance since 2008, at well **over 1,200 attendees**, exceeding our record-setting 2020 showing. As Anthony shared with the FMI Board, it was evident that the industry was eager to connect with each other and work together to find opportunities for growth. The Strategic Executive Exchange program reflected this record-breaking participation with 41 retail/wholesale companies and 65 product suppliers and service providers engaged in 876 trading partner meetings. Highlights of the program included a robust series of FMItech presentations and B2B meetings, keynote panels of industry and non-industry leaders focused on the state of food retail, navigating business imperatives, working through an increasingly divisive political environment, and a rousing closing presentation

on change in a “never normal” environment. Among survey respondents **96%** achieved some or all of their goals for participating.

Annual Meat Conference

March 6-8, 2023 | Dallas, Texas

After three years without an in-person event, FMI and the North American Meat Institute (NAMI) hosted a renewed and refreshed event at the Hilton Anatole in Dallas that offered the **ultimate personalized protein experience**. Nearly 2,000 meat industry professionals, a historic record, came together to explore a sold-out exhibit hall and engage and learn from each other through networking events and a range of education topics addressing protein’s attributes and advantages according to attendees’ unique business needs. We witnessed an **overall increase in attendance by 9% with a 14% increase in retail/wholesale presence over 2020**. Highlights were the Power of Meat general session reporting consumer preferences and the product tasting event in the exhibit hall where attendees could

sample the latest innovations. Nearly 100% of survey respondents reported achieving some or all their participation goals.

Asset Protection and Grocery Resilience Conference

March 19-22, 2023 | Orlando, Fla.

In its second year as a standalone event, more than 125 asset protection and loss prevention professionals discussed timely topics including active assailants, cybersecurity, civil unrest, de-escalation and workplace violence. From 2022 to 2023, we garnered a 50% increase in retail/wholesale attendees and an overall 10% increase in attendance. Participants also engaged in tabletop business-to-business meetings to identify new solutions. A highlight for many attendees was an on-stage discussion of leadership during crisis by Tops Markets President John Persons and FMI President and CEO Leslie Sarasin; and 100% of survey respondents indicated that their goals in attending were somewhat to completely achieved.

Future Leaders eXperience

April 20-June 29, 2023 | Online

The Future Leaders eXperience is the industry's premier leadership development online course for retailers, wholesalers and suppliers. The 2023 eXperience ran in six, two-hour sessions from April through June. We welcomed more than **350 learners** who worked collaboratively to hone their leadership skills and go onto earn their Food Retail Leader certificates—a 4% increase over 2022. A team of coaches, comprised by Future Leaders alumni, continued their leadership journey by acting as team mentors. Program participants regularly credit this experience with improving their value to their teams and their colleagues. As one 2023 participant noted, "I became a better leader; it helped my career path as well, thanks to the Future Leaders eXperience." With a 90% completion rate in 2023, we look forward to introducing new features and resources for an even more successful course in 2024.

Financial Executive & Internal Auditing Conference

May 21-23, 2023 | New Orleans, La.

We witnessed a **31% increase** in overall attendants from 2022, which included CFOs, vice presidents of finance, controllers, treasurers, accounting directors, and financial management executives. More than 81 attendees reviewed emerging trends, gained actionable solutions, experienced a robust education program and ignited valuable relationships through networking while earning required CPE credits. Topics ranged from the state of the industry, preparing for threats & risks, embracing innovation, regulatory and legislative updates, and peer-to-peer roundtable discussions. This included early access and a deep dive into our industry's financial metrics included in the *2023 FMI The Food Retailing Industry Speaks* research. One hundred percent of survey respondents told us that they achieved some or all their participation goals.

Nonfoods Event

June 13-15, 2023 | Arlington, Va.

The inaugural FMI Nonfoods Event was immersive and collaborative for retailers and manufacturers, allowing them to connect and discuss the consumer's nonfoods journey. With a community of more than 25 retailers, suppliers, innovative companies, and entrepreneurs dedicated to enhancing the grocery retail shopping experience, this event dove into the mindset needed to compete and stay relevant in today's dynamic marketplace. The event focused on impulse purchases and closing the loop between distribution, sales, technology, and marketing through innovation and thought leadership in a shared workshop environment. In addition to this event, we also piloted a track at FMI Annual Business Conference to support broader B2B collaboration. In 2024, we will continue serving this community's needs as this category has huge potential for differentiation and profitable growth.

Legal, Regulatory and Compliance Conference | July 16-18, 2023 | Park City, Utah

A new year brought with it a new food regulatory landscape to navigate. The **2023 conference** better prepared our audience of 77 to traverse the landscape. With an attendee increase of 26% from 2022, this audience of in-house counsel and legal, government, regulatory and compliance professionals were able to gain key updates and connect with colleagues as they earned CLE credits. Among survey respondents, **100%** achieved some or all of their participation goals. Attendees were able to gain actionable knowledge on traditional topics including Employment and labor, traceability and antitrust as well as critical trending topics like AI and ESG.

FreshForward August 8-10, 2023 | Denver, Co.

Our fresh foods community is one of our most robust and engaged, articulated by the fifth iteration of **FMI FreshForward**. With wall-to-wall attendance, fresh foods professionals across the entire food supply chain came together to collaborate with hands-on interactive group discussions, punctuated by topical CEO insights. With more than 117 thought leaders in attendance, a **33% increase** over 2022, the conference ignited thought provoking discussion on ecommerce, meal planning and Gen Z. The event also featured an in-depth look at the **State of Fresh Foods** report based on industry-wide feedback from retailers and suppliers. In addition, our attendees received executive level advice on what's coming in the fresh community with CEO Insight presentations from Stuart Aitken, chief merchant & marketing officer, Kroger; Neil Stern, CEO, Good Food Holdings; and Tony Sarsam, president and CEO, SpartanNash. The FreshForward Action Guide summarizing conference themes and actionable steps developed by our attendees was released in October.

Annual Business Conference September 10-13 | Grapevine, Texas

FMI's premier opportunity for collaboration between and among trading partners, **FMI ABC** offered an environment for trading partners to round out 2023 performance and get a jump on 2024 business-building initiatives. With 27 retailer and wholesaler companies and 33 product supplier companies participating, including our new Nonfoods community, ABC provided the opportunity to discuss operations strategies, consumer insights, pricing and promotional plans, new product introductions, and related topics. These companies scheduled 490 meetings during the event.

Supply Chain Forum September 26-28, 2023 | Addison, Texas

In its second year, the **Supply Chain Forum** exceeded expectations with **more than 130 retailers**, wholesalers and product suppliers attending, a **64%** increase in overall participation. The conference featured two highly successful pre-conference events – Kimberly Clark distribution center tour and an interactive supply chain disaster planning exercise. Highly rated sessions included a CEO panel led by FMI President and CEO Leslie Sarasin featuring the perspectives of Craig Boyan, CEO, H-E-B; Sandy Douglas, CEO, UNFI; and Steve Oakland, president and CEO, TreeHouse Foods, Inc. and a CCO/CMO panel led by FMI Chief Collaboration Officer Mark Baum with insights from Robert Crane, SVP, head of sales and sales commercialization, JM Smucker Co. and Geoff Goetz, executive vice president, supply chain, KeHE Distributors. Attendees also had the opportunity to learn more about warehouse automation trends, yard management, EVs, demand planning and traceability and participate in discussion focused sessions. Survey respondents reported that **96%** achieved some or all of their goals for attending.

Energy and Store Development

October 2-4, 2023 | Baltimore, Md.

With record-breaking attendance of more than 760 attendees, an **increase of 36%** over 2022, industry professionals focused on **primary issues facing store development and facility operations**. Topics covered included regulatory updates; sustainable energy; construction; and the supply chain. The Manufacturer Retailer Exchange, a B2B opportunity for stronger collaboration, boasted 100 participating vendors. Attendees returned home with renewed connections with peers and industry partners as well as guidance on plans for remodels and new store construction to empower them in navigating regulatory changes.

SQF Unites

The focus for the SQF community in 2023 was on a series of regional and online offerings dubbed “SQF 365;” an in-person conference was not offered this year. The community will once again gather in-person for **SQF Unites** March 11-March 14, 2024, in New Orleans.

Digital Seminars and On-Demand Programs

FMI presented 33 live digital seminars on a variety of key topics from “Issues in Sustainability” to “Dialogues on Racial Justice to Store Operations to Traceability” to “Top Trends in Fresh” and more. These online events served an audience of more than 3,000 participants. In addition to the live presentations, FMI implemented an improved **on-demand education platform** for access to pre-recorded content at any time, any place. This online platform provides enhanced access to our content library, as the team migrated many of our existing content pieces to the new platform.

For more information, contact education@fmi.org

