



MINNESOTA GROCERS ASSOCIATION

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Chair Moller and the House Public Safety Finance and Policy Committee,

On behalf of the Minnesota Grocers Association, we are writing to voice our support for HF450, which creates a mechanism to address organized retail theft in Minnesota. We thank Representative Stephenson for his leadership on this important issue. We also thank Senator Latz for carrying the companion bill in the Senate.

The Minnesota Grocers Association is the only state trade association representing the food industry of Minnesota from farm to fork. Minnesota has a unique culture of hundreds of hometown grocers and convenience stores, many of whom are independent, multi-generational, and locally owned. The MGA is their state trade association, celebrating 125 years of advancing industry. We have over 300 members with over 1,300 locations statewide, as well as food producers, manufacturers, brokers, and wholesaler members. Our industry provides over 150,000 jobs in the state – both union and non-union.

According to national statistics as much as \$90 billion worth of products were stolen from retailers in 2020. Retail crime results in lost economic activity, fewer jobs, and increased risks to consumers. Retail theft also costs federal and state governments billions in personal and business tax revenues.

Items frequently targeted by these organized groups are small, expensive household items, such as over-the-counter drugs, baby formula, razors, laundry detergent and energy drinks – all of which are commonly sold in your community grocery store. After the products have been stolen by professional shoplifters, they are resold on the internet through fencing operations. This type of shoplifting presents a potential hazard to consumers. This unscrupulous way of selling stolen products can result in package tampering and altered expiration dates creating a dangerous and compromised product for consumers.

Organized retail theft also poses a threat to the safety of store employees. A recent survey revealed an alarming increase in threats and violence against store associates. Of those businesses surveyed, the majority said that an associate had been verbally threatened or physically assaulted by someone committing theft. This is a troubling trend.

At a time of severe labor shortage, inflation, and an increase in the overall cost of operating a business, the MGA believes that this committee can do a great service to Minnesotans by supporting HF450 in recognition that retail crime harms consumers, careers, and communities.

Sincerely,

Jamie L. Pfuhl
President

Minnesota Grocers Association