



THE FOOD
INDUSTRY
ASSOCIATION

ANNUAL REPORT 2022



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FMI Impacts in Advocacy, Collaboration and Education

Since the organization's inception, the mission of FMI – The Food Industry Association has been clear: to work with and on behalf of our entire industry to advance a safer, healthier and more efficient consumer food supply chain. However, the past year has reminded me of something that's unwritten in our mission statement, and the way I think best describes what we at FMI do – to serve as your trusted friend and partner.

In public, a trusted friend defends you to the hilt, helping you deal with whatever slings and arrows come your way. In private, a trusted friend is the one you can trust to tell your hard truths and be your support system on tough issues. We at FMI do both with the hope of helping your company be the best it can be.

As FMI closes our 2022 chapter of an eventful 45th year of serving the food industry, it's important to reflect on how FMI has lived up to this commitment in the face of an avalanche of macro and micro economic challenges.

FMI advanced and defended your interests on Capitol Hill, with federal agencies, in state capitals, in the press, on social media, and with the public. We developed allies, recruited sponsors and pressed Congress, the Federal Reserve and the FTC to bring competition to the broken credit card market and will push for a floor vote early in 2023. We created a diverse coalition of interests and urged state and federal action to address the anticompetitive practices of pharmacy benefit managers, achieving victory in 9 states and aggregating strong support for federal legislative action in 2023. We informed Capitol Hill staffers, the media, and consumers on the complexities of inflation, including some of the lesser known or little understood causes, effects and impacts on the price of food at the grocery store to ensure FMI members are not unfairly blamed for unprecedented price increases. And we educated shoppers about the many ways in which grocers, their trusted community partners, are evolving to improve their lives and the health and well-being of their families.

We created and facilitated opportunities for industry players to come together for honest conversations, helped deepen trading partner relationships, and expanded

awareness of industry assets. We brought together key members and stakeholders for the historic White House Conference on Hunger, Nutrition, and Health, helped set ambitious commitments to identify solutions for ending hunger, improving nutrition, and reducing diet-related diseases in America; convened our first in-person Midwinter gathering since 2020; and continued to foster collaboration across the industry and celebrated our peers through events and programs like the Asset Protection and Grocery Resilience Conference, FreshForward, Store Manager Awards, and Gold Plate Awards.

Additionally, we continued our tradition of conducting industry and consumer research, studying the trends, and providing resources to help you and your business succeed. Throughout the year, we released insights on consumer trends and food industry operational benchmarks on a host of topics, from evolving shopper preferences to the causes of food price inflation and the implications of a rising Consumer Price Index.

This is only a sample of the expansive work our team has done this year. I encourage you to dive into the details of our annual report, and I welcome your honest feedback so that we can serve you even better in 2023.

It can—and should—always be said that there's more work to be done. As you know all too well, the residual economic and social shock waves of the pandemic continue to reverberate, causing ongoing supply chain issues, unpredictable inflation, persistent workforce shortages, and understandable consumer concerns over rising food prices. Please know that you are not facing these challenges alone.

You have colleagues in the industry willing to help and most significantly, you have a trusted friend and partner in FMI ready to get in the trenches with you on any issue you are facing.



Leslie G. Sarasin

President and CEO, FMI

Communications

Executive Summary

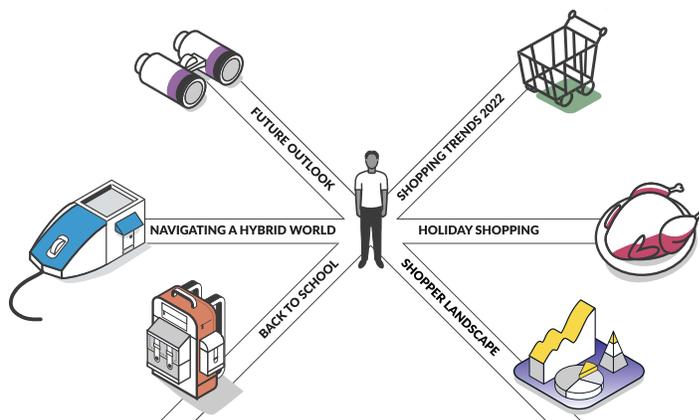
2022 – Serving as the Voice of the Food Industry

The communications, marketing, and insights functions support all departments and subject matter expertise at FMI. The following summary offers key highlights of activities for 2022. Notably, FMI continues to leverage our signature research and subject matter expertise to showcase the food industry as a solution provider for customers amid food price inflation and supply chain disruptions.

Charting Consumer and Operational Insights

Our signature research and insights continue to support both members' strategies and FMI's work across media and stakeholder audiences. Throughout the year, we released research on consumer trends and food industry operational benchmarks alongside media, policymaker and member education campaigns.

Launched in April, this year's **U.S. Grocery Shopper Trends** report is a six-part series designed to explore specific aspects of food shoppers' journeys and behaviors in more detail. Topics include the shopper landscape, the hybrid shopper, "Back to School" season and holiday shopping, among others. FMI developed a new web experience to guide readers through a journey of their own to learn more about consumer trends. Since the launch, we have held **two media briefings** on the "Shopping Trends" and "Navigating a Hybrid World" reports, each attended by **approximately 20 representatives from media and bipartisan think tanks** including *Progressive Grocer*, *Washington Post*, *CBS News*, *CNBC*, *CATO Institute*, and *Heritage Foundation*. Through our briefings, press releases and direct reporter outreach, we have generated **approximately 400 direct references in the media** to our *Trends* series, as well as **more than 330 TV broadcasts and 570 radio broadcasts** following a satellite media tour we conducted in late October. We also held two similar



briefings with Congressional staff to help educate them on current consumer behaviors and the implications they may have for policymaking.

In November, Leslie Sarasin participated in **26 television and radio interviews across the country** about



consumers' holiday grocery shopping plans. **The interviews resulted in 24 million impressions**, showcased how shoppers remain resilient during this time of inflation and offered suggestions for shoppers' holiday meal plans.

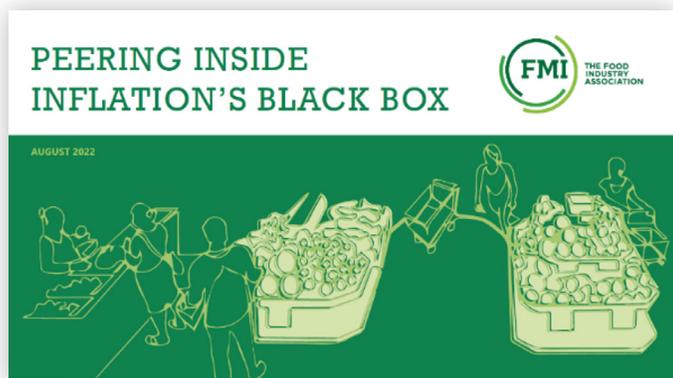
The 74th edition of *The Food Retailing Industry Speaks* tells the story of the obstacle course of challenges the food industry faced in 2021, including the impact of inflation on operational costs, worker recruitment and retention struggles, and supply chain hurdles. For the first time in its 74-year history, the *Speaks* report includes the perspective of food suppliers, with the findings demonstrating the interconnectedness of the supplier and retailer communities. FMI hosted a media briefing on Sept. 6 with the launch of the report, resulting in more than 20 attendees. The report has generated **approximately 85 mentions** in the media.

The Evolving Grocery Experience

From our *Speaks* research, we know food retailers are focusing on investments to improve the grocery environment and shopper experience. To showcase these investments, we developed The Evolving Grocery Experience, www.FMI.org/EvolvingGrocery, which visually conveys the food industries' investments in ecommerce, checkout, expanded product assortment, enhanced department features, workforce, and technology.

Power of Series

FMI's *Power of* research series provides insights on consumers' grocery shopping habits by different



departments or subject areas. In 2022, FMI developed eight *Power of* reports focused on the produce, meat, seafood, foodservice and in-store bakery departments, plant-based foods and beverages, private brands and health and well-being. Combined, the *Power of* reports generated **450 media mentions** and showcased FMI's thought leadership in the food industry.

New Research and Insights Committee

FMI launched a new **Research and Insights Committee (RIC)** to provide a forum for food industry professionals to share knowledge, experiences, and best practices. We have secured **34 members company representatives** to participate on the RIC, including both retailers and suppliers. The committee's inaugural meeting was held in July, during which attendees expressed interest in exploring methodologies, networking, innovative new techniques and offering input into FMI's research topics. The RIC meets every other month. If you'd like to have someone from your staff participate in the committee, please contact FMI's director of research and insights Steve Markenson at smarkenson@fmi.org.

Food Prices and Supply Chain Resources

FMI continues to be out front with key stakeholders about historic food price inflation and the food industry supply chain. In addition to our media briefings on our *U.S. Grocery Shopper Trends* series, since April we have also held **two Congressional briefings** for Capitol Hill staff exploring the causes of food price inflation and the implications of rising Consumer Price Index (CPI) numbers for shoppers, one of which included expert insights from Cal Poly's Dr. Ricky Volpe. During this presentation, FMI Vice President of Tax, Trade, Sustainability and Policy Development Andy Harig and Dr. Volpe discussed "the black box of inflation" and explored the key factors driving increased food prices, including energy, labor, transportation and packaging costs.

Following that briefing, we conducted a targeted member education campaign highlighting FMI resources on food prices. We have seen more than

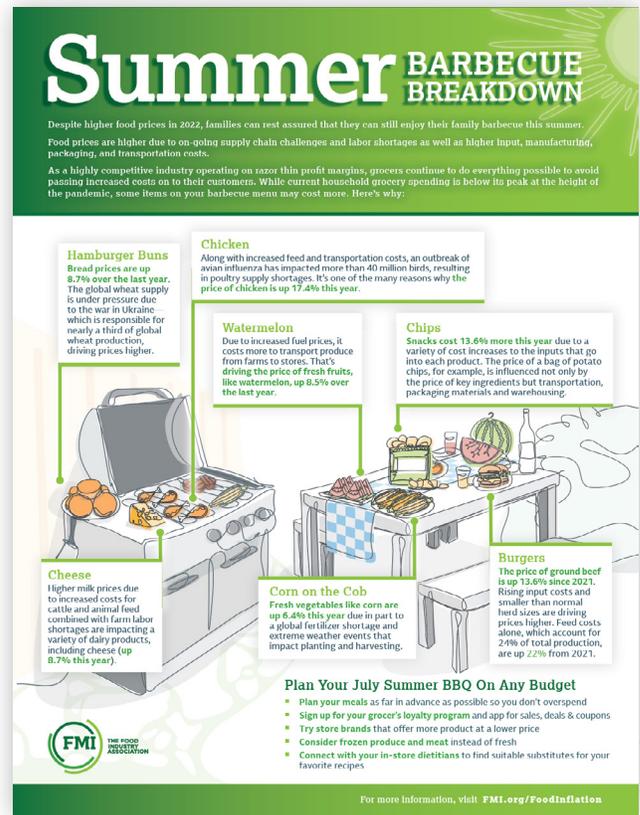
900 members engage with the report, fact sheet and toolkit. In our efforts, we have offered FMI's Andy Harig as a "concierge" resource to answer any questions on food prices.

Additionally, FMI created a **fact sheet** exploring the Russia-Ukraine crisis and its impacts on food prices. This document includes talking points on the effects of the conflict on input costs like transportation and energy as well as raw materials and commodities like wheat, and messaging members can use to communicate with customers and the media about food price increases within the context of the war.

Lastly, FMI has resources to help members answer customer food price and supply chain questions. In addition to updating our **Supply Chain Talking Points** and **Food Price Talking Points**, we developed a series of **infographics** to explain how key ingredients in an American classic - the PB&J sandwich - are impacted by disruptions to raw materials production, packaging, transportation and labor. We also produced a **Summer Barbecue Breakdown** infographic explaining the reasons behind food price increases on popular items to support member conversations on social media around the July 4th holiday and summer grilling season.

Communications Support of Advocacy Efforts

FMI's communications team works closely with our government affairs team to support their efforts to advocate for policies that benefit the industry. In light of the war in Ukraine and the resulting increase in refugees coming to the United States, we partnered with the government affairs team to develop a **Refugee Hiring Resource Guide** to assist FMI members in navigating the process for onboarding refugees in their companies. The guide includes information on refugee support organizations across the country as well as best practices for hiring, supporting and retaining refugees as they establish themselves and their families in the United States. The guide also includes information on government agencies overseeing the refugee settlement process.



Separately, credit and debit card swipe fees continue to be a significant challenge for food retailers and have a sizable impact on their bottom lines. To assist our government affairs team in advocating for swipe fee reform with policymakers, FMI developed a **credit card competition** infographic highlighting the financial cost of swipe fees to both retailers and their customers and urging Congress to pass the Credit Card Competition Act. We also developed a set of **talking points** FMI staff and members can use when communicating with policymakers about the impact of swipe fees on our industry and the need for swipe fee reform.

In late September, the White House convened the Conference on Hunger, Nutrition and Health to identify solutions addressing ongoing food and nutrition security challenges in the United States. In the lead up to that event, FMI launched a **web page** that includes our **Collective Report** to the White House to help inform the conference as well as the **commitments** FMI made around key pillars the White House identified as priorities for the convening.

Following the White House Conference, FMI also partnered with the Tufts University Friedman School to host the **Food Industry Collective** event bringing together key stakeholders in industry, non-profits, government and academia to discuss the White House National Strategy and identify ways to make further progress on addressing food and nutrition insecurity. The FMI communications team collaborated with the Tufts team to produce a **joint press release** about the event. We're also developing a follow-up report with an outside consultant capturing the key highlights from the convening and identifying the next steps outlined during the event.

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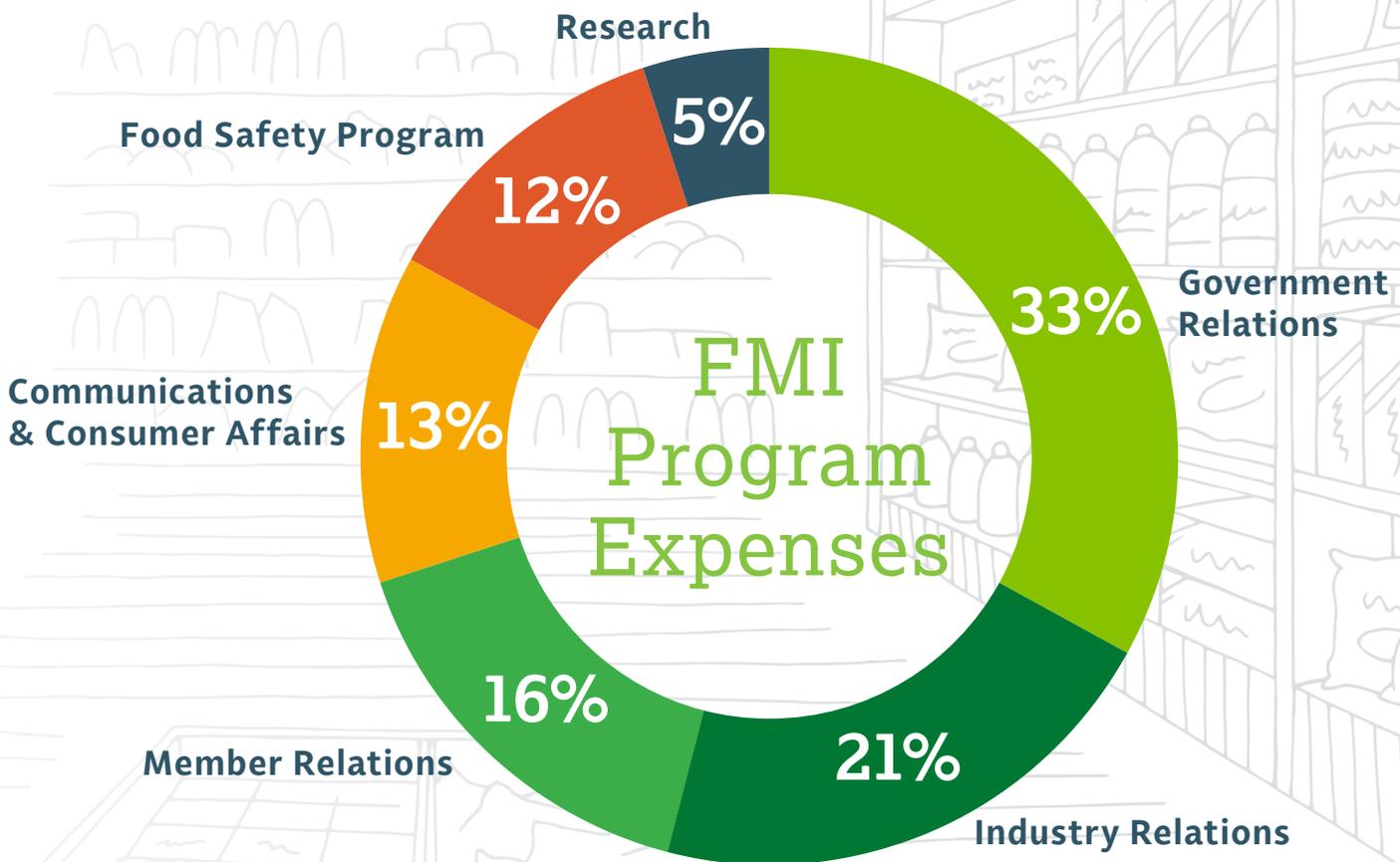
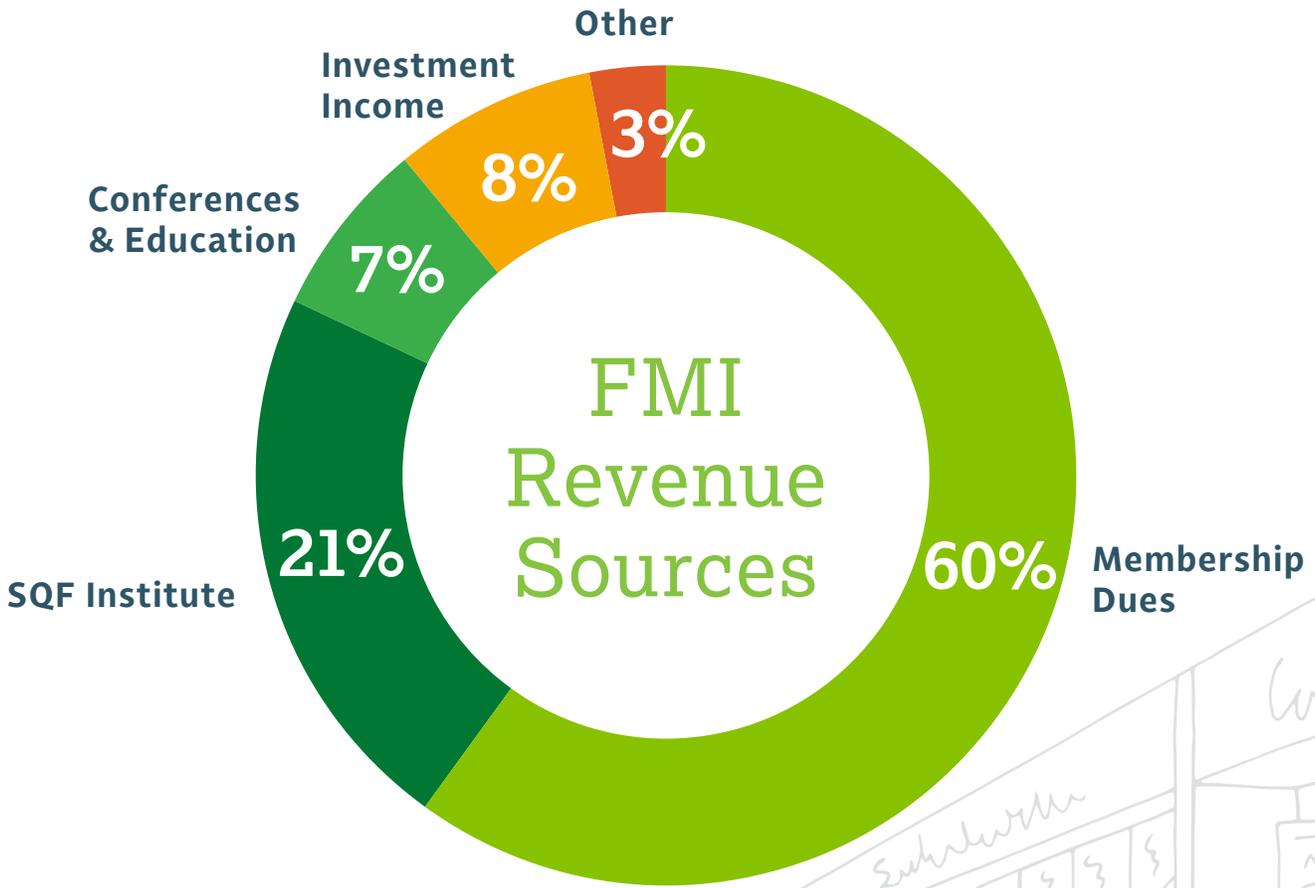
2022 Year in Review Charts

- 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, **40% 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 nearly \$3 million in 2022**, securing a revenue source for future spending.
- A third of FMI's program expenditures are for Government Relations.
- Another **21% is for Industry relations**.
- The remainder incorporates Member Relations, 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.

2022 Projection

2022 Projection	
Revenue Sources	
Membership Dues	9,423,477
SQF Institute	3,472,190
Conferences & Education	1,071,613
Investment Income	1,302,400
Other	434,542
Total	15,704,221
Program Expenses	
Government Relations	4,246,860
Industry Relations	2,707,012
Member Relations	2,057,325
Communications & Consumer Affairs	1,663,333
Food Safety Programs	1,477,711
Research	620,405
Total	12,772,647
Operating Activities - Net	2,931,575



Food and Product Safety

Executive Summary

Food safety remains a priority for FMI members as companies focus on serving customers and protecting the health of both customers and employees. FMI's food and product safety programs focused on regulatory issues impacting the industry, maintaining strong training programs for members, providing sound scientific and technical information and working with regulatory agencies and academic institutions to advance industry programs.

Product Supplier Scientific Affairs Committee

FMI's Product Supplier Scientific Affairs Committee was established to support the food safety, regulatory and technical staff within product supplier member companies by providing a forum to share information, research and provide a network for collaboration. The committee established a meeting cadence and meets monthly to discuss pressing issues and topics facing the industry. As the product supplier community has expanded, the committee has experienced tremendous growth with more participation and engagement each month. Moving forward, FMI plans to continue outreach efforts to increase participation, enhance engagement and support the needs of the product supplier community.

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, U.S. Department of Food & Drug Administration (FDA) published the Final Food Traceability Rule, "Requirements for Additional Traceability Records for Certain Foods." The final rule 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 final rule

is a key component of FDA's New Era of Smarter Food Safety Blueprint and implements Section 204(d) of the FDA Food Safety Modernization Act (FSMA). At the core of this rule is a requirement that persons subject to the rule maintain records containing Key Data Elements (KDE) associated with specific Critical Tracking Events (CTE) and provide information to FDA within 24 hours or within some reasonable time to which FDA has agreed. The compliance date for all persons subject to the rule is January 20, 2026.

Over the last few years, FMI has been working with FDA, food and beverage trade associations and member companies to identify the issues and to advocate to make the rule more practical for the industry to implement and comply. FMI continues to share information and resources and work with members to facilitate implementation and compliance with the rule. Information and resources related to the final rule are being compiled on the [FMI FSMA Resource Portal](#). Additionally, FMI is working closely with FDA to obtain clarity on compliance and other issues with the rule.

Produce Safety

Produce safety has remained a top priority for retailers and wholesalers for several years. Multiple high profile produce outbreaks and recalls over the years have impacted consumer trust, consumer health and resulted in millions of pounds of product being discarded. Likewise, frequent and reoccurring outbreaks indicate an ongoing public health concern that needs to be addressed.

Water continues to be identified as a concern in many outbreak investigations. In December 2021, FDA's proposed produce safety regulations on agricultural water were published. Once finalized, it will complete **FDA's Produce Safety Rule** which applies to produce growers and production agriculture. FMI participated on a panel during the public meeting on the proposed rule that was held in February 2022 and submitted **written comments** to FDA in April 2022.

FMI continues 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. As a result of these efforts, the **FMI Recommended Food Safety Practices for Leafy Greens** document was updated to incorporate additional recommendations for water, land use, and animal activity.

Foodborne Illness and Outbreak Management

FMI is very experienced in supporting members when there are foodborne illness investigations and subsequent product recalls. This year brought one of the highest profile foodborne illness investigations, illness outbreaks and subsequent recalls with the investigation and closure of the Abbott Nutrition facility in Sturgis, Michigan from February 2022 until July 2022. Infant illnesses from the bacteria *Cronobacter sakazakii* were linked to infant formula from the Abbott facility. FDA and Centers for Disease Control & Prevention (CDC) investigated, and the FDA closed the facility in February 2022 and all product produced at the facility was recalled. This significantly impacted the supply of infant formula domestically and required changes and waivers in the USDA Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Consumer confidence in infant formula declined and our most vulnerable customers were impacted by the outbreak fears as well as supply chain challenges.

With prior notice from FDA, FMI notified members as soon as a public announcement was made and hosted multiple calls with member companies with FDA,

Abbott and member-only calls to discuss the challenges and determine possible solutions. Additionally, FMI participated in weekly calls with FDA senior leadership to share challenges as well as identify solutions.

The impact of the infant formula outbreak lingers, and multiple changes will likely occur due to the crisis. Retailers remain focused on protecting the safety of the foods they sell as well as serving all customers with safe affordable and nutritious foods.

Recall Process and Management

Recalls are daily events for retailers and wholesalers. The recall and management process varies depending on the regulatory jurisdiction of the initiating facility. FMI engaged with FDA and USDA FSIS and aligned with other organizations to develop modernized processes as well as simplify the process for maximum efficiency to include consumer perceptions to protect public health. FMI is currently working with the STOP Foodborne Illness Alliance as well as the Association of Food and Drug Officials (AFDO). A group of industry members are active participants as well as consumer advocates, academics and other trade associations.

Input into FDA Operational Evaluation

In October 2022, FMI was invited to provide input into the FDA Foods Program Operational Evaluation being conducted by the Reagan-Udall Foundation. FMI's input focused on FDA's strengths, opportunities for improvement and future needs of the agency against a rapidly changing food industry. A report and FDA response are pending.

Retailer Food Safety Leadership Development and Employee Training

FMI has met retailers' needs by offering industry-specific food safety training for over two decades. FMI continues to support retailers' efforts to deliver effective food handler training by offering a new microlearning version of the SafeMark® **Quick Reference: Food Safety for Food Handler** course. FMI worked with Conduent – SafeMark's

HIGHLIGHTS ABOUT SAFEMARK®

1/3

A third of the top-75 food retailers use SafeMark® to train and certify their employees in food safety procedures.

11,000

More than 11,000 grocery stores use SafeMark® for manager training and certification and food handler training.

10,000+

Tens of thousands of food managers have been certified using SafeMark®.

online training partner – to offer a new training option that would boost knowledge retention while providing flexibility to employees by increasing convenience and decreasing seat time.

With the publication of a new version of the FDA Food Code on the horizon, FMI has initiated the process to begin reviewing and updating the SafeMark training materials. All training is based on the most recent FDA Food Code and the courses are designed with the input of retail food safety experts from FMI member companies. The training program is owned by FMI and supports FMI programs through non-dues revenue. All states recognize SafeMark® training for food handlers and food managers. More information is available at [FMI.org/SafeMark](https://fmi.org/SafeMark).

Sesame Added as the 9th Major Allergen

In April 2021, the Food Allergy Safety, Treatment, Education, and Research (FASTER) Act was signed into law. The FASTER Act added sesame as the ninth major food allergen in the United States. The addition of sesame to the list of major food allergens is effective on January 1, 2023. As a major allergen, sesame will be declared on the label of any packaged food containing it as an ingredient. Verifying the accuracy of allergen information on food labels throughout the entire supply chain is critical for many reasons. Undeclared allergens are the leading cause of recalls and have been for quite some time. Many of these recalls are due to

labeling errors, such as the omission of allergens on product packages or using incorrect labels. But most importantly, individuals with food allergies rely on accurate allergen information on product labels when making their purchasing decisions.

FMI has updated the [Retail Allergen Resource Document](#) to reflect the addition of sesame as an allergen and the new allergen information will be added to SafeMark® courses and publications. Additionally, FMI, in partnership with the International Food Protection Training Institute (IFPTI) offers a [retail-specific allergen awareness training course](#) to support members' efforts to meet regulatory requirements and equip associates with the information and tools necessary to protect customers.

The image shows a screenshot of an online course interface. At the top, there is a blue header with the IFPTI logo. Below the header, the course title "Allergen Awareness for Food Employees in Retail Grocery" is displayed in white text over a background image of fresh green lettuce. Underneath the title, it says "Online Course" and shows a star rating of 5 stars with a "(1)" next to it. A "Course Content" tab is visible. Below the course information, there is a large image of several clear plastic food containers filled with various fresh vegetables like tomatoes, cucumbers, and onions. At the bottom of the screenshot, a green banner contains the text "Allergen Awareness for Food Employees in Retail Grocery Settings" in white.

Collaboration on Scientific and Public Health Issues

FMI represents the food industry on food safety and public health topics to provide the best science-based guidance as well as serve as a credible voice for the industry. FMI collaboratively works with industry partners alongside member companies to support the food industry's efforts for continuous food safety improvement. A few of these organizations are listed below.

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.

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.

Foundation for Meat & Poultry Research & Education (NAMI)

The Foundation conducts research and disseminates information that drives continuous improvement in the meat and poultry industry to enable meat and poultry companies to exceed expectations in key areas like food safety, nutrition, animal welfare and sustainability.

Beef Industry Food Safety Council (BIFSCo) Executive Committee

BIFSCo brings together representatives from all segments of the beef industry to develop industry-wide, science-based strategies to solve beef safety challenges.

Recall Workgroup STOP Foodborne Illness

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

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.

Staff Contact

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SQFI – One World. One Standard.

Executive Summary

In 2022, 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 achieving FMI financial targets, building global brand awareness via certification growth and engaging the food safety community through a successful in-person Unites conference. For the second year in a row, SQFI has **increased revenue +\$1 million** versus the prior year, projecting the brand to grow to **\$10 million** by year end.

Focus on Delivering Financial Targets

SQFI projects a **9% increase** in site registrations compared to 2021, lifting total revenue results **+\$1.4 million** versus the prior year. Favorable top-line results combined with expense management projected to overdeliver Total Net Income Budget by **+\$1.5 million**.

Growing Certifications Globally

Through the addition of more than **900 new certifications** and maintaining a **90% retention rate** with existing customers, SQFI increased certification revenue and volume across all markets. Each zone is projected to overdeliver budget targets and post successful results:

- North America revenue **+10%** and volume **+5%**.
- Asia Pacific Revenue **+13%** and volume **+7%**.
- Latin America Revenue **+16%** and volume **+9%**.

Building Global SQF Brand Awareness:

In 2022, the business development team actively reengaged with the global community with the addition of new team members to support Australia, Canada and the United States. The team generated renewed brand awareness with regional events

delivering educational content for SQFI professionals to build their food safety management system programs. Two in-person events were held in North America (St. Louis and Guelph, Ontario), and there were online seminars customized for China, Japan, Australia and Latin America. These events brought together SQFI partners from certification and training organizations as well as local GFSI representatives and retailers to share priorities and best practices in food safety management.

Digital seminars, roundtables and special sessions supporting retail supplier networks enhanced SQF brand awareness leading to new opportunities in the Chinese dairy industry, Japanese livestock production and for SQF Fundamentals in developing markets such as Africa and the Middle East.

Transforming SQFI's Customer Engagement:

The implementation of HubSpot has proven to be a successful technology integration that has transformed SQFI's lead generation capabilities. HubSpot facilitates the business development process by highlighting actionable opportunities and automating processes that help nurture the initial customer relationship. The system provides visibility into prospects' most relevant areas of interest and drives messaging that converts prospects into customers.



SQF's Role in Managing Risk in the Food Supply Chain

As major brands, wholesalers and retailers adopt the practice of risk ranking within their supply networks, there is a shift toward requiring new suppliers to be GFSI certified. Major foodservice and retail brands such as Yum! Brands, Sonic, Subway, Walmart, Dominos, Whole Foods Market and Costco have announced new supplier requirements to achieve SQF Food Safety or SQF Fundamentals Global Markets certifications by the end of 2023.

SQFI has benefited from the support of several wholesalers and distributors who are using SQF certification for their North American storage and distribution facilities.

Similarly, a focus on brand protection among retailers and private brand manufacturers has contributed to SQF's growth in dietary supplements, food ingredients and pet food certifications.

SQFI Training: Growing Revenue, Auditors, Consultants

SQF's 2022 Online Training programs, focused on implementing SQF in manufacturing facilities, has grown program revenue from **\$700,000 in 2019 to more than \$1.4 million in 2022**. The SQFI team continues to host Auditor Training to support GFSI's goal of building auditor capability and capacity globally.

The SQF Compliance and Integrity Program was significantly enhanced this year with the introduction of the Intact Compliance Database. This new tool provided

an additional resource to identify and prioritize high-risk areas so that necessary actions could be taken to enhance the trust and credibility of the SQF certificate.

The SQF Consultant Network Development Program was launched to support SQF growth in Latin America. The program aims to expand the SQF infrastructure in Latin America to support individual sites in their food safety program development. Applicants will receive customized advanced SQF training, development and mentorship. Fifteen finalists qualified and participated in the program kick-off event in November.

SQF Unites: Successful in Bringing Together over 600 Food Safety Professionals

In November, more than 600 food safety professionals gathered at **SQF Unites** in Orlando, Fla. Unites, the first in-person SQF conference in three years, brought food safety professionals together to build awareness for the SQF brand; encourage community engagement; discuss timely topics; share best practices; and celebrate success. Six finalists and two **SQF Excellence Award** winners were acknowledged for their admirable professional contributions to the promotion of food safety. Additionally, the **2022 and 2021 FMI Foundation Food Safety Scholarship** recipients were applauded for their commitment to maximize public health through a safe and secure food supply chain.

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FMI Foundation – Making an Impact in Key Areas

Executive Summary

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. Here are some of our highlights:

- Family Meals Month Moves from Month to Movement, from National to International
- Foundation Scholarship Program
- Lights, Camera, Stir It Up!
- Gold Plate Awards
- Unified Voice Projects: Work force, diversity equity & inclusion, inclusion & diversity and consumer acceptance of gene edited foods.

Family Meals: From Month to Movement, from National to International

The FMI Foundation partnered with the National Alliance on Mental Illness in 2022 to shine a family meals month spotlight on the mental health benefits of family meals. Seeking to offer a balm to a stressed-filled nation, Family Meals Month provided an expanded view of our “Stay Strong with Family Meals” theme. A digital seminar featuring Dr. Drew Ramsey, a nutritional psychiatrist, attracted much attention with science-based evidence of nutrition's role in emotional and mental wellbeing. Our Harris Poll data, gathered to help evaluate the effectiveness of Family Meals Month programming, substantiated that our message continues to spread and successfully promotes healthier eating and more meals with family at home. With a suite of new materials, our reach is expanding with contacts from several international countries accessing the Foundation's Family Meal promotional materials. In eight years, we've grown from month to movement and from national to international.

The Benefits of Family Meals is Real

A significant study on the relationship between certain family characteristics and adolescent problem behaviors, published in the *Journal of Adolescent Health*, found that teens who have more frequent family dinners (more than three per week) are:

3.5 TIMES

less likely to have abused prescription drugs or to have used an illegal drug other than marijuana or prescription drugs

3 TIMES

less likely to have used marijuana

2.5 TIMES

less likely to have used tobacco

1.5 TIMES

less likely to have used alcohol

FMI Foundation's Scholarship Program

The FMI Foundation and the Safe Quality Food Institute (SQFI) announced the recipients of the highly competitive 2022 Food Safety Auditing Scholarship.

From a strong field of 64 applicants, these 15 scholars received a 2022 Food Safety Auditing Scholarship and Education Travel Grant:

- Aishwarya Vengatesan, Rutgers University
- Amrit Pal, University of Georgia
- Aryany Leticia Peña Gomez, University of Nebraska-Lincoln
- Bhaswati Chowdhury, South Dakota State University
- Camryn Grace Cook, Virginia Tech
- Christina Lynn Wormald-Allingham, University of Massachusetts, Amherst
- Cyril Nsom Ayuk Etaka, Virginia Polytechnic Institute and State University
- Julysa Abril Benitez, Texas A&M University
- Kenisha Odessa Gordon, Mississippi State University
- LaTaunya Tillman, University of Florida
- Amalia Beary, Cornell University
- Marisa Lee Bacon, Michigan State University
- Supriya Daulatrao Korade, Illinois Institute of Technology
- Surabhi Wason, University of Arkansas
- Zonia Elizabeth Caro Carvajal, Mississippi State University

In addition to a cash stipend, scholarship award winners received a travel grant to attend the SQF Unites conference Nov. 7-9, where they were joined by seven recipients of the 2021 award. The 22 students networked with experts in the field, attended multiple learning sessions and participated in conversations during open discussion panels. The FMI Foundation is proud to support these essential scholars and applauds their commitment to maximize public health through a safe and secure food supply chain. Even Hurricane Nicole did not dent their enthusiasm.

Stir It Up! 2023

Stir It Up! will triumphantly return to the Midwinter Executive Conference in 2023, featuring six competing kitchens in a culinary cook-off. Consistently rated as the most popular networking event at Midwinter, this Foundation fundraiser brings the food industry family together celebrating food, family and fun. This year's theme, "Dinner and a Movie – a family festival of film and food with friends," promises to add a little movie magic to the menu and cinema to the conversations.

Our competing kitchen include:

- Hy-Vee, Inc. title sponsor, and leading contender.
- Wakefern Food Corp. and Nestle USA, Inc., teaming to offer a little sweetness and sass.
- The Coca-Cola Company, returning to see if they can continue their winning ways.
- The Kroger Co. and Kellogg Company, pairing up to bring the K-power.
- SpartanNash Company, bringing some of its Midwest spice to Orlando.
- Meijer, Inc. and PepsiCo, Inc., a dynamic duo doubling down on delicious.

And if that is not enough, there will be delectable offerings from Unilever, special coffees from The J.M. Smucker Company, fine wines from Gallo Company, some surprises from General Mills, Inc. and special tastings from Anheuser-Busch Companies, LLC.

Gold Plate Awards

Every year, the FMI Foundation recognizes the outstanding work our partners do during the month of September to encourage Americans to eat one more meal together and Stay Strong with Family Meals. Providing delicious recipes, easy and nutritious meals, unique partnerships, connecting one on one with registered dietitians, blogs and contests are just some of the ways this year's nominees have uniquely connected with families in their communities.

For the first time, the 2022 Gold Plate Awards ceremony was held virtual and livestreamed through YouTube on Thursday, Dec. 14, 2022, at 3:00–3:30 p.m. EST. Kelli Windsor, FMI director, digital communications, and David Fikes, FMI Foundation executive director, cohosted the ceremony and announced the following 2022 winners and honorable mention recipients:

- Category A (retailers with 1-49 stores) Winner: **Martin’s Super Markets Inc.** “Be A Family Meal Champ” program.
- Category B (retailers with 50-199 stores) Winner: **SpartanNash Company** “Our Family, Building Strong Families” program.
- Category C (retailers with 200+ stores) Winner: **Hy-Vee, Inc.** “Hy-Vee Celebrates National Family Meals Month and Hispanic Heritage Month” program.
- Category Food Manufacturer/Supplier Winner: **Pure Flavor** “Eat Well Together to Be Well Together Campaign”



Honorable Mention: ButcherBox, Merchants Distributors, Rouse’s Markets, Weis Markets, Brookshire Grocery Company and Skogen’s Festival Foods.

A special Blue Ribbon was awarded this year recognizing those nominees who did an exceptional job conveying this year’s theme, highlighting the role family meals play in supporting mental health and wellbeing. Our Blue-Ribbon recipients were Coborn’s Inc., K-VA-T Food Stores Inc., Tops Markets LLC, Pure Flavor, Martin’s Super Markets Inc. SpartanNash Company, Hy-Vee, Inc., Rouse’s Markets, Weis Markets and ButcherBox.



The Full Slate of Unified Voice Protocol’s Current Initiatives

Gene Editing

The FMI Foundation published [part II](#) of its research on Consumer Attitude Toward Gene Edited Foods. Earlier this year, Dr. Vincenzina Caputo of Michigan State University spearheaded the Foundation sponsored research and the findings have been shared with FMI membership and the larger association community. We continue engaging the agricultural, retail and manufacturing sectors of the food industry, the government, and scientific, medical, environmental and consumer advocacy communities in advancing consumer acceptance of gene edited food products. This includes bringing food retailers and suppliers together with developers anticipating the 2023 release of gene edited food products.

Workforce Initiative

In 2022, FMI entered a partnership with Junior Achievement (JA) to create a national initiative executed on the local level that utilizes JA's expertise and programming, introducing young people to the vocational options and employment benefits of a career in the food industry. A toolkit guiding FMI members in accessing and selecting the local JA program best suited for them will be available in the first quarter of 2023. Pilot projects are being implemented to inform and amplify industry engagement.

DEI

In other Unified Voice related actions, the FMI Foundation and the Center for Food Integrity continued the **digital dialogues series** addressing issues of **racial justice, inclusion, and diversity**. With guidance from the FMI DEI committee, and in collaboration with Jonathan Mayes Consulting, the Foundation is assembling a best practices guide on developing effective DEI training modules. To be published in the first quarter of 2023, this guide offers style options, scheduling flexibility and questions each company needs to consider in designing the DEI training module that meets its needs.

Expanding Our Work Through Grants

The FMI Foundation leverages its expertise to channel resources and a systematic progression of projects that produce more effective ways to address the topics of food safety, nutrition and social responsibility. FMI Foundation 2022 grants include Partnership for a Healthier America, Partnership for Food Safety Education, International Food Protection Institute, Common Threads and *FMI U.S. Grocery Shopper Trends*.

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Health and Well-being

Executive Summary

Nutrition, health and well-being remain top priorities for consumers, retailers and suppliers across the country. Consumers are interested in staying healthy and well, seeking nutrition information and overall guidance. Opportunities have been identified as consumers view the grocery store as a trusted destination for nutritious food, health solutions, prevention and self-care. Food retailers, product suppliers and manufacturers continue to be key partners for health and well-being in the communities they serve for customers and employees alike. Retail registered dietitians and pharmacists have risen to the occasion to deliver accessible, affordable and personalized nutrition and health services in the grocery store setting.

FMI Supports Health & Well-being Initiatives Across the Food Industry

FMI has taken a collaborative leadership role in showcasing successful nutrition, health and well-being programs and initiatives across the food industry. The **FMI Health and Well-being Council** remains actively engaged and focused on strategic innovation and evidence-based efforts to connect the science of food to improved health for customers and employees alike. The Council is comprised of member company representatives, many of whom are registered dietitians, but also those who work in the pharmacy arena or are focused on consumer affairs and communications, and marketing or strategic innovation initiatives related to health and well-being.

The **FMI Board-level Health and Well-being Committee** reconvened for the first time in a decade in March 2022, signaling the growing importance of nutrition, health and well-being for consumers and the food industry. FMI has provided insight on consumer trends, the changing landscape, retailer initiatives and business opportunities to leverage food to promote health and well-being, manage disease, improve nutrition security and promote food safety.

Grocery Store as Destination for Health & Well-being

Grocery stores are becoming accessible destinations for health and well-being by providing programs and resources that help shoppers and employees on their journeys to healthier lifestyles. Consumers view grocery stores as trusted destinations for nutritious food, health solutions, prevention and self-care. Food retailers are considered a trusted resource in helping consumers meet family health and well-being goals. Beneficial programs available right in the supermarket are supported by a wide ecosystem of stakeholders — including product suppliers and manufacturers, service providers, government agencies and many community collaborators. Many food retail associates support improved nutrition, health and well-being to include registered dietitians, pharmacists and other licensed healthcare providers.

Spotlighting the Role of Food Retail Registered Dietitians and Pharmacists

Across the food industry, Registered Dietitian Nutritionists (RDNs) play important roles to support nutrition, health and well-being in the food industry.

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. Supermarket dietitians sit in the sweet spot between healthcare and public health, providing innovative, nutrition-focused, solution-oriented guidance for shoppers. The expansion of retail pharmacy services ranges from increased vaccination efforts to providing blood pressure machines in stores, all of which makes service more accessible to customers. Retail pharmacies have also been pursuing strategies to improve medication adherence.

Support for the Medical Nutrition Therapy Act

Medical Nutrition Therapy (MNT) involves one-on-one counseling with a RDN and has proven to be a cost-effective way to prevent, delay and manage a host of diseases and conditions. Many FMI supermarket member companies offer one-on-one counseling with RDNs, and “tele-nutrition” initiatives have expanded considerably throughout the pandemic, making it even easier for customers to take advantage of personalized counseling services. FMI is proud to

support the bipartisan **Medical Nutrition Therapy Act**, which would expand Medicare MNT coverage to include a wide range of diseases and medical conditions, including prediabetes, obesity, hypertension, dyslipidemia, malnutrition, eating disorders, cancer, celiac disease, HIV/AIDS and other conditions causing unintentional weight loss. The legislation would also increase the list of qualified providers authorized to refer their patients for MNT, adding nurse practitioners, physician assistants, clinical nurse specialists and psychologists.

White House Conference on Hunger, Nutrition, and Health

The first **White House Conference on Hunger, Nutrition and Health** in more than 50 years was held on September 28, 2022. The administration has prioritized working with a diverse coalition of voices to find solutions for ending hunger, improving nutrition and reducing diet-related diseases in America. The food industry has an important role to play, and the Conference presented a chance to build strategies that align with our nation’s needs and consumer priorities for nutrition, health and well-being.

The Conference presented a chance to showcase ongoing initiatives, member examples and best practices in the grocery store, online and in communities. FMI encouraged members to share insights, recommendations and stories about their nutrition, health and well-being initiatives and community partnerships for inclusion in a combined report submitted to the **White House** in July.

FMI worked collaboratively with member companies – food retailers, wholesalers and suppliers – to develop bold actionable commitments to support the goals of the Conference, specifically to improve food access and affordability, integrate nutrition and health and empower all consumers to make and have access to healthy choices.

Two FMI commitments were announced at the Conference:

- FMI members will donate **2 billion meals** in 2023
- FMI members will reach **100 million consumers** with evidence-based consumer nutrition and health messaging each year from 2023-2030.



GROCERY STORES EVOLVE AS HEALTH AND WELL-BEING DESTINATIONS



Food and nutrition play a role in sustaining health and preventing disease.



70% of grocery stores are leveraging products with beneficial attributes for health and well-being



More than 40% are increasing SKU allocation for health and wellness attributes



Food retailers are making extensive use of registered dietitians



81% of food retailers employ dietitians at: corporate, in-store/virtual, regionally



FMI food retail partners want to be part of the solutions to provide equitable access to professional nutrition services



Food Industry Collective: Commitments in Action Event

FMI and Tufts University hosted the **Food Industry Collective: Commitments in Action** event in Unity Square at the Smithsonian’s National Museum of American History on October 28, 2022, exactly one month after the White House Conference on Hunger, Nutrition and Health. Over 100 distinguished guests **gathered together** representing 70 different organizations, including 23 professional and trade associations and 14 FMI member companies. The goal of this historic gathering was to bring leaders together to forge solutions and collective actions to end hunger, improve nutrition and reduce diet-related disease. Topic specific panels sparked group discussion and brainstorming on issues and challenges, programs and initiatives, opportunities and solutions.

Food as Medicine Opportunity in Food Retail

FMI continues to build a comprehensive framework for the food industry on Food as Medicine programs and initiatives as defined by the Academy of

Nutrition and Dietetics, based on credible research with the foundational goal of helping people make daily connections to food and nutrition within four focus areas: food to encourage health and well-being; manage disease (along with prescribed medications); improve nutrition security; and promote food safety. In 2021, the FMI Board approved a **policy statement** in support of this definition to show industry alignment and build the foundation for responsible programs to improve public health.

In 2022, FMI produced a series of short video spotlights to show how grocery stores connect to health and well-being through Food as Medicine programs to:

- Encourage Overall Health & Well-being
- Disease Management & Treatment
- Improve Nutrition Security

Half of FMI food retailer members who responded to the *2021 Retailer Contributions to Health and Well-Being* survey have significantly or moderately increased their health and well-being. Retailers are prioritizing programs for both customers and employees that align with the definition of Food as Medicine, even if they are not specifically referring to their programs as Food as Medicine.

Employee Health and Well-being

The health and well-being of the food industry workforce gained new importance during the COVID-19 pandemic as associates became front-line heroes. FMI launched Supermarket Employee Day in 2021 and marked the second anniversary in February 2022. FMI members were engaged in an assortment of activities that recognized and celebrated supermarket employees as part of the campaign. According to FMI's 2022 The Food Retailing Industry Speaks survey, 63% of retailers said the overall physical health of associates (illness, injury, etc.) is a major concern. In addition, 68% said the overall well-being of associates (nutrition, stress, anxiety, etc.) is a major concern.

FMI launched an Employee Wellness Share Group at the end of 2021 to support leaders who spearhead internal wellness programs for employees. The group meets monthly and includes participants from companies of all sizes. Members have found that challenges are similar regardless of organization size. The group has discussed best practices on topics such as driving communications, appealing to multigenerational staff members, leveraging internal websites and apps, tying into community activities and measuring benefits.

Facts Up Front Program Updates

FMI is committed to ensuring that the Facts Up Front program remains viable and ideally fits any future Front of Pack (FOP) labeling requirements. As co-manager of the Facts Up Front program with Consumer Brands Association (CBA), FMI remains committed to the program as a standardized way to share nutrition information on front of package. FMI and CBA meet regularly with a joint Facts Up Front Implementer Task Force comprised of member companies who use Facts Up Front. FMI and CBA worked closely with U.S. Food and Drug Administration (FDA) in recent years to ensure that the agency recognizes the value of this easy-to-use labeling system that displays key nutrition information to help guide informed consumer choice. With encouragement from FDA and consensus from the Facts Up Front Implementer Task Force, in 2022 the FUF Style Guide was updated to reflect the current 2020-2025 Dietary Guidelines with the Added Sugars icon now replacing the Total Sugars icon. FMI will continue to work closely with FDA and will track any actions or guidance by the agency related to FOP labeling.

FDA Proposed Definition of “Healthy”

FMI continues to track FDA's proposed definition of the nutrient content claim “healthy” for food labeling as part of the Agency's Nutrition Innovation Strategy. A proposed rule was released in September, and FMI will provide comments by the February 16, 2023, deadline, focusing on member feedback, the use of updated nutrition science, consumer understanding of food labels and how the update might affect consumer interpretation of existing labels and icons.

USDA MyPlate National Strategic Partner and Family Meals

FMI members continue to provide a variety of healthful, convenient, affordable and inspirational meal and snack ideas that recognize the importance of nutrient-rich foods and beverages included in the science-based, practical recommendations of the Dietary Guidelines. Sensitive to changing times, financial stress and other hardships, many of our [National Family Meals Month](#) partners also include a focus on the overarching MyPlate themes of nutrient-density, cost consciousness and health equity. As a [MyPlate National Strategic Partner](#), FMI has the opportunity to highlight the many ways suppliers, manufacturers and retailers are guiding consumers to gradually adopt healthy eating habits more closely aligned with the Dietary Guidelines for improved public health. Recently, FMI was featured by USDA in a MyPlate Partner Spotlight to show FMI's work with members toward the goals of the White House Conference on Hunger, Nutrition and Health.

Relevant Reports

- [The Food as Medicine Opportunity in Food Retail](#)
- [2021 Report on Retailer Contributions to Health & Well-being](#)
- [Power of Plant-Based Foods and Beverages](#)
- [The Power of Health and Well-Being in the Food Industry 2022](#)

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Independent Operator

Executive Summary

2022 – Education and Collaboration for Ongoing Success

- **Midwinter 2022 Independent Operator Power Session**
- **Store Operations Digital Seminar Series by Harold Lloyd**
- **The Value of Collaboration During Crisis**
- **Public Affairs Issues for Independent Operators**
- **Western Association of Food Chains (WAFC) Partnership Update**

Midwinter 2022 Independent Operator Power Session

Thom Blischok, chairman and CEO, Dialogic Group, LLC, facilitated a dynamic conversation during the Independent Operator Power Session in March at FMI Midwinter on *How to Strengthen Your Competitive Hand in 2022* that covered six topic areas as well as prognosticated 2022 Economic Scenarios:

- Expected Shopping Behaviors
- Ongoing Channel Complexity
- The People/Associate Equation
- Levers to Differentiate
- Restructuring Collaboration
- Go Forward Recommendation

Economic scenario planning included identifying the battleground between national brands and private brands, changes to the weekly stock-up trip and the competition for “share of stomach” as restaurants have re-opened since the pandemic and grocers are challenged to maintain sales of ready-to-eat or meals-to-go.

Panelists included:

- **Nick Albrecht**, President, The Fred W. Albrecht Grocery Co., Akron, Ohio;
- **Oscar Gonzalez**, Co-CEO and President, Northgate Gonzalez Market, Anaheim, Calif.;

- **Scott Moses**, Managing Director and Head of Grocery, Pharmacy and Restaurants Investment Banking, Solomon Partners, New York, N.Y.;
- **Dan Funk**, Chief Operating Officer, Associated Wholesale Grocers, Inc., Kansas City, Kan.;
- **Chris Lane**, Executive Vice President, Wakefern Food Corp., Keasbey, N.J.;
- **Valerie Oswalt**, Executive Vice President and President of Campbell Snacks, Campbell Soup Company, Charlotte, N.C.;
- **John Phillips**, Senior Vice President, Customer Supply Chain and Global GTM, Frisco, Texas. Twenty plus independent operator members participated in-person and virtually in the panel discussion.

Store Operations Digital Seminar Series by Harold Lloyd

In 2022, FMI added four new sessions to the Store Operations Series started in 2020 bringing the total to 14 archived digital seminars available to all active members included as a benefit of membership. The 2022 installments were presented live quarterly and recorded for on-demand use afterwards. Non-members paid \$59 per session to register for these virtual events, which built awareness and interest in FMI membership among those attending. FMI staff and Harold Lloyd collaborated on identifying relevant

topics to confront the most challenging issues store operators were and are facing in 2022. Harold chose to bring in some guests this year to provide real life perspectives and examples from professionals practicing in the field.

This library of digital seminars can be leveraged as ongoing training material for new store department managers, HR professionals or other key team players starting in the industry and employee professional development. This series is featured on the [Independent Operators web page at fmi.org](https://www.fmi.org). The topics presented were:

- *Fresh Focal Points!* – presented April 14, 2022
- *Am I the Leader I Need to Be?* - presented July 14, 2022
- *Two Underutilized Employee Benefits* - presented September 15, 2022
- *A Leader's Passion...The Great Performance Multiplier* - presented November 10, 2022

Here are a couple comments shared with FMI from Store Operations series participants:

"It was a great session today; I came away with a lot of great notes and ideas. You chose great presenters for this topic; both are very passionate about their work themselves!"

"FMI has always been a great learning tool for our organization and even though it was my first training in a long time, that proved the same."

The Value of Collaboration during Crisis

FMI Share groups have always been a valuable benefit to those who participate, fostering a unique relationship with industry colleagues from noncompeting companies in an environment of trust and wisdom. FMI's share groups returned to in-person meetings around the country in the spring and fall of 2022. In addition, two new subgroups focused on culinary/foodservice met in

Store Operations Webinar Series

FMI has partnered with grocery industry specialist Harold Lloyd to present an educational webinar series focused on many facets of store operations. The content of these webinars helps stores and teams operate at their greatest. These interactive virtual meetings help equip store directors, store managers, and others with invaluable insights and tools to make their roles easier and more effective

 <p>Store Operations Series: A Leader's Passion NOV 10, 2022 A leader's primary function is to create a following. A great leader creates a passionate group of followers. View this session to learn about meaningful behaviors passionate leaders exhibit on a regular basis. To showcase impactful leadership in ...</p>	 <p>Store Operations Series: Am I the Leader I Need to Be? JUL 14, 2022 Most leaders have asked themselves this question at one time or another. Getting a clear, objective, and quantifiable answer, up till now, has been a real challenge. Whether leading a committee, a department, a community group, a sports team or a ...</p>	 <p>Store Operations Series: FRESH FOCAL POINTS! MAY 11, 2022 This session will showcase creative examples of how the best accentuate their freshness impression in their Produce, Meat, Bakery and Deli ...</p>
 <p>Store Operations Series: The Concept of Flow and Focus SEP 14, 2021 This session will demonstrate how to better manage the FLOW of shoppers from the entrance of the store to the checkout, and how to control their FOCUS on items we want to sell, in the optimum order we would like to sell ...</p>	 <p>Store Operations Series: Creating a Great First and LASTING Impression JUL 23, 2021 The First and LASTING Impression of your business has almost nothing to do with the products or services you ...</p>	 <p>Store Operations Series: YOU AND YOUR BACK DOOR RECEIVER: How to Maximize Your Store's Performance and Your Relationship with Your Receiving Manager MAY 17, 2021 To Harold Lloyd, the three most important positions in a supermarket are: 1. The Store Manager. That's easy to understand. 2. The Front End Manager. OK, I guess. 3. The Back Door Receiver. Wait. What? That's right! No one else in the store has more ...</p>

person (at Seaside Market in San Diego and at Harmon's Grocery in Salt Lake City).

Also, as shoppers return to more normal activities, such as going to restaurants, and schools re-opening, many of the shares involved how to re-introduce the fresh-prepared category safely and profitably. FMI is pleased to report that one of FMI's newest members, West Seattle Thriftway, recently joined an existing FMI share group.

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 <https://www.fmi.org/get-involved/share-groups>.

Public Affairs Issues for the Independent Operator

FMI's government relations team looks forward to building on our public policy achievements from 2022 and working with the new 118th Congress to educate lawmakers on our industry and the roles that grocery stores play in every community across the country. Bringing competition to the credit card marketplace continues to be one of our top priorities. FMI and our members continue to support the bipartisan *Credit Card Competition Act of 2022* (S. 4674/H.R. 8874), legislation that would require a credit card to have more than one network option to route financial data, an important reform that has been successful in the debit card space. As part of our advocacy efforts, FMI ran a **full-page ad** in the Washington, D.C.-edition of the Wall Street Journal earlier this year against rising swipe fees, which featured Jordan White, White's Foodliner. FMI's additional advocacy efforts included our participation in the White House Conference on Hunger, Nutrition and Health, state and local legislative tracking, education related to the impact and causes of food inflation, and we urged state and federal lawmakers to take action to address the anticompetitive practices of pharmacy benefit managers (PBMs).

FMI focused on a broad range of regulatory topics, including food safety traceability, the infant formula availability concerns, labeling flexibility related to supply chain challenges, PFAS reporting requirements in certain states, and heavy metals in baby foods. FMI will continue to rely on the relationships and stories of our independent operator member companies to

Lack of Credit Card Competition Increases the Cost of Your Groceries
Every time shoppers use a credit card, retailers are charged a hidden fee.

Hidden swipe fees cost American families \$900 a year

Because There Is No Competition, Credit Card Companies and the Nation's Largest Banks Can Increase Swipe Fees on Grocers.

The credit card industry has sharply raised "swipe fees" over the last decade.

Credit card companies and banks have levied **\$137.8 billion** in credit and debit card processing fees in 2021, up 112% over the last decade and 25% over the prior year.

- Aside from labor and rent, credit and debit processing fees represent the highest operating cost for most grocers.
- 76% of all grocery store purchases are now made with credit or debit cards.
- As a result, food retailers must factor the cost of these swipe fees into all products – regardless of whether shoppers use a card or not.

Swipe fees impact some more than others:

- Lower income Americans and those who rely on cash for purchases.
- Families without access to high credit card rewards programs.
- Low margin businesses like grocery retailers that cannot afford expensive swipe fees.

We urge Congress to pass the Credit Card Competition Act to foster competition in the credit card market and help customers and main street businesses during these challenging economic times.

Retailers are charged a 2-4% fee every time a customer uses a credit card

FMI THE FOOD ASSOCIATION

For more information, visit [FMI.org](https://www.fmi.org)

educate freshmen and veteran lawmakers on the policy impact to your businesses' operations. For additional public affairs resources/newsletters/updates please visit [FMI's Newsletters page](#).

FMI/Western Association of Food Chains (WAFC) Partnership

FMI congratulates WAFC as it belatedly celebrated its 100th anniversary this past May, a delay from the 2021 anniversary due to the pandemic. Following this event, veteran food industry leader and WAFC Chief Operating Officer, Carole Christianson, announced her retirement and passed the baton to Patrick Posey, formerly at Bristol Farms. Posey assumes leadership of the association as COO, and we are pleased to say he is a former member of an FMI Share Group.



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 leaders. 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.

For additional information, please contact Cynthia Brazzel, director of member relations and advocacy for the western region, at cbrazzel@fmi.org.

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Industry Relations

Key Initiatives and Meetings

Industry collaboration is a key pillar of the FMI member core value proposition. There are several member communities that are focused on addressing industry imperative issues and long-range issues impacting the food industry. The mission of these communities includes building consumer trust and transparency by enhancing the efficiency of business practices and operations. There are a series of FMI communities that will convene at the FMI Midwinter Executive Conference and during the course of the 1st quarter of 2023.

FMI Growth Forum

- Thursday, January 19, 2023, 11:30 AM – 1:30 PM ET
- Convening Senior Merchandising Executives and Chief Customer Officers
- Growth Forum goal is to focus on issues that hold the greatest potential to enhance food industry collaboration and growth.
- Key priority issues:
 - Inflation and recession impacts
 - Supply chain disruption
 - Labor shortage and workforce challenges
 - Omnichannel and new business models
 - Retail media networks

FMI Industry Relations and Product Supplier Committee

- Friday, January 20, 2023, 7:30 AM – 9:00 AM ET
- Key priority issues:
 - FMI Imperative Issues
 - Supply Chain Disruption
 - Labor, Workforce and Talent
 - Other Topics TBD

Industry Collaboration Forum

- Sunday, January 22, 2023, 9:45 AM – 11:15 AM ET
- Convening FMI board members from Executive Committee, Industry Relations Committee and Product Supplier Committee
- 13 industry association CEO's and respective board chairman will participate
- ICF is an industry-wide inclusive body that provides leadership on the most pressing and far-reaching issues, working together to build consumer trust and confidence
- Key priority areas of focus:
 1. Product Information and Transparency
 2. Environmental and Social Compact
 3. Nutrition, Health and Well-being

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Supply Chain

Executive Summary

Supply Chain Disruption As An FMI Imperative Issue

Three key goals were established:

- Restore product availability (near-term)
- Unlock efficiencies and build capacity (mid-term)
- Embed greater resilience in the system (longer-term)

Supply Chain Governance and Roadmap

Two levels of supply chain governance were established with the Industry Relations Committee providing longer term vision and guidance on supply chain transformation initiatives and the FMI Supply Chain Council focusing on the tactical issues and applications. The Supply Chain Council is co-chaired by Weis Markets and Kimberly Clark.

FMI Supply Chain Initiatives

Near-Term Priorities

FMI Supply Chain Council re-convened in October to address near-term transportation and logistics challenges that can be addressed immediately to improve supply chain performance, build capacity and reduce system inefficiencies. FMI will provide a series of playbooks on each of the following priorities:

1. Collaborate on maximizing backhaul synergies (lane sharing/empty miles)
2. Reducing dwell time for carriers at distribution centers
3. Develop best practices to alert partners when trucks will be delayed
4. Codify best-in-class industry standards across KPI performance metrics
5. Develop supply chain benchmark report



FMI Supply Chain Forum

October 18 - 20, 2022

An industry-wide Supply Chain Forum was held in Arlington, Va. to address key industry supply chain challenges and opportunities both near and longer term that require end-to-end trading partner collaboration to address the most pressing and urgent solutions to improve performance.

Supply Chain Benchmark Survey

Launch January 2023

Planning is underway to launch in January 2023 a food industry supply chain benchmark report in partnership with the Boston Consulting Group.

FMI Supply Chain Forum

September 2023

Planning is underway to develop an industry wide supply chain forum to be held in September 2023.

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Technology

Executive Summary

The Technology Executive Committee met in New York for their annual fall meeting. Three key areas of focus:

- A.I. at Retail increasing the shopping experience through enhanced engagement, OSA improvement, and labor smoothing.
- Toured Fareway that recently deployed fixed shelf camera system from Focal.
- Deloitte led a session focused on prioritizing tech investment during inflationary times.

FMItch@Midwinter

January 20 – 22, 2023

- Six early-start tech companies will participate in a live pitch competition with the audience picking their favorite technology.
- Tech Talk Education Sessions
- Tech B2B Exchange Meetings with

Technology Leadership Council Meeting, January 19, 2023, @ Midwinter

This will be the first meeting of the expanded leadership council to include product manufacturers and solution providers who are associate members at the industry partner or higher level.

Technology Executive Committee Fall Summit

October 2023 – Date TBD

I.T. Security Sub-committee

This group has been meeting for the past six months walking through topics including 3rd party incidents and requirements, cyber insurance, privileged access management, asset management and security awareness best practices. If you'd like to make sure your organization is involved, email dbaker@fmi.org.

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SmartLabel™

Executive Summary

SmartLabel enables private and manufacturer brands to share a comprehensive set of product and company information which exceeds that which can fit on the label.

SmartLabel anticipated and has been ahead of these digital trends, creating a digital future forward platform for Federal BE and State regulatory disclosures.



SmartLabel by the Numbers:

Participating Companies: **78**;

Brands Active: **1,016**;

SKU/Pages Live: **101,266**

Updated Implementation Manuals Released:

Updated versions of SmartLabel Implementation Manuals for a wide variety of products were published at the end of November. The Version 3.0 manuals cover food and beverage, personal care and household cleaning, pet food, dietary supplements and over-the-counter products. Among other updates, new guidance is provided for infant nutrition. The manuals also address compliance with California's

Menstrual Products Right to Know Act, which requires manufacturers to disclose allergy-causing fragrances and other ingredients that have been added to feminine hygiene products beginning in January. The manuals are posted in the "Brands" portal at www.smartlabel.org.

The ASK:

To utilize SmartLabel as one platform for consumer transparency and regulatory compliance for manufacturer brand and private brand programs.

For companies publishing pages, to "go beyond the label" by sharing voluntary attribute information not accessible on the package.

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Fresh Foods

Executive Summary

- FreshForward
- FMI Fresh Community Key Dates for 2023
- Fresh Foods Research update
- Frozen Food Forum

FreshForward

This event was held August 2022 in Denver. The three topics discussed were:

1. Fresh and Health and Well-being
2. Fresh and Collaborative Partnerships
3. Fresh and Sustainability

After the event, FMI published the key actions guide, which can be found via the following [Action Guide link](#). We encourage our members to review the guide and implement any of the suggestions mentioned within the Action Guide.

FMI Fresh Community Key Dates for 2023

- 2nd Wednesday monthly - Foodservice at Retail initiative virtual workshops will be held.
- 3rd Tuesday monthly - Seafood Strategy Leadership Council will hold a virtual call.
- January 18-19, 2023 - Fresh Foods Leadership Council meeting – Orlando, Fla., prior to Midwinter Executive Conference
- March 11, 2023 – Seafood Strategy Leadership Council Meeting – Boston prior to Seafood Expo
- August 8 -10, 2023 - FreshForward 2023 will be held in Denver.

- August 10, 2023 – Fresh Foods Leadership Council Meeting – Denver, post FreshForward
- September 2023 – Date TBD – Seafood Strategy Leadership Council Meeting – Idaho

Fresh Foods Research:

- February 2023 – Date TBD - FMI/IRI release of Top Trends in Fresh
- March 3, 2023 – Release of Power of Produce 2023 Research Report
- March 6, 2023 – Release of Power of Meat 2023 Research Report
- March 13, 2023 – Release of Power of Seafood 2023 Research Report

- August 8, 2023 – Release of State of Fresh Foods 2023 Research Report
- October 2023 – Date TBD - Release of Power of Foodservice at Retail 2023 Research Report
- November 2023 - Date TBD – Release of Power of In-Store Bakery Research Report

Frozen Food Forum:

FMI and AFFI have joined forces to establish a Frozen Food Forum. Our group consists of five Retailers/Wholesalers and five Suppliers. Calls are held semi-monthly to discuss topics that are relative to current issues.

Staff Contact

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Asset Protection

Executive Summary

The FMI Asset Protection Council Fall Summit hosted by Festival Foods focus areas.

- Active Threat Preparedness, Response, and Recovery
- Active Assailant Guide for Leaders
- Festival Foods Store Tour

On November 2-3, members of the AP Council were hosted by Festival Foods in Green Bay, Wis. to discuss threat preparedness, response and recovery. The group presented current programs and procedures being deployed at each of the companies to establish best practices, operational effectiveness and organizational cross-collaboration priorities. The meeting highlighted that this is important for both store locations and corporate offices. Cybersecurity & Infrastructure Security Agency (CISA) as well as local law enforcement were able to join the group to establish public-private communications and training.

The Council also spent time reviewing the **Active Assailant Guide**. This will be updated with the oversight of the Council. The Council also identified a need for a

one-to-two-page store manager's guide that could be used by store managers while there is an active shooter in their stores. This guide would be short and designed more as a check list of action items.

The Council also had the opportunity to meet with Mark Skogen, a member of the newly created Board-level Violence Preparedness Committee. Mark was very appreciative of the Council's work and shared that the work of the Council would help direct the Board-level committee moving forward.

Asset Protection & Grocery Resilience Conference 2023

Our second annual APGR conference will convene in March

- March 19-22, 2023, Hyatt Regency, Orlando
- [Register Here](#)

FMI AP State of the Industry Report Release

March 29, 2023

General Merchandise, Household and Health & Beauty Care

Executive Summary

Community will support and provide grocery retailers with knowledge and insights that drive new ideas, products, and solutions to grow their business across the GM, Household & HBC categories

Launched Community October 25, 2022, via virtual meeting

- Considerable interest from launch follow-up – mainly from suppliers (FMI members and prospects)
- Have new member proposals out to eight prospects who have expressed interest in becoming members.

Organized initial leadership council

- December 8, 2022, 3:00 PM – 4:00 PM ET
- Member participation list

Asset Protection Fall Summit

Baltimore, MD - Fall 2023

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January 21, 2023, 3:00 PM – 4:30 PM ET – Council meeting during Midwinter Executive Conference

Retailer engagement has been a slow build as we've worked to engage with the proper executives for these categories.

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Member Services

Executive Summary

2022 – A Year of Growth and Engagement

Membership Growth

- Retailer & Wholesaler Categories - New Members
- Product Supplier & Associate Categories - New Members

Recruitment Going Forward – Member Prospects

- Member Retention Remains Strong in 2022
- Share Groups: Back to In-Person Meetings
- Store Manager Awards

Final Recruitment Totals for 2022

FMI has been attracting interest from across the industry in 2022 as nonmember companies discover our signature events, robust research offerings and leadership in government affairs. As these companies learn more about what FMI offers, they take the initiative to support and belong through membership and engagement of their teams in programs that support their business objectives and goals.

Retailer & Wholesaler Membership Categories (Domestic, Canadian, International, and Universities and Colleges)

FMI welcomed the following new members in 2022:

Retailer/Wholesaler

- Accelerate 360, Smyrna, GA
- Babb's Supermarket, Inc., Spencer, IN
- Masterson Natural Foods, Richmond Hill, GA
- Piazza's Fine Foods, Redwood City, CA
- The Raley's Companies, West Sacramento, CA
- US Foods/Chef' Store, West Linn, OR
- Wayne's Country Fresh Meats, Ft Ashby, WV
- West Seattle Thriftway, Seattle, WA
- Yellow Banana, LLC, Cleveland, OH

International

- A One Supermarket Limited, Barbados

University/College

- University of Arizona – Norton School of Family Sciences, Tucson, AZ
- University of Missouri – Division of Applied Social Sciences, Columbia, MO
- University of Washington – Foster School of Business, Seattle, WA

Product Supplier and Associate Membership Categories

FMI has welcomed the following new members so far in 2022:

Product/Supplier

The following companies joined as new Product Supplier members in 2022:

- General Mills, Inc.
- Irresistible Foods Group
- Kellogg's Company
- The Kraft Heinz Company

Associate

Affiliate Partner:

1. Affinity Group (formerly lapsed)
2. AllianceBernstein
3. ALL-TAG Corporation
4. Australian Trade & Investment Commission
5. Bakkavor USA, Inc. (formerly lapsed)
6. BELFOR Property Restoration
7. Carel USA, LLC (formerly lapsed)
8. Carlyle Compressor Company (formerly lapsed)
9. Catalyst Ag Partners
10. Cisaplast USA
11. Climate Pros LLC (formerly lapsed)
12. Coinstar LLC
13. Cotiviti, Inc.
14. Custom Designed Power & Controls LLC (formerly lapsed)
15. DEEM LLC (formerly lapsed)
16. Emily Grene Corp.
17. Faegre Drinker Biddle & Reath LLP (formerly lapsed)
18. Gibson, Dunn & Crutcher LLP
19. Global Forum for Advanced Climate Technologies (formerly lapsed)
20. Haynes and Boone LLP
21. Honeywell International Inc (formerly lapsed)
22. Incisiv
23. Littler Mendelson PC (formerly lapsed)
24. MSA Safety (formerly lapsed)
25. National Refrigerants, Inc. (formerly lapsed)
26. National Wooden Pallet and Container Association
27. OpSense, Inc.
28. PICS Inventory (formerly lapsed)
29. Pioneer-Horizon (formerly lapsed)
30. RefPlus, Inc.
31. Singh360 Inc. (formerly lapsed)
32. Viva Organica
33. Wisner Marketing Group, Inc. (formerly lapsed)

Association Partner:

1. 345 Global North America
2. Australis Aquaculture
3. Avery Dennison Retail Information Services LLC (formerly lapsed)
4. Avramar
5. Birdzi
6. BLUEOCO
7. BODYARMOR
8. Bush Brothers & Company
9. Cloverdale Foods Company (formerly lapsed)
10. CMX
11. Dole Food Company
12. E2open
13. FIFCO USA (formerly lapsed)
14. Forage
15. Frey Farms
16. OSF Digital
17. Phononic, Inc.
18. Remis America LLC (formerly lapsed)
19. Rudolph Foods Co.
20. S. Martinelli & Company
21. SGS & Co (formerly lapsed)
22. Shipt, Inc. (formerly lapsed)
23. SmartSense by Digi (formerly lapsed)
24. Spoiler Alert (formerly lapsed)
25. Stewart's Enterprises
26. Stratix Corporation
27. Swiftly Systems Inc.
28. The Advantage Group International, Inc. (formerly lapsed)
29. Upside
30. Wisner Solutions

Industry Partners:

1. Agtools Inc (formerly lapsed)
2. Coresight Research
3. Impossible Foods
4. Lavazza Premium Coffee Company (formerly lapsed)
5. Potatoes USA

Member Retention Remains Strong in 2022

In 2022, member companies committed to continuing support of FMI's mission by renewing their memberships. With a retention rate of nearly 92% and the fewest number of drops in the past seven years, our core Retailer/Wholesaler membership category is holding steady on membership counts despite the industry contracting due to increasing mergers and acquisitions.

The Product Supplier category maintained a 100% retention rate in 2022. The Associate Member category had an 85% retention rate in 2022. The Affiliate Partner category continues to fluctuate from year to year.

FMI's overall member retention rate is 87% and remains above the average trade association retention rate of **85%**.

Share Groups: Back to In-Person Meetings

2022 brought back in-person meetings for many of FMI's share groups that had been virtual since the beginning of the pandemic. This has led to an increased enthusiasm for these unique communities and an increase of investment of time and attention for collaboration. Many of the subgroups have been reinvigorated even though their interactions remain virtual. In planning for 2023, FMI will be looking to offer more opportunities for members to be engaged with share groups.

Store Manager Awards

The Store Manager awards are presented annually to outstanding leaders who generate sales growth, communicate effectively, demonstrate team leadership, provide exceptional customer service and enrich their communities.

2022's Store Manager Awards brought in 138 nominees across 30 organizations. With the support of sponsor The Coca-Cola Company, a virtual ceremony was live streamed on FMI's YouTube Channel on Thursday, April 28, to celebrate four ultimate Store Manager Award

winners of 2022. Each winner received a special congratulatory message from a member of his/her company, a trophy and a monetary prize.



Retailer members can submit nominations of high achieving store leaders through January 30, 2023, for the 2023 awards program. For more information about FMI's Store Manager Awards, contact Cynthia Brazzel, cbrazzel@fmi.org.

FMI Member Plus Program

FMI and its partners in the Member Plus program continue to evaluate and address the new and continuing needs of members. As we close out 2022, we continue to expand offerings to our members in the areas they find the most value. We are also starting to see adoption of some of the newer programs.

- **SafeMark®** - SafeMark is the only food safety training and certification program developed by retailers, for retailers. SafeMark teaches food safety from a retail perspective, making it more relevant and engaging for your employees. SafeMark provides training for both Food Handlers and Certified Food Protection Manager Certificates. Recently, SafeMark has expanded to offer a micro-learning version of the food handler course which is now being evaluated and included in several retailer members' training initiatives.

- **The Power of Preparedness (TPOP)** - TPOP offers online training for workplace violence preparedness that is customized for food retail. The training is comprehensive and engaging, offered online and covers verbal de-escalation and active shooter preparedness, giving FMI members and their teams the knowledge and confidence to identify, prevent and survive almost any type of workplace violence. TPOP is supporting FMI members through a five-part digital seminar series running from now until the spring of 2023 to help introduce members to the concepts taught in their training. TPOP has also signed on several members over the past few months.
- **Early Alert** - Early Alert works with clients to analyze their vulnerability to various hazards and to design a customized program to address and manage their risk exposure. The program provides critical support to clients in the time of natural disasters ranging from hurricanes and floods to power outages and civil unrest. Early Alert will be hosting a winter weather preview seminar for FMI members in December.

For more information about the FMI Member Plus Program, contact Andrew Brown, abrown@fmi.org.

Supplier Diversity Initiative – Finalizing Guide on Best/Next Practices

The Supplier Diversity Committee is completing the Supplier Diversity Guide to Best/Next Practices in the Food Industry, a compilation to help FMI members who are initiating, developing or expanding their supplier diversity programs.

The *Guide* will serve as a resource for retail/wholesale industry members and our supplier community. It will provide the platform for advancing supplier diversity best/next practices. The FMI Supplier Diversity Committee comprises 25 member company representatives and held its in-person retreat December 6-7 at the FMI townhouse with 14 member companies.

Member Satisfaction Survey in 2021 and 2022

In early 2021 and 2022, FMI surveyed members to learn their satisfaction with FMI.

In both years, 95% of members said that FMI met or exceeded expectations, with 35% stating FMI exceeded their expectations in 2022. In the 2022 survey, 88% said they were engaged with FMI while 82% of organizations were engaged with FMI in 2021. Members cite a variety of reasons for joining FMI. The top three reasons in both 2021 and 2022 were industry collaboration, industry research and insights and FMI being the voice of the food industry. In 2022, the most valuable member services were industry research and insights, FMI being the voice of the food industry and timely issue updates and alerts.

In 2023, FMI will again survey members. The survey is planned to be fielded in March. For more details, please reach out to research@fmi.org.

Review and Expansion of the Entire Portfolio of FMI Education Offerings

Overview:

- Return to nearly full calendar of in-person events in 2022
- Served 3,570 industry professionals through fourteen events and conferences
- 1,000 Food Retail Leader Certificates earned
- 33 digital seminars serving approximately 3,000 registrants

Midwinter 2022

After an omicron-induced delay in January, we convened our first in-person Midwinter gathering since 2020 over the dates of March 28-31, at the Hyatt Regency, Orlando, with 921 industry leaders participating in important collaborative discussions and thought provoking education presentations by speakers such as Commissioner Noah Phillips of the Federal Trade

Commission and Dana M. Peterson, Chief Economist & Center Leader of Economy, Strategy & Finance at the Conference Board. In the Strategic Executive Exchanges, 35 Retail/Wholesale companies and 54 Product Suppliers and Associate Members engaged in 624 planning conversations. The return to in-person gathering was inspiring and productive for many, with 99.9% of survey respondents reporting that at Midwinter 2022 they achieved some or all of their goals for attendance.

Midwinter 2023

We are returning to the Hyatt Regency, Orlando again in 2023, once again in our usual January timeframe, Jan. 20-23, 2023. Anthony Hucker, President and CEO, Southeastern Grocers, is FMI's Midwinter Chairman and is leading an advisory committee of Board Members to guide the development of the event. [Registration is open now.](#)

Annual Meat Conference 2022

FMI and the North American Meat Institute (NAMI) made the difficult decision to cancel the Annual Meat Conference for 2022. In its place, FMI and NAMI held three digital seminars for the meat community presenting insights from the Power of Meat research report, the economic outlook for meat and poultry and consumer trust.



Annual Meat Conference 2023

Registration opened in October for the [Annual Meat Conference](#), March 6-8, 2023, at the Hilton Anatole in Dallas. With a refreshed look and focus, the event will be the ultimate personalized protein experience, a dynamic gathering of retailers and suppliers exploring protein's attributes and advantages according to attendees' unique business needs.

Markettechnics

In early February, Hy-Vee hosted the inaugural offering of a new technology solutions program presented by FMI

and powered by CART. Markettechnics brings together a retailer's business and technology leaders learn about relevant innovative capabilities in a customized program addressing the retailer's specific interests, opportunities and needs.

For additional information about how you could bring this custom opportunity to your company, contact Doug Baker, vice president, industry relations at dbaker@fmi.org.

Asset Protection & Grocery Resilience CONFERENCE

Asset Protection and Grocery Resilience Conference: In a return to a food industry specific event for this community, the [Asset Protection & Grocery Resilience Conference](#), held March 21-24 in Orlando, was the first FMI in-person gathering since March of 2022. More than 115 asset protection and loss prevention professionals engaged in timely discussions on topics including cybersecurity, civil unrest, de-escalation techniques and workplace violence. Most evaluation survey respondents reported that their goals for the event included learning about industry trends and networking, and 100% of respondents reported that their goals were somewhat or completely achieved. Planning has begun for the 2023 program, March 19-22, 2023, at the Hyatt Regency Orlando.

Future Leaders eXperience

[Future Leaders](#) is the industry's premier leadership development program for retailers, wholesalers and suppliers. In its third year as a wholly online program, the 2022 event served 305 participants who worked in a collaborative environment to home in on and immediately apply their leadership skills. More than 250 participants completed pre- and post-program work and skills application exercises to earn their Food Retail Leader Certificate. These individuals join with those who have earned the certificate in previous years to make up more than 1,000 industry leaders who are helping build the food industry of tomorrow. Thank you to the 2022 program co-chairs, Mark Smucker, President and CEO of the J.M. Smucker Co. and Tobias Wasmuht, CEO of SPAR International.



Financial Executive & Internal Auditing Conference

Financial and auditing leaders in food retail were able to reconnect after a two year pause this past May in Tampa, Fla. at the **Financial Executive & Internal Auditing (FEIA) Conference**. Attendees included CFOs, Vice Presidents of Finance, Controllers, Treasurers, Accounting Directors and Financial Management Executives. The 62+ attendees were able to experience a robust education and networking program that met professional and educational needs. Topics ranged from the state of the food industry, workforce development, digitization of office and economic outlook for the year.



Legal, Regulatory and Compliance Conference

A new year has brought with it a new food regulatory landscape to navigate. The **2022 Legal, Regulatory and Compliance Conference**, held May 22-24, 2022, in Naples, Fla., better prepared our audience of 65 serving the food industry as in-house counsel and legal, government, regulatory or compliance professionals to traverse that landscape. Attendees gained actionable knowledge on topics including employment and labor, social and political issues, ransomware and trends in food labeling and litigation.



Envisioning Tomorrow's Fresh Foods at Retail

FreshForward

Fresh executives were able to reconnect in-person at **FreshForward**, held Aug. 16-18, in Denver. This executive thought leadership event brought together 88 senior retailer, supplier and service provider leaders in the fresh foods arena for education, networking and collaborative discussions. The program featured the release of FMI's inaugural State of Fresh Foods report based on industry-wide feedback from retailers and suppliers. Three retailer executives also shared insights on fresh initiatives at their companies: Nick Bertram, former president, The GIANT Company, Susan Morris, Executive Vice President and Chief Operations Officer, Albertsons Companies, and Randy Edeker, FMI's Chairman of the Board, Chief Executive Officer and President, Hy-Vee, Inc. A FreshForward Action Guide filled with the new ideas and actionable steps developed by our attendees to guide fresh executives to propel the fresh industry forward was released in November.



Annual Business Conference

FMI's premier opportunity for collaboration between and among trading partners, the **Annual Business Conference (ABC)**, took place Sept. 11-14, 2022, in Chicago. ABC offered an environment for trading partners to round out 2022 performance and get a jump on 2023 business-building initiatives. With 27 retailer and wholesaler companies and 28 product supplier companies participating, ABC provided the opportunity to discuss operations strategies,

consumer insights, pricing and promotional plans, new product introductions and related topics. These companies scheduled 455 meetings during the event.

Private Brands Summit

Private Brands Summit

On Sept. 29-30, more than 60 Private Brands executives gathered in Arlington, Va. for the **Private Brands Summit** where they explored key regulatory and business-related topics. Sessions focused on the impact of inflation and de-globalization, current and future political landscape, latest research in private brands and ways to drive profitable revenue.

E+Sd Energy & Store Development Conference

Energy and Store Development

Held in Orlando on Sept. 19-21, the **Energy and Store Development Conference** drew more than 750 attendees for their first gathering of any type, in-person or virtual, since 2019 and an opportunity to review the primary issues facing store development and facility operations. The most pressing issues addressed by speakers included supply chain constraints with a forecast of availability for key materials, refrigeration architecture changes spurred by the passage of the AIM Act and technology trends that would cause significant changes in store operations. Seventy vendors participated in the manufacturer/retailer exchange sessions. Attendees returned home with renewed connections with peers and industry partners as well as guidance on plans for remodels and new store construction.

Supply Chain Forum

With supply chain challenges topping the list of concerns among members, this summer, FMI conducted two

deep dive supply chain immersion day programs with support from the Boston Consulting Group. In July, FMI held a two-day workshop on Transportation & Logistics challenges and solutions where trading partners identified six actionable near-term priority initiatives to work on together. An August session in Chicago on Value Chain Collaboration focused on best practices and innovative ways that retailers, wholesalers and CPG companies can strategically collaborate to improve service levels, demand sensing and forecasting as well as collaborative planning and E2E supply chain performance improvements. There were 15 participating companies including Target, Associated Wholesale Grocers, Schnuck Markets, KeHe Distributors, Topco, Merchants Distributors, Cola-Cola, Kellogg's, Mondelez, Kimberly-Clark and Red Gold. Many of the key issues, opportunities and potential solutions from the immersion day programs were showcased at the industry-wide **FMI Supply Chain Forum** held Oct. 18-20 in Arlington, Va., where more than 80 supply chain executives from across the industry met to share ideas and insights.

SQF Unites

After highly successful virtual events in 2020 and 2021, the Safe Quality Foods Institute returned to an in-person gathering with the **SQF Unites** event Nov. 7-9, 2022, in Orlando. An audience of over 630 food safety professionals shared best practices, heard inspirational presentations and learned the latest techniques for improving the efficacy of food safety and quality assurance programs.

Digital Seminars and On-Demand Programs

FMI presented **33 live and recorded 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 and 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 that provides enhanced access to our content library and migrated many of our existing content pieces to the new platform.

For more information about education programs,
contact education@fmi.org.

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Executive Summary

With the midterm elections behind us, and the control of Congress determined, FMI will build on our accomplishments from 2022 with the new 118th Congress. We have seven newly elected U.S. Senators and over six dozen new U.S. Representatives joining the hundreds of lawmakers already in Washington. While many of the policy priorities will remain the same in the new legislative session, the change of majority control in the House will require us to look at our outlook and priorities through a slightly different lens. FMI will continue to rely heavily on leveraging the relationships and stories of our member companies to educate both the freshmen and veteran lawmakers on the policy impact on the operations of your businesses. We so appreciate your engagement – the victories are yours!

Fixing the Broken Credit Card Market

FMI and our members continue to work with Senators Dick Durbin (D-IL) and Roger Marshall (R-KS) and Representatives Peter Welch (D-VT) and Lance Gooden (R-TX), who have introduced the bipartisan *Credit Card Competition Act of 2022* (S. 4674/H.R. 8874) to bring competition to the credit card network routing market. Under the legislation, a credit card would be required to have more than one network option to route financial data, an important reform that has been successful in the debit card space. Requiring more than one routing network would foster competition and security – bringing down the cost of the swipe fees associated with a transaction, increasing transparency of terms and encouraging innovative services and fraud protection. FMI has launched several **advocacy campaigns** to promote the bill, including grassroots and grasstops efforts and two fly-ins on Capitol Hill with our coalition partners. On the regulatory side, in October, the **Federal Reserve** issued its long-awaited **final clarification under Regulation II** to require **dual network routing on card-not-present debit transactions**. The final clarification, which is very similar to the proposed clarification issued in May 2021, specifies that debit card issuers must enable two unaffiliated networks for the processing of all card-not-present, or online, transactions, a significant

win for our industry. FMI also continues to press the Federal Reserve to also adjust the rate cap on debit given the obvious changes that have reduced issuer costs.



Senate Judiciary Chairman Dick Durbin (D-IL) with FMI Vice Chair Laura Karet, President, CEO and Executive Chair of Giant Eagle, Inc.

In May, FMI member Laura Karet testified on behalf of FMI at the Senate Judiciary Committee hearing entitled, “Excessive Swipe Fees and Barriers to Competition in the Credit and Debit Card Systems.” In her testimony, she conveyed how Visa’s and Mastercard’s April increases exacerbated the problem of swipe fees for her company and customers and stressed the need for competition in the debit and credit card market.



FMI and several member companies and associations recently participated in two day-long fly-ins on Capitol Hill with members of Congress and their staff on the Credit Card Competition Act. We visited more than 100 offices on Capitol Hill.

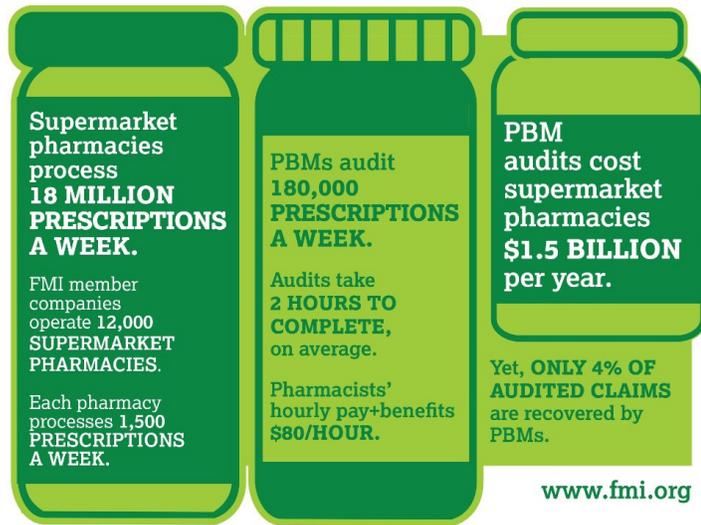
Pharmacy: PBM Reform

FMI continues to press for state and federal action to address the anticompetitive practices of pharmacy benefit managers (PBMs) and to achieve meaningful PBM oversight. FMI, allied organizations and our congressional champions are working to generate a favorable rulemaking from the Centers for Medicare & Medicaid Services (CMS) addressing pharmacy direct and indirect remuneration (DIR) fees and a robust Federal Trade Commission (FTC) investigative inquiry into the PBM industry. Building on the CMS rule, our pharmacy coalition is meeting with the CMS Administrator to discuss how additional regulatory action can achieve a comprehensive DIR fix once and for all. Additionally, FMI is strongly supporting and has initiated an [advocacy campaign](#) backing the bipartisan *Pharmacy Benefit Manager Transparency Act of 2022* (S. 4293), authored by Senators Grassley (R-IA) and Cantwell (D-WA), which would address many of the unfair and deceptive business practices of PBMs and

require greater transparency when PBMs contract with pharmacies, plan sponsors and employers. FMI was encouraged when the Senate Commerce Committee passed the bill in June, and now we are urging prompt floor action by Senate leadership.

FMI also continues working with pharmacy members to continue to identify viable state PBM reform initiatives and develop advocacy campaigns to help advance them in 2023. We were pleased to support successful 2022 legislative or executive efforts in Florida, Iowa, Michigan, Indiana, Kansas, Oklahoma, West Virginia, Nebraska and New York. Most recently, FMI teamed up with the Food Industry Alliance of New York State to submit a joint [comment letter](#) to New York's new Pharmacy Benefits Bureau on the PBM practice of patient-steering, explaining the many ways PBMs drive traffic to their wholly owned or affiliated pharmacies, and offered recommendations for ways the state can prevent this predatory behavior. We have also continued support of state PBM reform efforts with oral and

written testimony, letters of support to legislators, op-eds, flyers and one-pagers such as [this one](#), which focuses on how burdensome and costly PBM audits are to supermarket pharmacies. FMI's Pharmacy Operations Task Force provides significant expertise that underpins these and other efforts while the [Coalition for PBM Reform](#), a group of trade associations started by FMI and including a diverse group of interests, strengthens our advocacy by uniting industries, patient advocates and medical professionals who see PBM tactics as a threat to public health and patient care.



PBMs control around 80 percent of the market share for prescription drug access, and they have strategically created a complex web of vertically integrated health insurance companies, rebate aggregators and pharmacies they've acquired – giving them unprecedented power. This allows PBMs to control virtually every aspect of the prescription drug market while enjoying multiple hidden

revenue streams from other stakeholders throughout the health care system. One of those revenue streams is from PBM audits of pharmacies.

PBMs often claim that state legislation protecting patients, payers and pharmacies from their non-transparent business practices raises health insurance costs. But an analysis of real costs tell another story. According to data from the Kaiser Family Foundation, premium increases were higher in states without PBM reform than states that have instituted PBM reform.

Infant Formula Shortage/FDA Reform

FMI has been working closely with the FDA, the White House, FMI members and congressional offices throughout the ongoing infant formula shortage due to the Abbott recall. We have advocated for waivers and actions to ensure as much volume as possible for the food industry. Bi-weekly meetings with FDA leadership continue. FMI has worked to ensure an extension of waiver flexibilities in the WIC program for formula – now through the end of 2022, and we are working with USDA on next steps for an appropriate transition. Additionally, FMI conducted regular surveys with members to better gauge where significant supply issues persist and additional actions were/are needed to address ongoing infant formula challenges. We appreciate all the information members continue to provide. FMI produced [this SKU Rationalization Video](#) at FDA's request.



Health Insurance Premium Cost Increases



White House Conference on Hunger, Nutrition and Health

FMI felt that our engagement and leadership in the White House Conference on Hunger, Nutrition and Health and related events was critical due to the potential impact on our businesses, our customers and communities. Leslie Sarasin was asked to co-chair the Bipartisan Policy Center group along with former USDA Secretaries Glickman and Veneman and World Central Kitchen founder Chef Jose Andres. She is also serving on the Tufts Task Force on Hunger, Nutrition and Health as the only industry representative. FMI has also convened helpful working groups and engaged a broad range of member company representatives, including government affairs, registered dietitians, communications and community engagement professionals to develop an **industry report** that outlines recommendations for government actions, puts forth preliminary food industry commitments and showcases real-life member examples of community partnerships and health and well-being initiatives that demonstrate some of the ways the food industry is working to increase access to affordable, nutritious, safe food. FMI will continue to work with our member companies to ensure the commitments are feasible, actionable and measurable, and we thank those of you who provided examples of all the great programs your companies have developed. We are also leading a group of food industry trade associations and gathering feedback to determine if we might be able to align around an industry narrative and commitments as well.

FMI submitted our **Collective Report** to the White House Conference on Hunger, Nutrition and Health in July to the White House. FMI's report showcases examples of food industry commitments, recommendations for government actions and examples from members' health and well-being initiatives and community engagement programs that demonstrate the important role the food industry can play in positively affecting hunger, nutrition and health.

As a follow up to our work to develop bold, achievable commitments for the White House Conference on Hunger, Nutrition and Health, FMI and The Gerald J.



FMI president and CEO Leslie Sarasin with FMI board members Rodney McMullen, Chairman and CEO, The Kroger Co., and Randy Edeker, Chairman of the Board, Hy-Vee, Inc., at the White House Conference on Hunger, Nutrition and Health in September.



and Dorothy R. Friedman School of Nutrition Science and Policy at Tufts University hosted *The Food Industry Collective: Commitments in Action* event in October at the Smithsonian National Museum of American History in Washington, D.C.

Inflation and Food Prices

As inflation hit 40-year highs and the issue of rising food prices continues to remain in the headlines, FMI has provided regular briefings and other materials to the media and congressional offices, simultaneous to

INCREASE IN GROCERY PRICES DID NOT HAPPEN OVERNIGHT

Four Persistent Food Retail Challenges:



Fuel

Since 2000, the cost and volatility of fuel has increased dramatically, making food production costs higher and more unpredictable.



Labor

80% of FMI members say inability to attract and retain quality employees is negatively impacting their business

Truck Driver Shortage



Transportation

Since 2000

↑ 42% increase in short-haul trucking rates

↑ 68% increase in long-haul trucking rates

↑ 238% increase in port traffic

Since 2019

↑ 61% increase in per-mile long-haul trucking rates

↓ 55% shortage in refrigerated trucking capacity



Packaging

Packaging innovations reduce costs by making food more:

- Storable
- Durable
- Transportable
- Longer Lasting

Increase costs because packaging is:

- Energy intensive
- Increasingly expensive to produce
- Requirements vary by state



FMI & Dr. Ricky Volpe. [Peering Into Food Inflation's Black Box](#)

the release of the Consumer Price Index (CPI) numbers, to help them better understand the complexities of inflation, including some of the lesser known or little understood causes, effects and impacts on the price of food at the grocery store. FMI examined how the rising cost and increasing volatility of fuel prices has caused food manufacturing and retail input costs to increase dramatically, how a lack of critical workers and the inability to attract and retain employees impacts

the supply chain and food costs and how limited truck capacity and increases in transportation costs affect the price of food on store shelves. In addition, FMI pushed back on the notion put forward by some members of Congress that rising profit margins were a driver of inflation by providing educational materials on the role of commodity price increases and changes in the Producer Price Index (PPI) in influencing the cost of goods on the store shelf. Here is a [link](#) to some of the materials/briefings FMI has developed. We have also retained Cal Poly professor, Dr. Ricky Volpe, to help with some of the thought leadership and have found him to be well-received by policymakers and media.



FMI president and CEO Leslie Sarasin and FMI's vice president of tax, trade, sustainability and policy development Andy Harig continue to participate in media interviews, including Bloomberg Businessweek, Reuters and FOX affiliates recently.

Regulatory Affairs – Traceability, Heavy Metals, Labeling, Labor

Regulatory agencies have now shifted away from their primary focus on COVID-19 and are designing impactful rules and guidance at a steady and some might say – aggressive – pace. FMI is participating in all the available meetings and discussions on each of these priority topics of the food industry, including food safety traceability, labeling flexibility related to supply chain challenges, front-of-pack labeling, FDA's definition of healthy proposed rule and heavy metals in baby foods. In November, FDA released the **final rule**, "Requirements for Additional Traceability Records for Certain Foods," and posted a **traceability landing page** with additional resources. The final rule establishes traceability recordkeeping requirements, beyond those in existing regulations, for persons who manufacture, process, pack or hold foods included on the Food Traceability List (FTL). FMI will continue to provide additional information, will look to members for feedback and will ultimately assist members with compliance. We will be working closely with FDA to get clarity on scope, compliance, enforcement and other issues through guidance. While the FDA work is top of mind because of the traceability rule, we are engaged in several other pending actions and leadership challenges. FMI has regular engagement on regulatory issues with U.S. Department of Agriculture, Department of Labor, Department of Transportation, NIST, Federal Reserve Board, Department of Commerce, Small Business Administration and Environmental Protection Agency.

FMI held its Legal, Regulatory & Compliance Conference in Naples, Florida earlier this year, which offered attendees a unique opportunity for industry thought leaders to discuss the myriad of legal issues that have impacted the food industry in the past couple of years. We hope to see many of your companies at our conference next year, July 17-19.

Legal Regulatory & Compliance CONFERENCE

May 22-24, 2022 LaPlaya Beach & Golf Resort Naples, FL

70910 Federal Register / Vol. 87, No. 223 / Monday, November 21, 2022 / Rules and Regulations

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 1

[Docket No. FDA-2014-N-0053]

RIN 0910-0444

Requirements for Additional Traceability Records for Certain Foods

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA, the Agency, or we) is issuing a final rule establishing additional recordkeeping requirements for persons who manufacture, process, pack, or hold foods the Agency has designated for inclusion on the Food Traceability List (FTL). The final rule adopts provisions requiring these entities to maintain records containing information on critical tracking events in the supply chain for these designated foods, such as initially packing, shipping, receiving, and transforming these foods. The requirements established in the final rule will help the Agency rapidly and effectively identify recipients of foods to prevent or mitigate foodborne illness outbreaks and address credible threats of serious adverse health consequences or death resulting from foods being adulterated or misbranded. We are issuing this regulation in accordance with the FDA Food Safety Modernization Act (FSMA).

DATES: This rule is effective January 20, 2023. For the applicable compliance dates, see section VI "Effective and Compliance Dates" in the SUPPLEMENTARY INFORMATION section of this document.

ADDRESSES: For access to the docket to read background documents or comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this final rule, into the "Search" box and follow the prompts, and/or go to the Dockets Management Staff (HFA-303), 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

FOR FURTHER INFORMATION CONTACT: With regard to the final rule: Katherine Vitek, Office of Analytics and Outreach, Center for Food Safety and Applied Nutrition, Food and Drug Administration, 5001 Campus Dr., College Park, MD 20740, 240-402-2122, Katherine.Vitek@fda.hhs.gov. With regard to the information collection: Domini Bear, Office of

Operations, Food and Drug Administration, Three White Flint North, 10A-12M, 11601 Landsdowne St., North Bethesda, MD 20852, 301-796-5733, FDASupport@fda.hhs.gov.

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I. Executive Summary

A. Purpose and Coverage of the Rule

This final rule, which is part of FDA's implementation of FSMA (Pub. L. 111-353), establishes additional traceability recordkeeping requirements for persons who manufacture, process, pack, or hold foods for which the Agency has determined these additional requirements are appropriate and necessary to protect the public health in

accordance with FSMA. These traceability recordkeeping requirements will help FDA rapidly and effectively identify recipients of such foods to prevent or mitigate a foodborne illness outbreak and address threats of serious adverse health consequences or death as a result of such foods being adulterated or misbranded (with respect to allergen labeling) under the Federal Food, Drug, and Cosmetic Act (FD&C Act). The requirements will reduce the harm to public health caused by foodborne illness outbreaks and limit adverse impacts on industry sectors affected by these outbreaks by improving the ability to quickly and efficiently trace the movement through the supply chain of foods identified as causing illness, identify and remove contaminated foods from the marketplace, and develop mitigation strategies to prevent future contamination.

We are issuing this rule because Congress directed us, in FSMA, to establish recordkeeping requirements for foods we designate that would be additional to the existing traceability recordkeeping requirements in the FD&C Act and FDA regulations. The existing regulations are designed to enable FDA to identify the immediate previous sources and immediate subsequent recipients of foods to address credible threats of serious adverse health consequences or death to humans or animals. This final rule adopts additional recordkeeping requirements for foods we have designated as high-risk foods in accordance with factors specified by Congress in FSMA. We are listing these foods on an FTL, which is included as a reference for the final rule. In accordance with FSMA, we also are publishing the FTL on our website concurrently with the issuance of the final rule. (See section V.B of this document for more information on the FTL.)

B. Summary of the Major Provisions of the Final Rule

The requirements of the final rule are focused on having persons who manufacture, process, pack, or hold FTL foods maintain and provide to their supply chain partners specific information (key data elements) for certain critical tracking events (CTEs) in the handling of the food, consistent with the developing industry consensus approach to food tracing. The information that firms must keep and send forward under the rule varies depending on the type of supply chain activities they perform with respect to an FTL food, from harvesting or production of the food through

FDA's traceability final rule was formally published in the Federal Register on November 21. Its pre-publication version was 597 pages in length.

State and Local

With 2022 being a more "normal" state legislative year, as state and local pandemic-related mandates and restrictions have eased, FMI has continued to provide members and state associations with the resources and support to manage the wide range of state and local public policy challenges that impact the food industry. FMI continues to monitor and report on developments on roughly 20 legislative topics at the state level and 10 priority issues at the local level, through weekly and bi-weekly newsletters, real-time alerts and through responding to dozens of information requests per week. As the legislative sessions began in January, FMI also launched an inaugural series of twice



FMI members and staff met with Virginia Gov. Glenn Youngkin to discuss ways in which Virginia can help lower the cost of doing business in the Commonwealth.

monthly state legislative calls to help our members and state associations coordinate strategy on priority issues. This session, our calls covered plastics and packaging, including PFAS and EPR, retail theft and state INFORM acts, labor and workforce issues and PBM reform. Additionally, 2022 saw the return of FMI State Affairs' marquee meeting – the FMI State Issues Retreat, an in-depth state legislative strategy meeting for the upcoming state and local legislative sessions. FMI State Affairs held an in-person joint Western and Northeast Regional Legislative Meeting in November and virtual legislative regional meetings in early December for the South and Midwest to discuss how the November election results will affect 2023 issues and opportunities. From these meetings, FMI created the annual “50 State Outlook.”

Public Policy Newsletters

The FMI Board Report is our effort to try to curate what you need to know on a weekly basis on the public policy front. In addition, for those who want more



Government Relations

FMI GR Report
November 18, 2022
[@FMI_GR](#)

In this issue:

- [Overview of the Past Week and Future Outlook](#)
- [Now is a Critical Advocacy Time for the Credit Card Competition Act](#)
- [Updates on Traceability Rule and Upcoming Webinars](#)
- [USDA Announces Proposed Rule on Revisions in WIC Food Packages](#)
- [FMI Payments Executives Meet in Washington, D.C.](#)
- [House Passes INFORM Consumers Act to Address Counterfeit, Stolen Goods Sold Online](#)
- [FMI Files Letter on FTC Commercial Surveillance ANPR](#)
- [FTC Approves Policy to Restore Enforcement Authority on Unfair Competition Practices](#)
- [White House Issues National Security Memo for Food, Ag Security and Resilience](#)
- [COVID-19 Public Health Emergency to Remain in Place \(For Now\) While Senate Votes to Terminate COVID-19 National Emergency](#)
- [FMI Regional Meeting in Phoenix](#)
- [FMI Submits Comments on Maine PFAS Draft Regulations](#)

Overview of the Past Week and Future Outlook:

Congress returned to Washington this week following last week's midterm elections and held new member orientation. While there are still a few remaining House races that are not yet called and the Georgia Senate race faces a December 6 runoff, the majority control of both chambers is settled for the 118th Congress with Democrats

depth, we publish more specific updates for your teams, including FMI GR Report Sign-up / Archive: GR Report - November 18, 2022); (FMI State Issues Report Sign-up / Archive: FMI State Issues Report - October 27, 2022); (FMI Local Monitoring Report Sign-up / Archive: FMI Local Monitoring Report - November 17, 2022; and in conjunction with Deloitte, FMI also publishes a tax-focused newsletter, Tax Time (Tax Time Sign-up / Archive: FMI Tax Time – November 22, 2022). We welcome all feedback.

Staff Contact

Jennifer Hatcher, jhatcher@fmi.org



Wholesaler

Executive Summary

- Wholesaler Committee Meeting at Midwinter March 2022
- Supply Chain Benchmarking Survey: Launch January 2023
- Supply Chain Forum
- Monthly Wholesaler Newsletters Throughout 2022
- Wholesaler Committee to meet at Midwinter 2023
- Supply Chain Resources Offered in 2022
 - Supply Chain Disruption as an FMI Imperative Issue
 - Supply Chain Initiatives: Near-Term Priorities
 - Value Chain Collaboration Initiatives: Mid-Term Priorities

Wholesaler Committee Meeting at Midwinter March 2022

The March 2022 Wholesaler Committee meeting, chaired by Brandon Barnholt, president and CEO, KeHE Distributors, included reports on FMI briefings on Capitol Hill, an update on supply chain impact, an education update and communication/media tour report. Special focus was given to FMI's communications role in addressing the challenge with a substantial effort to educate the trade and business press as well as institutional investors.

The Committee received an update on the Supply Chain Resilience (SCR) Initiative – with goals of restoring product availability, unlocking efficiencies and building capacity and embedding greater resilience in the system. The goal of FMI's Supply Chain Committee was to identify where FMI could make an impact in 60 days, three months and six months. To this end, FMI conducted "Small Bite" workshops that led up to the Supply Chain Forum in October.

Other issues addressed include labor retention and the opportunity to improve industry attractiveness for recruitment purposes, SQFI and supplier diversity.

The Committee members participated in an issue identification roundtable and identified bilateral transparency of product flow with the CPGs (real-time visibility to CPG production) as an opportunity. The Committee recommended the Product Supplier and Wholesaler Committees come together to discuss.

Other Wholesaler priorities identified:

1. Collaboration with Industry Relations & Product Supplier Committees
2. Supply Chain Resilience Initiative
 - Education/Supply Chain Forum
 - Product Benchmarking
 - Labor Retention/Drivers/Selectors
 - Bi-lateral Transparency of Product Flow "Real Data"
 - Industry Attractiveness
 - Warehouses
 - Truck Drivers/Apprentice Programs
 - Diversity of Customer Base
 - Government Relations
 - DEI (women)
 - Fuel & Energy



Supply Chain Benchmark Survey: Launch January 2023

Productivity Benchmarking remains a priority. Planning is underway to launch in January 2023 a food industry supply chain benchmark report in partnership with the Boston Consulting Group. This report will provide an end-to-end view of supply chain performance and insights supported by qualitative and quantitative metrics for companies to assess performance and address opportunities.

Supply Chain Resources Offered in 2022

Under the leadership of the Industry Relations Committee, FMI has developed research, educational and collaboration opportunities for Wholesaler members to benefit from as they continue to face the many supply chain challenges the new normal presents. For additional information, please contact, Doug Baker, vice president, industry relations, FMI, dbaker@fmi.org.

Supply Chain Disruption as an FMI Imperative Issue

Three key goals were established:

- Restore product availability (near-term)
- Unlock efficiencies and build capacity (mid-term)
- Embed greater resilience in the system (longer-term)

Supply Chain Initiatives: Near-Term Priorities

FMI Supply Chain Council convened in October to address near-term transportation and logistics challenges that could be addressed immediately to improve supply chain performance, build capacity and reduce system inefficiencies. The goal is to provide quick wins and share key learnings. FMI will provide a series of playbooks on each of the following priorities:

1. Collaborate on maximizing backhaul synergies (lane sharing/empty miles)
2. Reducing dwell time for carriers at distribution centers
3. Develop best practices to alert partners when trucks will be delayed
4. Codify best-in-class industry standards across KPI performance metrics
5. Develop supply chain benchmark report

Value Chain Collaboration Initiatives: Mid-Term Priorities

There are other critical supply chain issues that would require a longer-term approach that are also part of the mid- to longer-term supply chain roadmap. They include addressing key challenges and opportunities to improve performance through enhanced levels of collaboration, communication and leveraging advanced technology capabilities.



- Service enhancements
- Collaborative planning & E2E supply chain orchestration
- Demand sensing and forecasting

Supply Chain Forum

With supply chain challenges topping the list of concerns among members, this summer FMI conducted two deep dive supply chain immersion day programs with support from the Boston Consulting Group.

In July, a two-day workshop was held on Transportation & Logistics challenges and solutions where trading partners identified six actionable near-term priority initiatives to work on together. An August session was held in Chicago on Value Chain Collaboration focused on best practices and innovative ways that retailers, wholesalers and CPG companies can strategically collaborate to improve service levels, demand sensing and forecasting as well as collaborative planning and E2E supply chain performance improvements. There were 15 participating companies including Target, Associated Wholesale Grocers, Schnuck Markets, KeHe Distributors, Topco, Merchants Distributors, Cola-Cola, Kellogg's, Mondelez, Kimberly-Clark and Red Gold.

Many of the key issues, opportunities and potential solutions from the immersion day programs were showcased at the industry-wide **FMI Supply Chain Forum** held Oct. 18-20 in Arlington, Va., where more than 80 supply chain executives from across the industry met to share ideas and insights.

Monthly Wholesaler Newsletters throughout 2022

Wholesaler members received a monthly newsletter dedicated to wholesaler topics and issues including information on resources, activities, and news. The primary contact of each wholesaler member is designated to receive these newsletters and others can subscribe as part of their member benefits. Members are encouraged to visit the **FMI Newsletter Preference Center** to opt-in to these monthly e-newsletters.

Wholesaler Committee Meeting at Midwinter 2023

The FMI Wholesaler Committee will be meeting on Sunday, January 22, 2023, during the Midwinter Executive Conference in Orlando.

Visit **FMI's Wholesaler Webpage** for updates and resources related to Wholesalers.

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