



MINNESOTA GROCERS ASSOCIATION

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March 23, 2023

Dear Chair Klein and members of the Senate Commerce and Consumer Protection Committee,

The Minnesota Grocers Association thanks you for the opportunity to provide testimony on SF2219, which includes provisions from SF6 regarding price gouging. As one of the only retail industries that remained open from day one of the pandemic, and which was directly impacted by Governor Walz's price gouging Executive Order (20-10), this conversation is important and has real consequences.

The COVID-19 pandemic was unprecedented. None of us have ever experienced anything like it. Our industry worked non-stop, around the clock, to bring food to the communities we serve. As supply chains faced challenges, we worked with the resources that we had to bring food and necessities to our neighbors. This brought forward a new set of challenges - our customer experience changed. For the first time in many of our lives, products we were used to seeing every day were not available and selection on our shelves looked very different. None of this would constitute price gouging.

Following Governor Walz's Executive Order 20-10 and the subsequent media campaign, the price gouging complaints poured into the Attorney General's office. Our industry worked to navigate this new reality. Businesses who faced complaints were tasked with providing over six weeks of invoices to prove they were not price gouging in the middle of this crisis. All while they worked to stay open, meeting the needs of the community, and creating the safest environment for customers and employees.

The AG's office saw over 2,400 complaints, with only six bringing any formal action. Several of the complaints actually brought the AG's work all the way back to the farm. This was an exhaustive amount of paperwork and consumed valuable work hours for all involved – again, during a crisis.

The goal of SF6/SF2219 is to ensure bad actors do not take advantage of consumers during a crisis - our industry supports this goal. Unfortunately, our experience with price gouging regulations during EO 20-10 cause us to be concerned with parts of the proposed legislation. Provisions which add private right of action, treble damages, and expands fines have the potential to disproportionately harm independent retailers. These added provisions can result in frivolous lawsuits that target small businesses, putting them in an untenable position.

We would like to thank Senator Klein and Senator Port and the committee for including the provision requiring the AG to promptly notify the seller that they are the subject of an investigation and notify the seller when the investigation closes. The MGA heard from numerous members that following an AG's investigation request for information regarding a complaint, they did not receive any further communication regarding the status of their case. Responsible retailers deserve transparency in this process and we again appreciate the thoughtful inclusion of the notification provision.

We support the intent of this legislation which seeks to protect consumers, punish bad actors, while not harming businesses that are simply selling their products. We look forward to working towards these shared goals as the omnibus bill continues through the process.

Sincerely,

Jamie Pfuhl
President

Minnesota Grocers Association

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, multigenerational, and locally owned. The MGA is their state trade association, with over 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 both union and non-union. The MGA is tasked to support and represent industry while advancing the common good of our great state.