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RE: Opposition to LD 1597 - An Act to Prohibit the Use of Dynamic Pricing for Certain Consumer Goods and LD 1907- An Act to Protect Consumers from Unfair Dynamic Pricing in Grocery Stores

Dear Senator Curry - Chair, Representative Gere - Chair, and members of the Committee On Housing and Economic Development,

On behalf of the Retail Association of Maine (RAM) and the Maine Grocers & Food Producers Association (MGFPA), we respectfully submit this joint testimony in *opposition to LD 1597, An Act to Prohibit the Use of Dynamic Pricing for Certain Consumer Goods and LD 1907 An Act to Protect Consumers from Unfair Dynamic Pricing in Grocery Stores*. Our associations represent over 450 Main Street businesses statewide, including independently owned grocery stores and supermarkets, general merchandise and specialty retailers, convenience stores, distributors, food and beverage manufacturers, and supporting partners. Collectively, Maine's retail sector employs more than 85,000 Mainers and plays a vital role in ensuring access to affordable goods and services across the state.

We understand and share the Legislature's goal of consumer protection and price transparency. In fact, this committee has already taken steps toward that objective with LD 414, addressing deceptive pricing practices. This framework seeks to protect consumers from deceptive practices without undermining effective, responsible pricing strategies.

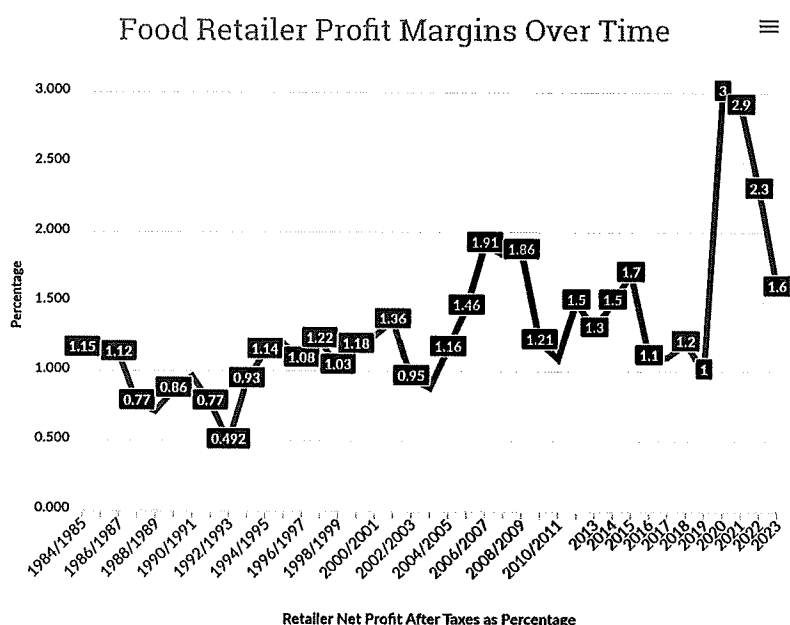
These bills appear to target hypothetical abuses rather than a documented, widespread issue. Maine's grocers and retailers operate in a transparent pricing environment, with prices posted on shelves, promoted in flyers, and matched by competitors. We are unaware of any substantiated use of predatory or discriminatory dynamic pricing for essential goods in Maine. In addition, LD 88, An Act Regarding Penalties for Violating the Laws Governing Agriculture and Animals and the Maine Weights and Measures Law, is also proceeding forward through the legislature this session, and specifically provides additional enforcement and penalties in cases when the Maine Weights and Measures Law has been violated (such as: overcharging a consumer above an advertised or posted pricing).

Specific to LD 1597, we oppose due to its broad scope and the potential for unintended consequences—particularly for grocery and retail businesses that are already highly competitive, transparent, and regulated. The bill lists a few exemptions including 'a discount, special price, or market price' but unfortunately, we fear that these narrow-permitted practices inadvertently miss a wide range of common, beneficial, and consumer-friendly retail practices, such as weekly specials aligned with seasonal demand, markdowns on perishable goods nearing expiration, volume discounts or loyalty program pricing, promotions to manage inventory or reduce food waste. These confinements fail to reassure businesses that routine practices—such as same-day discounts on perishables—are permissible. *These are not exploitative tactics—they are standard retail strategies that help businesses keep prices low, reduce waste, and respond to consumer needs.*

Far from being predatory, these tools help consumers save money and improve operational efficiency. Prohibiting dynamic pricing could discourage innovation, increase costs, and make it harder for businesses to adapt to market realities.

Requiring grocers to post conspicuous signage explaining dynamic pricing and its specific mechanisms places an undue burden on retailers and creates unnecessary confusion for consumers. Dynamic pricing is a common and legitimate business practice used to manage inventory, reduce waste, and respond to real-time supply and demand—especially in perishable goods. Mandating signage that outlines complex pricing algorithms or business-sensitive strategies could compromise competitive positioning and oversimplify a nuanced process. Additionally, introducing regulatory language about unfair trade practices directly into in-store signage risks alarming customers, potentially damaging trust without offering meaningful consumer benefit.

The grocery industry is intensely price competitive, with consumers often comparing prices across stores to find the best value. **Retailers that overprice or engage in deceptive pricing practices quickly lose customer trust and loyalty**—two essentials for long-term success. In such a competitive environment, market forces naturally weed out bad actors, as customers gravitate toward stores that offer fair, transparent pricing. “Food retailers and suppliers historically operate on narrow profit margins. At the same time, industry competition keeps retailers and suppliers constantly innovating to meet grocery shoppers' definition of value and differentiate themselves from their competitors. They are also reinvesting in their businesses to recruit and retain talent, adopting new technologies to provide better shopping experiences, and prioritizing initiatives that meet consumer demands for greater transparency and corporate social responsibility.”¹



Maine already has a strong price gouging statute that prohibits excessive pricing during emergencies. This law ensures consumers are protected from exploitative pricing during natural disasters, public health crises, and other disruptions.

Thank you for the time.
Sincerely,

Christine Cummings

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¹ <https://www.fmi.org/our-research/research-reports/food-retailing-industry-speaks>