

July 11, 2023

The Honorable Michael Vargas
Mayor, City of Perris
101 N. D Street
Perris, CA 92570



RE: Healthy Checkout Ordinance

Dear Mayor Vargas,

On behalf of Perris grocers, I write with significant concerns regarding the Healthy Checkout ordinance. Grocery stores are your primary and only reliable source for healthy, safe and affordable food. As an industry we pride ourselves on supporting our customers dietary needs and choices, including offering several thousands of healthy and nutritional food items at each store. Despite grocers' commitment to healthy food and consumer choice, the city is targeting grocers with costly and business-unfriendly regulation.

It is important to recognize the city initially put minimal effort into working with the grocery industry to understand the unintended impacts or possible alternatives to the ordinance. After a request from the California Grocers Association (CGA), a dialogue was opened and an offer for partnership from grocers to find a balanced policy approach was made. To date it has resulted in no substantive policy change even after making the city aware of significant negative impacts - including threats to store sustainability and staffing levels. CGA also understands that amendments promised openly by city staff to grocers have now been rescinded, which has created additional frustration.

Without substantive policy changes the grocery industry must oppose this ordinance. We still believe there is a pathway forward to support Perris public health goals and avoid unnecessary and costly impacts to grocers. We urge the city to reject the current simplistic, one-size-fits-all policy, and instead work with grocers in Perris to develop an approach that is respectful of grocers, promotes community health goals and creates real consumer choice.

Grocers, as critical essential infrastructure, have the primary task of feeding and supporting the health care and home goods needs of the communities we serve – this means providing access and creating choice. Whether it is food options or health care products we believe restrictions and barriers on consumer access to legal products is a dangerous precedent. Government mandates that assume consumers cannot or will not make appropriate choices for themselves is concerning at best. We believe consumer choices - where to shop and what to buy – should be protected and not controlled by the government.

Specific to the ordinance language, there are numerous impacts that unduly hurt grocers. Due to the overly restrictive product parameters and significant amount of area regulated the financial impacts for a single full-service grocery store will be in excess of \$400,000 per year. Grocers have significantly low profit margins, less than 3%, and each store location is responsible for its own future based on its profitability. This means a financial impact of this size will require cost reductions, likely in the form of available staff hours, to remain sustainable.

In practice the ordinance language does not improve checkout offerings. Instead, it actually eliminates many healthy options. Product restrictions in the ordinance go beyond recognized health standards, even going so far as to prohibit the ability to sell packaged fruit and vegetables. The 6 foot radius would mean upwards of 1,500 sq ft of restricted space dotted throughout the store at locations like delis, bakeries and front of store checkout stands. Due to the lack of genuine policy development this uninformed attempt at controlling store design only frustrates providing healthy product options and consumer choice.

It is critical to note the ordinance only applies to grocers and not all food retailers, including other in-person, delivery and on-line sources. We struggle to understand how checkout restrictions are needed at grocery stores, your primary source of healthy foods, when retailers with little to no healthy food options storewide remain exempt. Letting retailers who basically only offer food items that would never qualify as healthy off the hook is picking winners and losers in the food retail space and rewarding certain store formats over grocers. Not only is this discriminatory to grocers, but it is contradictory to the intent of the ordinance and, most importantly, sends mixed messages to consumers.

Grocers remain committed to working with Perris on solutions that create additional healthy options and allow consumer choice. However, the proposed regulation limits does not increase healthy options for consumers, jeopardize grocery store sustainability and rewards grocery store competition. It also sends a clear message the city does not trust consumers to make their own responsible choices.

We respectfully ask Council to pass an amended ordinance with the industry requested substantive changes or rescind the regulation in its entirety and partner with grocers on expanding real healthy choice options for consumers. Thank you for consideration and reach out discuss business-friendly healthy choice options.

Sincerely,



Timothy James
California Grocers Association

CC: Members, Perris City Council
City Clerk, City of Perris