

Associated Wholesale Grocers, Inc.



Associated Wholesale Grocers, Inc., 5000 Kansas Avenue, Kansas City, KS 66106

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# **FEATURES**

## Chairman's Message

A look inside the Alabama Grocers Board retreat, where fresh ideas and renewed teamwork set the course for the next two years.

# Celebrating 35 Years of the AGA

Honoring 35 years of leadership, local impact, and the relationships that fuel Alabama's grocery industry.



# The Alabama Grocers Education Foundation's Clay Shoot

With the spirit of family and support at its core, the AGEF Clay Shoot raised more than \$48,000 for scholarships.



# Family, Legacy, and Leadership Shine at the 2025 Food Industry Finest Awards

Meet the year award winners whose family roots and dedication shaped this year's Food Industry Finest



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# **STEPPING UP FOR ALABAMA:** A SEASON OF GRATITUDE AND LEADERSHIP

WADE PAYNE

**Director Retail Operations** Food Giant/Mitchell Grocery Corp.

# I AM WRITING THIS AT THE END OF THANKSGIVING WEEKEND. THINKING ABOUT THE THINGS I AM THANKFUL FOR, I AM BOTH THANKFUL AND PROUD TO BE A PART OF OUR ALABAMA GROCERS FAMILY.

I have seen our member stores do all kinds of things to support the communities they serve from raising money for Children's Hospital to donating food to food banks. Many of our member stores are also collecting toys for Christmas to help those in need. As we faced the government shutdown and, for the first time in history, saw SNAP funds stopped, our member stores stepped up and did extra to help feed those who needed it.

WHENEVER TIMES ARE TOUGH FOR OUR COMMUNITIES, IT IS THE **LOCAL GROCER WHO ALWAYS** STEPS UP.

Our vendors and wholesalers have also been doing extra work, helping our member stores keep retail prices lower so customers with tight budgets can continue to put food on the table.

A few weeks ago, your Alabama **Grocers Board of Directors** held a two-day retreat to plan for the next two years of our organization. We had Warren Austin speak to us about team building, which was a great reminder of how important our team is-both as a board and within each of our companies. It was good to welcome new members to the board, and

they jumped right in with fresh ideas about how we can better serve our members and our communities. It was a great two days, and I think great things are ahead for the Alabama Grocers Association.

I hope everyone has a very Merry Christmas and a Happy New Year. I look forward to working with all of you in 2026.

Sincerely,

Wade









# STANDING STRONG: ALABAMA GROCERS LEAD THROUGH AN **UNPRECEDENTED SNAP SHUTDOWN**

**ELLIE TAYLOR** President/CEO Alabama Grocers Association

# OVER THE PAST SEVERAL WEEKS, OUR STATE HAS EXPERIENCED ONE OF THE MOST CHALLENGING MOMENTS IN RECENT MEMORY.

For the first time in the history of the Supplemental Nutrition Assistance Program (SNAP), a federal government shutdown caused an abrupt halt in benefits for hundreds of thousands of Alabamians. More than 840,000 of our neighbors —children, seniors, working families, and individuals with disabilities—were left facing the unthinkable: a month without the food assistance they depend on to get by.

**EACH YEAR, ALABAMA DISTRIBUTES MORE THAN \$1.7 BILLION IN SNAP BENEFITS. HIGHLIGHTING JUST HOW ESSENTIAL THIS SUPPORT IS TO BOTH FAMILIES AND OUR** STATE'S FOOD ECONOMY.

This historic lapse created uncertainty not only for the families we serve, but for our industry as a whole. And yet, in the face of this extraordinary challenge, Alabama's grocers showed exceptional resolve, compassion, patience, and leadership.

Across the state, our members stepped forward without hesitation. You supported food banks struggling to meet surging demand, partnered with local churches and nonprofits to distribute emergency supplies,



*Bruce's Foodland donated 1,000+ bags through their Community Cares Donation Bags.* Thank you, Bruce's Foodland, for your unwavering support to the Alabama Grocery Industry!

and provided reassurance and guidance to customers who were unsure where to turn. Many of you increased donations, extended promotions on essential products, and worked tirelessly to ensure your communities were not left behind. Your actions underscored a fundamental truth: Alabama's grocers are among the strongest pillars of our state's food security network.

I also want to express deep appreciation for the Alabama Department of Human Resources (ADHR). Throughout the crisis, ADHR demonstrated exceptional professionalism and transparency. As federal guidance shifted day by day, their team remained in close communication with AGA, ensuring that our members had timely, accurate information. Their dedication helped minimize confusion, support retailers, and assist families in navigating the benefit release as quickly and smoothly as possible. We are grateful for

their partnership and their commitment to Alabama families.

In moments like these, the work of the Alabama Grocers Association becomes more important than ever. We continue to advocate for a strong and reliable SNAP program, for policies that protect and strengthen our independent and rural grocers, and for a food retail environment that supports both businesses and the communities they serve. The recent shutdown was a reminder of how interconnected our food system truly is—and how essential it is

that we work together to protect it

I want to personally thank each of you for your leadership, your resilience, and your unwavering commitment to your communities. Your efforts made a real difference when Alabama needed it most.

Together, we will continue to move forward—stronger, united, and more determined than ever to support the families who depend on us.

As we move into 2026, I want to wish each of you a prosperous and wonderful year ahead.

Sincerely,





# THE YEAR THAT'S FULL OF SURPRISES



PATRICK MCWHORTER
Legislative Consultant
The McWhorter Group

# AS CRAZY AS WASHINGTON IS THESE DAYS, I GUESS NOTHING SHOULD REALLY BE A SURPRISE TO US.

But still, experiencing the longest government shutdown in history, the "Schumer Shutdown," has to top everything. The Democrats didn't get what they wanted, but we may be back in the same situation in January.

We're still waiting on the U.S. Supreme Court to rule on whether or not to shut down the President's tariff powers, Colorado is still suing over the relocation of U.S. Space Command to Huntsville, and, not to be outdone, local legislators are planning to push a bill to require officeholders in Alabama to be natural born citizens.

For the U.S. Senate race to replace Tommy Tuberville, current Attorney General Steve Marshall is leading in the only legitimate poll that I've seen so far. Congressman Barry Moore raised substantially more in campaign funds than Marshall in the last report. This

should be an interesting campaign.

And it has just been announced that former Democrat U.S. Senator Doug Jones has filed papers to run for Governor! You can't make all this stuff up. Tuberville beat Jones in the last Senate race 60–40%, but that's not stopping him.

Not to be outdone, former Alabama Crimson Tide quarterback AJ McCarron announced his candidacy for Lt. Governor as a Republican. That makes this open seat a three-way race between him, Secretary of State Wes Allen, and outgoing Commissioner of Agriculture Rick Pate.

Hold my beer and watch this!

On a good note, we are celebrating the election of a grocery-connected Mayor of Mobile. Former District Judge Spiro Cheriogotis has been sworn in as Mobile's new mayor, replacing outgoing Mayor Sandy Stimpson. Judge Spiro has the distinction and honor of being married to Lucy Greer of the venerated Greer Brothers Grocery Company in



photo courtesy of John Sharp

Mobile County, and a valued member of the AGA Board of Directors.

The 2026 Legislative Session starts early next year, January 13, 2026, as is normal during an election year. Numerous bills have already been prefiled in anticipation of the electionyear session. We already know

we will have fights over legislation to exclude soft drinks from the SNAP program (even though the Governor has no interest in doing so), another fight over seafood labeling, adding hot rotisserie chicken to the SNAP list, and more efforts to outright ban the sale of any hemp products. So stay tuned.

ONE OF OUR BIGGEST PROBLEMS IS THE UNINTENDED **CONSEQUENCES OF WELL-MEANING LEGISLATION. SO WE** HAVE TO ALWAYS STAY ON ALERT.

After all that, I pray you and your family have a most blessed Christmas!

### **ASSOCIATION NEWS**

# **AGA NEW MEMBERS**



# **Kevin Schneide Deutsch Family Wine & Spirits**

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# Lee Harrison **Harmony Hydration**

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# Joe Wolf **Hometown Grocery**

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# **Chad Smith Pounds' Pickle Co**

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**Chad Simmons** Sazerac Company

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# ALABAMA CAN LOOK BACK AT THE YEAR 2025 AS A GOOD ONE FOR THE STATE



PAUL DEMARCO
AGA General Counsel
Parsons, Lee, & Juliano, PC

## WHEN WE REFLECT ON THE PAST YEAR. THERE IS A LOT TO BE THANKFUL FOR IN ALABAMA.

As a whole, 2025 has been a good one for the state of Alabama and its citizens. The state has seen many highs and lows over its 205 years. Yet, Alabama is seeing a renaissance across the board that is drawing both individuals and job creators to the state.

Despite the pandemic, Alabama has become an economic juggernaut, with manufacturing leading the way. The state annually ranks as one of the best places to do business in the nation. When it comes to attracting new companies and having a business-friendly climate, Alabama repeatedly earns recognition because of its commitment to economic development. Manufacturing in Alabama is growing. For example, Mercedes-Benz continues to grow in Alabama. Mercedes has revealed it is going to add another line of SUVs to its Tuscaloosa plant in 2027. But cars and trucks are just part of the story, with the aviation industry continuing to

expand in the state. The Airbus production facility in Mobile also met a major milestone this past year with the delivery of the 100th A220 aircraft manufactured in Alabama and delivered to a customer.

In addition, the Port of Mobile recently celebrated the completion of dredging to create a 50-foot channel depth, making it the deepest container port in the Gulf of America. This will increase commerce in and out of Alabama and draw more international trade to the state.

In North Alabama, the long-awaited news was the announcement that the United States Space Command Headquarters would be coming to Huntsville. There will be many important defense jobs coming to the state to support the base. With Space Command locating in Alabama, this will further cement the state's importance in national security.

Industry is not the only sector thriving in the state. Alabama has become a top destination for tourists. Alabama was ranked in the top 10 states for attracting visitors. Alabama had a historic number of visitors, totaling approximately 29 million, bringing in \$24 billion in spending last year. The diverse topography and attractions—from the white sandy beaches to Alabama being the southern gateway to the Appalachian Mountains make the state a mecca for outdoor recreation with its trails, rivers, and bountiful lakes.

THERE IS NO QUESTION THAT TOURISM WILL CONTINUE TO GROW AS ONE OF THE MOST IMPORTANT SECTORS OF ALABAMA'S ECONOMY.



photo courtesy of Getty Images

More positive news came to the state related to public safety. The past five years have been difficult ones for law enforcement, between the antipolice rhetoric and the pandemic. Both morale and recruiting have dropped precipitously across the nation. Thus, there was some recent good news for Alabama that flew under the radar: The Alabama Law Enforcement Agency had its largest class in almost six years, graduating 48 new state troopers. With the newly minted troopers in place, this means safer roads and more officers who can work with local police in the interests of public safety.

Finally, after years of chronic issues in education, the state is improving its standards for public schools. The state school system moved up from 85 to 87 points out of 100 this past school year. Academic achievement also increased, from 64 to 67 percent. In addition, the student graduation rate ticked up from 90 percent to almost 92 percent this past year. Another area of improvement was chronic absenteeism, which dropped from almost 15 percent to 12 percent—a significant move but one that still needs more work. Finally, of the state's 153 school districts, 102 made improvements in scholastic achievement. Thus, Alabama's schools are heading in the right direction, but education leaders must continue focusing on providing the best opportunities for all Alabama students.

There is plenty of work ahead to move Alabama forward to be the best it can be for its citizens; however, this past year provided many reasons to be thankful for our state and for living in Alabama.

Paul DeMarco is a former member of the Alabama **House of Representatives** and serves as the General **Counsel for the Alabama Grocers Association.** 





# AS SNAP SLIPPED INTO CRISIS, NGA AND INDEPENDENT GROCERS LED THE RESPONSE



# JUST THE OTHER MONTH, OUR INDUSTRY CONFRONTED A SITUATION UNLIKE ANYTHING WE HAD EXPERIENCED BEFORE.

The federal government shutdown triggered the firstever interruption of **Supplemental Nutrition** Assistance Program (SNAP) funding, placing immediate pressure on millions of households and the local grocers who support them. Independent stores across Alabama felt the effects as foot traffic dipped, EBT transactions stalled, confusion spread, and families worried about how they would manage their next grocery visit.

In that moment, the National Grocers Association (NGA) acted swiftly and decisively. From our headquarters, positioned between Congress and the White House, NGA worked to ensure lawmakers and administration officials recognized that this unprecedented disruption was both a crisis for struggling families and a major shock to the local economies anchored by community grocers. At the

same time, stores across the country demonstrated once again why independent grocers are essential community institutions. Retailers stepped up—coordinating with food



photo courtesy of Getty Images

banks, linking customers to nearby resources, adjusting ordering schedules, and upholding high service standards despite declining sales.

### How the lapse unfolded

When benefits were halted on November 1, more than 42 million Americans suddenly faced an unexpected break in food assistance. NGA quickly warned that the loss of benefits would hinder families' ability to buy food and could destabilize store operations. It became clear that reopening the government and restoring SNAP funding required urgent action.

# How NGA led the industry response

NGA mobilized an intensive advocacy effort to secure a full reinstatement of SNAP benefits through the end of fiscal year 2026. This work included direct engagement with Congress and the White House, frequent communication with the Department of Agriculture, and close coordination with partners across the food industry. NGA also kept members informed through timely bulletins, providing

operational guidance, contingency planning recommendations, and realtime examples of the impact independent grocers and their shoppers were experiencing.

These efforts delivered meaningful results. Congress ultimately voted to reopen the government and approved a funding package that guarantees SNAP benefits through FY 2026. Policymakers publicly acknowledged the critical role independent grocers played in maintaining food access during the lapse. NGA's persistent presence ensured that community grocers' experiences and concerns were fully understood as negotiations unfolded.

# How independent grocers responded on the ground

While NGA was working in Washington, community grocers in Alabama and nationwide showed remarkable leadership at home. Some partnered with regional food pantries, others offered limited credit or flexible checkout options, and many used social media to call attention to the issue and urge their elected officials to act. Stores focused on steady operations, customer reassurance, and keeping fresh food available. Their response underscored what communities already know: independent grocers are not only retailers,

but they are also reliable allies in local food security and trusted voices in moments of uncertainty.

### What the industry should take from this moment

The restoration of SNAP benefits through FY 2026 brings welcome stability and reinforces how deeply food assistance programs are intertwined with the financial health of local supermarkets. For Alabama grocers, the coming months will require attention to ongoing policy questions—from benefit distribution systems to administrative adjustments that may arise. This moment demonstrated the strength of NGA's advocacy and the steadfast presence of independent stores. NGA

delivered federal clarity and long-term benefit security, while community grocers demonstrated compassion, ingenuity, and perseverance. Together, these efforts highlighted the essential role independent grocers play in strengthening the communities they serve.

**LOCAL GROCERS ACROSS THE COUNTRY KEPT THEIR DOORS OPEN THROUGH A HISTORIC DISRUPTION AND HELPED FAMILIES WEATHER THE GAP** UNTIL BENEFITS RESUMED.

That dedication reflects the very best of our industry and reinforces a simple truth: independent grocers will always stand for access, stability, and community resilience, no matter the challenge.



photo courtesy of Getty Images



# THINKING ABOUT THEIR GENERATION



MICHAEL SANSOLO Retail Food Industry Consultant

WHEN IT COMES TO THINKING ABOUT THE YOUNGER ADULTS AND OLDER TEENS IN GENERATION Z IT PAYS TO RECALL THE WORDS OF FAMED CRIMINAL WILLIE SUTTON WHEN HE WAS ASKED WHY HE ROBBED BANKS. "BECAUSE THAT'S WHERE THE MONEY IS," HE'S REPUTED TO HAVE SAID.

And so it is with Generation Z. Though their spending power is limited now, it won't stay that way. After all, they and their slightly older Millennial cousins constitute a significant population segment. And both groups are just at the start of adulthood, which means you hopefully have a lifetime of sales ahead with both groups.

That makes them an important segment to know and to build connections. But doing so is going to require some different thinking in a lot of ways.

I was fortunate to recently work on a project with young executives in the food industry who were challenged to offer up their insights on the emerging generations and those findings are worth considering and repeating.

It all starts, unsurprisingly, with technology.



photo courtesy of Getty Images

IT'S NOT ABOUT COMPUTING
POWER OR EVEN ARTIFICIAL
INTELLIGENCE, BUT RATHER HOW
TO USE EXISTING TECHNOLOGIES
TO SERVE AND CONNECT WITH
THESE YOUNGER SHOPPERS
BETTER THAN EVER.

The most obvious area for rethinking comes in marketing and advertising. As we've all seen, traditional media is fast declining in use and importance, especially among younger generations. They are unlikely to read newspapers (whichever ones still exist), magazines or even watch traditional television.

Rather they get news, opinions and insights from the new media sources, either through social media, blogs, sub-Reddits or Substacks that appeal to their interests. For these consumers, influencers in these areas are far more important than traditional experts followed by past generations.

For the entire industry, this means a drastic change in

communication. Standard practices such as ad supplements or flyers are far less important than useful posts on various social media platforms and robust smartphone applications. And it essential to identify influencers, especially local ones, interested in your products and services to find a way to connect and possible build positive feedback.

But digital marketing doesn't end there. In stores and on products, technology demands new thinking. For example, QR codes, which became so widely used during the pandemic, can be placed on shelves or products themselves to provide shoppers a way to learn more about the items they buy or even source recipes and serving instructions.

In addition, technology enabled smart carts have changed with the times and today fit well with the endlessly connected consumer. As one recent study showed, even a small offering of smart carts can lead to sales increases by helping shoppers navigate the store to find items, but also to suggest additional or complimentary items.

And technology's endless advance means we'll soon see smart tech on frozen and refrigerated cases and even in grocery aisles, where displays can come alive with augmented and virtual reality.

Key to many of these technologies are the apps that populate shoppers' phones. Stores simply must have a useful app that helps shoppers with recipes, navigation, promotions and more. And suppliers are certainly part of making those apps even more useful by supplying practical and useful information about their products.



photo courtesy of Gustavo Quiroga

But new tech doesn't stop at the store. At home, air fryers have now become a staple in most kitchens, which means retailers and manufacturers need focus on the convenience of the appliance with recipes and more. Nearly two-thirds of homes now feature the appliance, which means recipes must include information for them along with traditional ovens and microwaves.

Of course, all the issues surrounding these younger generations go well beyond technology and in many ways are guaranteed to impact the way these folks shop.

Countless studies have shown that younger people are living very differently than previous generations. Rates of marriage and family creation are way down, while single person households are way up. That again requires careful study of the demographics of the areas you serve.

Retailers in neighborhoods dominated by single-person households need stock up on smaller sized products, while suppliers need consider how to best package products for these smaller households.

Likewise, younger generations are less likely to drive or own a vehicle, which means many of these folks will welcome (or demand) the convenience of delivery services. While many retailers now offer such services, we need stay aware that on-line shopping is still dominated by a few e-retailers, such as Amazon, meal delivery services like Hello Fresh and restaurant deliveries from Door Dash, Grub Hub and more. In short, the younger generations are using a range of competitors previously unknown.

In addition, younger

generations are in many ways struggling economically thanks in large part to higher prices for everything from housing to college education to new and used cars. Those economic pressures mean they will be squeezing their budgets in the supermarket, adding yet another challenge for the industry.

Retailers will need to strike a kev balance between national and private brands to provide shoppers the choices they want and the pricing they may need.

And the industry should also consider ways to play offense in this area to build more sales.

For many in the younger generations, cooking skills are lacking due to the elimination of home economics in school or simply that their parents didn't cook much. Stores can fill the void by offering easy to follow recipes or even cooking and shopping classes to help these young shoppers understand the budget, nutrition and taste benefits of home cooking.

In truth, every generation brings new challenges and the young generation is no different. For the industry, the challenge and opportunity is clear, but effort is necessary to win the day.



# **2026 AGEF SCHOLARSHIP PROGRAM**







# MAKING CENTS OF THE PENNY SHORTAGE



JENNIFER HATCHER Chief Public Policy Officer and SVP, Government and Member Relations Food Marketina Institute

# IN JUNE, THE U.S. MINT, VERY QUIETLY AND WITH NO FANFARE, MINTED THE LAST PENNIES.

This final minting was done at the demand of the U.S. Treasury Department which was following a directive from President Trump.

The complexity and seriousness of this situation is likely clear to each of you. The federal government did not give thought to or plan for how stopping the minting of the penny would impact grocery customers, services in our stores, and our nation's interstate commerce.

Cash is still used in grocery stores of all sizes around the country. Providing our grocery customers with the ability to use cash for purchases is an important service and the law in several states and localities. There is also a myriad of operational, legal and compliance issues that grocers and other retailers are facing because the federal government has ceased minting the penny.

Not only do grocers accept cash

at the register and need coins, including pennies, to make change, but they also need coins to operate self-checkout stations and vending machines, and to cash checks. Many grocery stores offer checkcashing services to customers and employees. Under federal law, checks must be cashed to the exact penny.

The final inventory of pennies was sent to Federal Reserve regional distribution vaults in the summer and since September, this inventory has decreased dramatically. As of this writing, 109 of the 165 Federal Reserve vaults have suspended penny ordering and/or depositing. This means that retailers across the country are not receiving an adequate supply of pennies to make exact change to cash-paying customers in stores. Many are undertaking creative ways to get pennies from customers' couch cushions, but that supply will fade as well.

This permanent disruption in inventory of the one-cent coin is beginning to cause a cascade of negative events in stores across the country.

WITHOUT EXACT CHANGE, STORES HAVE NO CHOICE BUT TO **ROUND TO THE NEAREST NICKEL** ON THE TOTAL OR CHANGE FOR **CASH-PAYING CUSTOMERS.** 

FMI is acutely concerned about how rounding for cash transactions could pose serious implications for **Supplemental Nutrition** Assistance Program (SNAP) retailers including possible exposure to litigation and potential violation of the SNAP equal treatment provisions. The SNAP equal treatment provisions prohibit both negative treatment and preferential treatment toward SNAP participants. Without exact change, grocery stores have no choice but to round on the total or change to the nearest nickel for cash-paying

customers, meaning these customers would be paying a slightly different total than SNAP customers who use a SNAP EBT card for purchases.

Grocery stores and other merchants need critical guidance and changes in law now from federal, state and local governments to address the growing lack of pennies in circulation. FMI and our member companies, and state and national association partners, are calling on all levels of government to act swiftly on the following:

- **U.S. Treasury Department**: Issue guidance officially notifying businesses and the public about the ceased minting of the one-cent coin and provide additional directives on how to proceed with cash transactions and the use and deposit of pennies.
- **U.S. Department of Agriculture**: Issue guidance to provide SNAP retailers with flexibility under the SNAP equal treatment provisions.
- **U.S. Congress**: Enact a federal law that will allow businesses to round cash transactions to the nearest nickel; ensure rounding for cash customers does not violate terms of SNAP; and facilitate check cashing at retail locations.
- **State and Local Governments**: Issue guidance and/or modify laws regarding tax collection and transmission, minimum pricing, price accuracy, and deceptive trade practices.



photo courtesy of ryandeberardinisphotos



# SNAP FOOD WAIVERS: A RETAILER'S WORST NIGHTMARE



STEWART FRIED Principal OFW Law

# USDA'S FOOD AND NUTRITION SERVICE (FNS) AUTHORIZES MORE THAN 250,000 RETAILERS OF ALL SIZES TO PARTICIPATE IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP).

For decades, the primary definition of "food" under federal law has been "any food or food product for home consumption except alcoholic beverages, tobacco, hot foods, or hot food products." 7 U.S.C. 2012(k).

On many occasions during the past decade, including during the first Trump Administration, state SNAP agencies have asked USDA to grant waivers which would permit states to prohibit soda and/or candy from SNAP eligibility. Prior to 2025, all such requests were denied. However, since February 2025, a new sheriff has been in charge and her name is Brooke Rollins. Secretary Rollins, who hails from Texas and is the 33<sup>rd</sup> United States Secretary of Agriculture, has a markedly different philosophy toward the SNAP program than most of her predecessors. For example, during the recently concluded 43-day federal shutdown, USDA declined to use mandatory

appropriations to partially fund November's SNAP benefits to more than 42 million beneficiaries across the country until ordered to do so by several federal courts, USDA also refused to release discretionary funding during the shutdown in order to permit states to promptly issue the remainder of last month's SNAP benefits. Only after the shutdown ended did SNAP beneficiaries receive all of their November SNAP benefits.

Secretary Rollins has also taken a markedly different approach to SNAP food restriction waivers than prior USDA Secretaries. As noted above, USDA historically denied all prior food restriction waiver requests. However, on June 10, 2025, USDA, in conjunction with the Making America Healthy Again (MAHA) movement led by HHS Secretary Robert F. Kennedy, Jr., granted Arkansas' waiver request to operate what the

Department described as a "novel demonstration project" that purports to amend the statutory definition of "food" in the Food & Nutrition Act of 2008.

USDA's waiver permits Arkansas to exclude soda, candy, fruit and vegetable drinks with less than 50% natural juice, and other unhealthy drinks from the definition of SNAP-eligible foods starting on June 1, 2026. Arkansas' waiver will be in effect for two years.

During the last six months, USDA granted food restriction waivers to 17 other states, most of which have Republican governors, with Hawaii and Colorado being the exceptions. Florida, Indiana, Iowa, Nebraska, Utah, and West Virginia's waivers are currently scheduled to begin on January 1, 2026. Others, including Hawaii, Missouri, North Dakota, South Carolina, and

Tennessee's waivers will start during the second half of 2026. At least three states, including Idaho, Louisiana, and Oklahoma, have asked USDA to delay their implementation dates; it is unclear whether those requests have been approved given that revised implementation dates have not yet been posted on USDA's Food Restriction Waivers webpage. Several other states, including California and Ohio, have submitted waiver requests that remain pending.

USDA'S FOOD RESTRICTION
WAIVERS CAN ONLY BE
DESCRIBED AS A COMPLIANCE
NIGHTMARE FOR SNAP
RETAILERS.



photo courtesy of Pexels

This is especially true for grocers with operations in multiple states because there is virtually no uniformity in the waivers that USDA granted. First, several states define "candy" in their waiver requests differently. For example, Florida and Idaho's definition of "candy" is "a product that involves the preparation of sugar or artificial sweeteners in combination with chocolate. fruits, nuts, caramel, gummies, and hard candies or other ingredients or flavorings in the form of bars, drops, or pieces." Louisiana's definition of "candy," while somewhat similar, includes honey, but does not expressly include caramel, gummies, or hard candies; it also excludes products like Twix bars that contain flour and are sold in bars, drops, or pieces. Iowa's definition of "candy" includes "jellybeans, taffy, licorice, mints, and breath mints," as well as "caramel corn, kettle corn, and other candy-coated popcorn."

With respect to sweetened beverages, the approved waivers also lack uniformity. Florida, Idaho, Louisiana, Missouri, Nebraska, North Dakota, Oklahoma, South Carolina, Tennessee, and Virginia's waivers prohibit the redemption of SNAP benefits



for energy drinks; Hawaii and Utah's are limited to carbonated beverages (but not energy drinks); and Colorado, Hawaii, Utah, Virginia, and West Virginia's waivers do not prohibit the redemption of SNAP benefits for candy.

A few states' waivers have additional and/or vague requirements; for example, Colorado, Arkansas, Florida, Idaho, Iowa, Louisiana, Oklahoma, Texas, and Utah's waivers apply to drinks with less than 50% natural juice, while Arkansas' waiver also prohibits the redemption of "other unhealthy foods" for SNAP benefits. Florida and Idaho's waivers also apply to "prepared desserts," in addition to candy, soda, and energy drinks; Missouri's applies to "prepared desserts," candy, and "certain unhealthy beverages."

While USDA and several states have promised to issue

guidance to assist retailers with compliance in the near future, it is unclear when that will happen. Currently, only Oklahoma has issued guidance that is truly helpful to retailers: a Prohibited Item UPC List. Retailer associations have also asked USDA to delay implementation and/or issue warnings during the months after the waiver periods commence; to date, all such efforts appear to have been unsuccessful.

It is also important to note that confusion exists regarding who will enforce violations of waiver restrictions. However, because FNS is the sole agency that authorizes firms as SNAP retailers, state SNAP agencies appear to lack authority to enforce waiver violations. Convenience stores and other small grocers that lack sophisticated point-of-sale (POS) systems are in the greatest danger of committing violations because they rely upon clerks to segregate SNAPeligible from SNAP-ineligible items. Additionally, FNS's enforcement efforts are largely focused on smaller retailers. However, larger retailers still need to re-program their POS systems to comply with varying and unclear requirements across jurisdictions within a short timeframe; in many states, less than a month remains before waiver

restrictions commence.

For now, the rules are not scheduled to change for retailers in Alabama. Unlike many states with Republican governors, Alabama has not requested a waiver from USDA. State legislative efforts were also unsuccessful; a bill that would have required the Commissioner of the Alabama Department of Human Resources to request a waiver from USDA to exclude SNAP benefits from being redeemed for soda in the Heart of Dixie was introduced in the Alabama House in April 2025 but died in committee. Whether another bill will get more traction during the 2026 legislative session commencing in mid-January remains to be seen but appears to be unlikely.

Finally, it is far from clear that USDA possessed authority in the first place to grant waivers from the statutory definition of "food." USDA's waivers cite to Section 17 of the Food & Nutrition Act of 2008, 7 U.S.C. § 2026(b)(1)(B), as support for its authority to grant food restriction waivers. That subsection, however, only authorizes Secretary Rollins to conduct projects that: (1) improve program administration; (2) increase the self-sufficiency of SNAP recipients; (3) test innovative welfare reform strategies; or

(4) allow greater conformity with rules of other federal programs. Prohibiting the redemption of soda and candy neither clearly fits into any of these four options nor does it increase efficiency or improve the delivery of SNAP benefits to eligible households. More importantly, 7 USC § 2026(b) (1) does not clearly authorize USDA to grant waivers from the Congressionally-enacted definition of "food." Retailers who face a six-month disqualification from SNAP for selling soda or candy after the waiver period starts may have the first opportunity to challenge USDA's authority to grant food restriction waivers. Until then, retailers need to buckle up, because it's likely going to be a bumpy ride.

Stewart Fried is a Principal at OFW Law in Washington, DC. Mr. Fried represents SNAP retailers across the United States before FNS and the federal courts.



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### **ASSOCIATION NEWS**

# AGA WISHES TO RECOGNIZE OUR DIAMOND AND FOUR STAR SPONSORS FOR THEIR GENEROUS SUPPORT OF THE 2025 ANNUAL SHOW





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For 35 years, the Alabama Grocers Association (AGA) has stood at the heart of a vital mission: strengthening an industry that touches every Alabamian, every single day. Founded on service—to members, shoppers, and the state—the Association has never stopped moving forward.

# www.GrocersHealthTrust.com





# **BENEFITS & COVERAGE**

We offer medical, dental and vision coverage for single, employee + spouse, employee + child(ren), and family plans.



### **OPEN ENROLLMENT**

Open Enrollment is February - March, 2025.



### **SMOOTH TRANSITION**

Members on an existing health plan are eligible to participate in the AGA Health Plan. Open Enrollment is a qualifying event to change coverage.



### WEBSITE

For benefit information, frequently asked questions, how to enroll and more, visit www.GrocersHealthTrust.com



### In-network deductibles:

Single - \$500, Family - \$1,000 **Out-of-pocket maximum:** 

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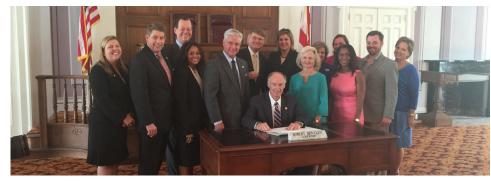
### **SCAN ME!**

Scan the QR code to be take directly to the AGA Benefits website.

From reducing the state grocery tax to securing home-delivery rights for wine and spirits and combating organized retail theft, AGA has consistently championed Alabama's grocery industry. These successes aren't just legislative milestones—they are the building blocks of a stronger, more resilient marketplace for retailers, suppliers, and customers alike.

AGA's advocacy extends well beyond policy. One of the most essential tools in our state is SNAP, which not only helps families put food on the table but also sustains more than 7,800 grocery jobs and fuels over \$521 million in economic activity.

Investing in Alabama's future also means supporting the people who make this industry thrive. Through the Alabama Grocers Education Foundation, more than \$1.5 million in scholarships have helped employees and their families pursue brighter futures.



And when AGA says "support local," it delivers. The Buy Alabama's Best campaign has raised over \$855,000 for Children's of Alabama while highlighting the incredible Alabama-made products that fill grocery shelves across the state.

From food producers to grocers, the grocery industry is one of Alabama's largest economic drivers-and it's powered by people who care deeply about the communities they serve. The grocery industry in Alabama employs over 188, 000 individuals, pays over \$6.8 billion in wages, collects over \$1.5 billion in state and local taxes and has an economic impact of over \$18 billion.

**WE'RE A COMMUNITY. AND TOGETHER, WE'VE BUILT 35** YEARS OF PROGRESS— **GROUNDED IN RELATIONSHIPS.** DRIVEN BY SERVICE, AND FUELED BY A SHARED VISION OF WHAT'S POSSIBLE.



To every grocer, every supplier, every lawmaker and advocate, every student, every volunteerthank you.

The Alabama Grocers Association is proud to be your voice, your partner, and your champion.

Here's to 35 years of feeding Alabama—and to the next chapter still to come.











THE ALABAMA GROCER EDUCATION FOUNDATION'S

# CLAY SHOOT

The Alabama Grocers
Education Foundation (AGEF)
welcomed retailers,
wholesalers, vendors, and
community partners to Selwood
Farm on October 9 for its
annual Clay Shoot Tournament
—an event that brings the
industry together in a way that

feels both familiar and deeply connected. For many, it has become a tradition that reflects the family spirit at the heart of Alabama's grocery community.

This year's tournament raised more than \$48,000 in support of AGEF's scholarship program.

In 2025, the Foundation awarded 57 scholarships totaling over \$56,500, continuing its commitment to helping employees and their families pursue education and career growth. Since its founding in 1992, AGEF has awarded more than \$1.5

million in scholarships to employees and children of employees of Alabama Grocers Association member companies —an accomplishment made possible by the steady support of industry partners who believe in investing in their own.

The morning at Selwood Farm included breakfast, shooting flights, and the debut of the Cotton Drop Game. The tournament wrapped up with an awards luncheon and raffle drawings.

Lunch was prepared by Immediate Past Chairman Bob Crawford and his team from United Distributors of Alabama, continuing a tradition that reinforces the sense of community that defines this gathering each year.









# "SUPPORTING STUDENTS IS AT THE HEART OF WHAT WE DO," SAID ELLIE TAYLOR, PRESIDENT AND CEO OF THE AGA.

"This event is a powerful example of our industry rallying behind the next generation while living out the Foundation's mission of enriching education and career

development in the grocery industry."

AGEF extends sincere appreciation to its sponsors, including Presenting Sponsor Coca-Cola Bottling Company UNITED, along with a wide group of Supporting Sponsors whose contributions reflect the close-knit nature of Alabama's grocery industry.

Plans are already underway for next year's event. AGEF invites supporters to return on October 8, 2026, as the Clay Shoot Tournament once again brings the industry together at Selwood Farm to celebrate connection, generosity, and the shared commitment to supporting future leaders.



# FAMILY, LEGACY, AND LEADERSHIP SHINE AT THE 2025 FOOD INDUSTRY FINEST AWARDS

THE ALABAMA GROCERS ASSOCIATION ONCE AGAIN BROUGHT THE GROCERY INDUSTRY TOGETHER IN CELEBRATION OF COMMUNITY, SERVICE, AND LEGACY AT THE 2025 FOOD INDUSTRY FINEST AWARDS LUNCHEON IN BIRMINGHAM.

The annual event is always a highlight for grocers across the state—a moment to pause and honor those whose dedication and leadership make Alabama's grocery industry what it is today.







This year's honorees shared more than professional excellence; they shared family ties. Each award recipient—representing Retailer, Wholesaler, and Vendor of the Year—came from a family-run business, underscoring how deep-rooted relationships and shared values continue to define the state's grocery landscape.





Commissioner of Agriculture and Industries Rick Pate opened the ceremony by recognizing grocers and praising their role in feeding communities and supporting local economies.

Awards were presented to the respected year award winners.



# RETAILER OF THE YEAR: ERIC BRUCE, BRUCES FOODLAND

For Eric Bruce, grocery is more than a business—it's a lifelong calling. Awarded the 2025 Food Industry Finest Retailer of the Year, Bruce has spent nearly four decades helping his family's business thrive since his parents founded Bruce's Foodland in 1979.

"My father and my mother started this business in 1979. They kind of went out on a whim," Bruce reflected. "It's been good to my family, and the communities we serve have been awesome to us." He also expressed gratitude to the Alabama Grocers Association for its ongoing support.











# WHOLESALER OF THE YEAR: JAY MITCHELL, JMBL/MITCHELL GROCERY CORP.

Named the 2025 Food Industry Finest Wholesaler of the Year, Jay Mitchell is a third-generation grocer who began his journey in the family business at just 13 years old. Today, as Vice President of Retail Operations, he continues to lead with the same passion that has guided Mitchell Grocery Corporation for decades.







"I've worked all jobs in the company—from stocker to cashier to store manager to district manager, and now vice president," Mitchell shared.

"We've got over 100 people who've been with us for more than 20 years, and that family feel is really important to our success." He credits AGA for creating a spirit of collaboration across the state's grocery community.



"ALABAMA GROCERS HAS DONE A FANTASTIC JOB FOSTERING WHAT I'D CALL FRIENDLY COMPETITION, WHERE ALL MEMBERS WORK TOGETHER TOWARD THE ISSUES MOST IMPORTANT TO GROCERY OPERATORS."

Congratulations, Jay!







# VENDOR OF THE YEAR: BUBBA LINDLEY, EDLINCO

This year's Vendor of the Year award went to Bubba Lindley of EDLINCO, continuing a proud legacy that began with his father, Ed Lindley, in 1979.

"WE HAVE A FAMILY-OWNED BROKERAGE COMPANY STARTED IN 1979 BY MY DAD, ED LINDLEY, WHO'S BEEN AROUND THE GAME FOREVER," LINDLEY SAID. "IT'S BEEN A TRUE BLESSING — I'VE LEARNED MORE FROM MY DAD THAN I COULD EVER THANK HIM

FOR."









Lindley emphasized that relationships remain at the heart of his success. "This industry is based on relationships, so you'd better get out there, build them, and keep your word. The AGA is family—we're fortunate to come together, give back, and support causes like Children's Hospital, where we've raised close to a million dollars."

Congratulations, Bubba!



# HONORING AGA'S OWN: ELLIE TAYLOR'S 30 YEARS OF SERVICE

The event also recognized a milestone within AGA itself—President and CEO Ellie Taylor's 30 years of service. Following in the footsteps of her father, Jim Smotherman, Taylor has carried forward a legacy of advocacy, partnership, and leadership that has strengthened AGA's role as the voice of Alabama's grocery

industry.









Under her leadership, the association has built stronger connections among retailers, wholesalers, and suppliers, while championing causes that benefit both the industry and the communities it serves.

Reflecting on her decades of service, Taylor shared a heartfelt message that resonated deeply with the audience:



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# **CELEBRATING ALABAMA'S GROCERY FAMILY**

The 2025 Food Industry Finest Awards was more than a ceremony—it was a celebration of the people and families who keep Alabama's grocery shelves stocked and communities thriving. From legacy-driven retailers to family-run wholesalers and dedicated vendors, this year's honorees exemplify the spirit of service, hard work, and heart that define Alabama's grocery industry.





MONDAY	TUESDAY	WEDNESDAY	THURSDAY	
	7	8		

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# **UPCOMING EVENTS AND SOCIAL MEDIA ACCOUNTS**



**ALABAMA GROCERS EDUCATION FOUNDATION** 

**GOLF OUTING APRIL 9, 2026** TIMBERLINE GOLF CLUB







# **AGEF CLAY SHOOT**

**SELWOOD FARM** 10.08.26





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