



Maine Grocers &
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IN OPPOSITION - LD 1190 'An Act to Ensure a Fair Workweek by Requiring Notice of Work Schedules'

Dear Senator Tipping, Chair, Representative Roeder, Chair, and Members of the Committee on Labor and Housing,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association. Originally from Augusta, I now live in Sidney. I grew up working at my father's convenience store, and coincidentally I now advocate on many of the same issues that affected my father's business and other businesses alike. The Maine Grocers & Food Producers Association is a business trade association representing more than 200 businesses within Maine's food community; main street businesses including independently owned and operated grocery stores and supermarkets, food and beverage producers and processors, manufacturers, wholesalers, distributors, and supportive service companies.

It is our understanding that this language has many similarities to a bill passed in Seattle, WA that specifically targets retail and food establishments with 500 or more employees worldwide. Oregon, has similar language again with a threshold of 500 employees worldwide. LD 1190 seeks to effect businesses with 250 or more employees globally; this is a significant threshold difference in which we express severe concerns. We question whether or not the ME DOL tracks employment on a global scale and if they would be able to adequately determine compliance by those businesses greater than 250 employees. We continue to express concerns for the plethora of policies with varying arbitrary employment thresholds to classify small to medium to large scale businesses.

Grocers maintain their role as anchors in the community. The grocery industry is heavily customer service driven and providing exceptional service is a key differentiator as stores compete against each other for business as well as setting themselves apart from the ever-evolving online shopping market. Customer loyalty is critical and stores cannot afford to lose a customer, especially if the factor as to why they are not properly staffed is out of their hands. LD 1190 would be costly and create additional expenses as owners will have to compensate to cover shifts for those staffers who call out unexpectedly and in instances where additional coverage is critical to serving customers.

There are so many factors that come into play when crafting a schedule, including promotions and sales, holidays and seasonality influences, product shipment and deliveries, payroll cycles, community and in-store events, and unforeseen factors such as weather (both seasonally "nice" and "poor" conditions), distribution disruptions, just to name a few. In addition to the complexity of scheduling employees based on adequate coverage needs, employers have the added layer of ensuring employees' asks for time off and special requests are accommodated. All that is done within a reasonable 1-2 weeks of posted notice, with other changes primarily coming from additional employee requested modifications. Scheduling is an amicable relationship between employer and employee recognizing the realities of everyday life and the ability to make changes as an important component.

Our members have and continue to navigate an extreme obstacle course. Challenges stemming from the pandemic still linger across the supply chain which is further complicated by inflation and labor shortages. According to the *"The Food Retailing Industry Speaks 2022"* report, the war on Ukraine is continuing to negatively impact business and the supply chain (55% retailers, 45% suppliers) putting an overall strain on exports and the impact on the global economy.

Labor shortages at every stage of the food industry supply chain including production, truck drivers, distributors, and retailers are affecting the ability to get product back on shelves. The reported average out-of-stock rate in 2021 was 11.3%, compared to a typical rate of 8%. “Out-of-stocks are costing North American food retailers 5.9% of their total retail sales.”¹ Stores need staff both regularly and at times infrequently to ensure product gets on the shelves. Delivery times may vary depending upon the variables along the supply chain. We can see it here locally, at times milk appears to be limited or out of stock but there is indeed an adequate supply, it’s just that at times the deliveries (due to transportation and labor shortages) are not routine. Paired with in-store staff shortages, there isn’t always someone there to stock the coolers in a timely fashion. Retailers are facing major external pressures outside of their control and need flexibility to ensure efficiencies functioning within the on-going supply chain inconsistencies.

To provide a picture of our industry and the economic impact to Maine, according to the *2023 Feeding the Economy* report Maine’s food and agriculture industries result in 205,000 total jobs (105,200 direct jobs), more than \$10B in wages, and \$32B in economic output.² The direct economic impact figures includes agriculture, manufacturing, wholesaling and on- and off-premise retailing. Specifically, independent grocers account for 7,400 total jobs and \$285M in wages.³

There have been endless examples today of why this is not feasible and why it is administratively burdensome, including how a grocer must adapt and prep prior to a large storm (or conversely adapt because an employee cannot make it in because of a storm), or how a food producer who receives a large order may need extra staff to make that essential delivery. The ability to have flexibility is critically important to the success of our industries.

LD 1190 would drastically alter employment practices and dramatically change the dynamic workplace environment between employees and employers. This will lead to the erosion of a healthy work environment. Our stores and producers are as unique as each of their employees. Workplace policies (scheduling, compensation, merit increases, promotions, hiring decisions, vacations, benefits, etc.) vary widely and should be at the discretion of the business owner. In today’s work environment, those who are not accommodating and meeting their employees’ needs are the businesses having the most difficulty. This mutual understanding between employer and employee tells me, and I hope tells you, there is support and already an understanding and actions happening to accommodate employees with reasonable and manageable schedules.

We urge the Committee to vote unanimously Ought Not to Pass on LD 1190. Thank you for the opportunity to provide testimony.

Christine Cummings

Christine Cummings
Executive Director

¹ <https://foodinstitute.com/retail/out-of-stocks-cost-grocery-retailers-billions/>

² The 2023 Feeding the Economy report | <https://feedingtheeconomy.com/>

³ The National Grocers Association Economic Impact Study | <https://www.nationalgrocers.org/grocers-impact-america/>