



February 24, 2025

Dear Senators and Representatives:

On behalf of [FMI – The Food Industry Association](https://www.fmi.org), I write to highlight public policy areas that our board of directors recently designated as top priorities for our industry in the 119<sup>th</sup> Congress, in our efforts to feed families and enrich lives with affordable, nutritious and readily available products. FMI, representing food retailers, wholesalers, and product suppliers, is eager to collaborate with you in a bipartisan manner on policies that support this mission.

FMI brings together a wide range of members across the value chain to comprise a critical infrastructure industry. The food and consumer goods supply chain drives American investment, creates jobs, and fuels small business and entrepreneurship growth. The food industry serves American families and communities nationwide – from urban centers to rural towns and everywhere in between.

A diverse cross-section of FMI's membership manufactures, distributes, and sells the food and consumer goods found in all pantries, refrigerators, medicine cabinets, and laundry rooms across the country. These essential products are sold in over 45,000 grocery stores and 12,000 supermarket pharmacies operated by FMI's retail members in every community across the country. Collectively, the food industry employs more than 5.5 million people and FMI members ultimately touch the lives of more than 100 million U.S. households each week.

Our industry strives every day to build long-term capacity and resilience in the nation's food and consumer goods supply chain. Every policy issue outlined below directly impacts supply chain efficiency and our ability to provide safe, affordable, and accessible food and consumer goods to American families.

***Economy: Inflation/Food Prices:*** Our priority is to support policies that keep inflation in check for American consumers. A number of factors contribute to inflation and food prices, including weather events, animal diseases, and transportation limitations. The food industry is among the most competitive sectors in our economy. Grocers negotiate prices with vendors on every product they sell and every service they use and operate on very slim profit margins – about 1-2% annually on average (1.6% in 2023). Grocers are doing everything possible to avoid passing inflationary costs onto shoppers. Competition in the grocery sector is fierce, and the battle for market share helps keep prices down for shoppers.

***Trade: Tariffs:*** Our priorities include ensuring that we can source quality food products and ingredients that guarantee year-round availability at competitive price points for American consumers and that local communities, domestic supply chains and manufacturing operations are not adversely impacted by tariffs. The food industry is at the direct intersection of our nation's robust domestic

manufacturing system and a global trading environment rooted in competition. Over the decades, international food sourcing has evolved in response to consumer demands for a more diverse offering, available throughout an entire calendar year. For example, the array of fresh produce options available year-round in grocery stores today is more plentiful because of international sourcing. The food industry has been at the heart of global trading for centuries, making available products and commodities to Americans that cannot be readily grown or produced domestically like bananas, coffee, cocoa, spices, and cinnamon.

***Payments: Swipe Fee Reform:*** Our priority is for Congress to inject competition into the broken credit card marketplace that drives up consumer prices. Runaway credit card swipe fees continue to negatively impact grocery customers and merchants. The bipartisan Credit Card Competition Act mitigates the hidden swipe fees levied on grocers and our customers through market-based competition and prohibits China Union Pay and other foreign-owned government entities from entering the U.S. credit card market. Grocers also remain vigilant in protecting and defending federal debit swipe fee reforms enacted over a decade ago to ensure a viable debit system for customers and merchants.

***Food Safety: Traceability:*** Our priority is to deliver American consumers the safest, most transparent food system in the world, predicated on sound science and risk-focused collaboration rather than costly and unfocused regulations that drive up costs without improving food safety. Food safety is a top priority of our industry, and we are committed to continuous improvements to prevent foodborne illness. However, FDA's food traceability rule (FSMA 204) presents significant challenges due to its far-reaching scope, complexity, and aggressive compliance timeline. Without targeted reforms, these regulations will add tremendous costs across the food supply chain without delivering commensurate food safety benefits. FMI supports legislative and regulatory action to implement more practical, effective, and science-based solutions and extend the current compliance date.

***Labor: Workforce Supply and Regulatory Enforcement:*** Our priority is to support policies that ensure we have the workforce, flexibility, and efficiency needed to drive economic growth. The food industry provides a wide range of full-time, part-time, seasonal, and flexible workforce opportunities in a diverse variety of careers and serves as an essential employer in every community around the country. Service-related industries continue to face headwinds in recruiting and retaining workforce talent and complying with burdensome and complex regulations. Federal legislation and regulations should foster flexibility and promote a diversity of solutions to address industry workforce and operation needs.

***Feeding Assistance Programs:*** Our priority is to guarantee that food retailers remain the most efficient partners in delivering federal feeding assistance nationwide – ensuring that no American goes hungry when falling on difficult times and communities continue to benefit from the programs' local economic impact. FMI and its members are committed to supporting and strengthening these programs, including SNAP, WIC, School Meals and Sun Bucks, which rely on grocery stores and food suppliers as key partners in food security for millions of Americans. We strongly support the passage of a bipartisan farm bill in 2025 to provide long-term stability and certainty for families, farmers, and

the food industry at large. We are committed to collaborating with Congress to enhance program effectiveness, reduce inefficiencies, and maintain bipartisan support for these vital initiatives.

***Nutrition & Ingredients Related Policies:*** Our priority is to ensure transparency, clarity and consistent science to provide consumers with accurate information and confidence in the safety of the foods they consume. The food industry empowers Americans to make informed dietary decisions by providing clear labeling, educational tools, and reliable resources. Public policies governing food and consumer goods should be grounded in science, ensuring safety, health, and hygiene without limiting consumer choice. Efforts to restrict access to legally approved ingredients and products must be carefully weighed against scientific evidence and consumer autonomy.

***Pharmacy: PBM Reform:*** Our priority is to ensure a competitive marketplace where pharmacies and pharmacists remain accessible to consumers nationwide by addressing the urgent need for pharmacy benefit manager (PBM) reform. PBMs use anti-competitive tactics that inflate drug prices, force pharmacy closures, and restrict patient choice. Comprehensive PBM reform is essential to securing fair pharmacy reimbursement, preventing drug price manipulation, and protecting access to essential medications. On behalf of our retail members that operate roughly 12,000 supermarket pharmacies nationwide, FMI urges Congress to advance the bipartisan PBM reforms that were included in the December 2024 negotiated government funding package. These reforms, which have broad public support, would ensure fair pharmacy reimbursement, address problematic PBM contract terms and violations, prohibit spread pricing, de-link drug prices from PBM revenues, and increase transparency.

***Tax Reform:*** Our priority is to support tax policy that drives economic growth for all Americans while recognizing the uniqueness and importance of both family businesses and those operating as C corporations in the food industry. Creating a level playing field in the tax code is critical in ensuring that family businesses can be passed along and prosper through future generations. America's family grocery stores, independent operators, and small business suppliers are the core foundation of American commerce, the food industry, and communities nationwide. A significant pillar of our strength as an industry derives from multi-generational operations and entrepreneurial spirit.

***Sustainability: Food Waste:*** Our priority is to support policies that reduce food waste and maximize resources. Estimates suggest that as much as 40% of food produced in the United States is wasted – ending up in landfills rather than feeding families. This waste imposes significant financial, economic, and societal costs and puts unneeded strains on the food and agriculture supply chain. Collaborative, market-based solutions that promote food donation and alternative destinations, like food to energy, can create a more stable and cost-efficient food system that maximizes efficiency and reduces cost.

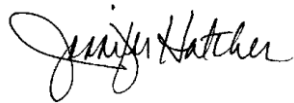
***Organized Retail Crimes, Fraud & Threats to the Food Industry:*** Our priority is to ensure that businesses can operate in an environment devoid of organized crime and fraud and that builds and enhances the civility of communities. The threat environment facing the food industry has evolved into a complex tapestry of domestic and transnational challenges including: the safety and security of customers, employees and property; civil unrest; drug activity in and around stores; organized retail crime and theft, shoplifting and product theft in-transit to stores and distribution centers; panhandling; natural or human-made disasters; payments skimming and shimmying; and social

engineering and fraud to falsify product ordering. To combat the growing threats, Congress should prioritize strengthening public safety and anti-money laundering statutes, while increasing cross-agency and jurisdictional investigations and prosecutions.

In addition to our advocacy work, FMI has tracked and reported on consumer and industry trends for decades. Our [industry research](#) looks at all aspects of food retailing from shopper trends to business operations to provide insightful, relevant, and current research. FMI's Safe Quality Food Institute ([SQFI](#)) serves as a global leader in the establishment of standards for food industry professionals. Additionally, FMI established [Supermarket Employee Day](#) to celebrate hardworking grocery store and food industry employees every year on February 22. Further, the FMI Foundation – which seeks to ensure continued quality and efficiency in the food retailing system and focuses on research and education in the areas of food safety, nutrition, and health – created the [Family Meals Movement](#) to promote and honor the physical, emotional, and mental health benefits of sharing food with others.

Again, FMI, our members and our [government relations team](#) are committed to working with you in a bipartisan manner to ensure a strong, secure, and resilient food and consumer goods supply chain.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Hatcher". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Hatcher".

Jennifer Hatcher  
Chief Public Policy Officer and Senior Vice President, Government & Member Relations