

Alabama Grocer

2026, ISSUE 3

Alabama Grocers Association



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Protecting Alabama
Communities**
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**A CENTURY OF PARTNERSHIP
A FUTURE OF GROWTH**



From humble beginnings to a nationwide network,
AWG has supported independent retailers as a
member-owned cooperative. Our ongoing vision:
to be the partner of choice for grocers across the U.S.



**THE PARTNER OF CHOICE
FOR INDEPENDENT RETAILERS** *Since* **1926**

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FEATURES

Buy Alabama's Best Food Expo

Local products, meaningful connections, and giving back. See how the Buy Alabama's Best Food Product Expo celebrated Alabama-made products while strengthening its special partnership with Children's of Alabama.



Protecting SNAP Means Protecting Alabama Communities

Food access, jobs, and local communities. Learn why AGA is advocating for a fair SNAP implementation timeline and what's at stake for Alabama's grocery industry.



2026 Annual Show Recap

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CHAIRMAN'S MESSAGE

SERVING TOGETHER, GROWING STRONGER



WADE PAYNE

Director Retail Operations
Food Giant/Mitchell Grocery Corp.

WOW, IT IS HARD TO BELIEVE THAT A WHOLE YEAR HAS GONE BY ALREADY SINCE I BECAME CHAIRMAN OF THE ALABAMA GROCERS ASSOCIATION.

I would like to thank our great staff and our Board of Directors for all their hard work and support this past year.

We have accomplished a lot this past year. Our membership has grown, with what seems like a new member or two every month. We made great progress in Montgomery during this year's session and were able to get the things important to us included in many of the bills that were passed.

Due to our diligent efforts, the SNAP waivers that were passed were far less impactful than some of the ones passed in other states. If, in fact, next year waivers do go into effect, and that is not a given, ours will be less intrusive and can be managed so customers can understand them.

We had an inspiring convention. Through your financial support, we are sound. Again, thanks to everyone's efforts, this first year as Chairman has been fulfilling for me.

As we look ahead to this next year as Alabama Grocers Association members, I am confident we can do great things again. At church this morning, our minister was talking about having a servant's heart. It is a message about our industry as much as it is about being a servant in your Christian life.

We have so many people willing to serve to make our industry better. That fact does not just apply to those in leadership positions, but to the many folks behind the scenes in all of our companies. As an industry, we do a great job of teaching our teams to be servants. It is great to be a small part of such a giving industry.

We have signs in all the local ballparks; we support Children's Hospital Cancer Center; we support the Boy Scouts and Girl Scouts; and we donate to church fundraising efforts. We donate to and support our veterans and our first responders. The list goes on and on.

EVERY ONE OF THE COMPANIES THAT MAKE UP THE ALABAMA GROCERS ASSOCIATION IS AN INTEGRAL PART OF THE COMMUNITIES THEY SERVE. IT IS A TRUE HONOR TO BE ASSOCIATED WITH THIS GREAT GROUP.

If there is anything I can do to help you and your teams' efforts, please let me know. I look forward to serving with you and having another great year. ■

Sincerely,

Wade

FOOD INDUSTRY FINEST



VENDOR
OF THE YEAR
CHRIS WOODS



RETAILER
OF THE YEAR
JAY WELBORN



WHOLESALER
OF THE YEAR
BOYD WEST



10.21.26
11:30 AM - 1:30 PM
THE CLUB



CELEBRATING ALABAMA'S FINEST



PRESIDENT'S MESSAGE

PROTECTING SNAP MEANS PROTECTING ALABAMA COMMUNITIES



ELLIE TAYLOR

President/CEO
Alabama Grocers Association

FOR ALABAMA GROCERS, THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM IS FAR MORE THAN A LINE ON A RECEIPT.

SNAP helps families put food on the table, but it also strengthens the grocery stores, employees, suppliers and communities that make up our state's food supply chain.

That connection is especially important in Alabama, where grocery stores operate on extraordinarily thin margins - generally just 1% to 1.5%. Many independent grocers receive between 20% and 40% of their sales through SNAP transactions, and for some stores that share can reach 60%. When margins are that narrow, a significant disruption in SNAP sales cannot simply be absorbed. It can determine whether a store is able to remain open.

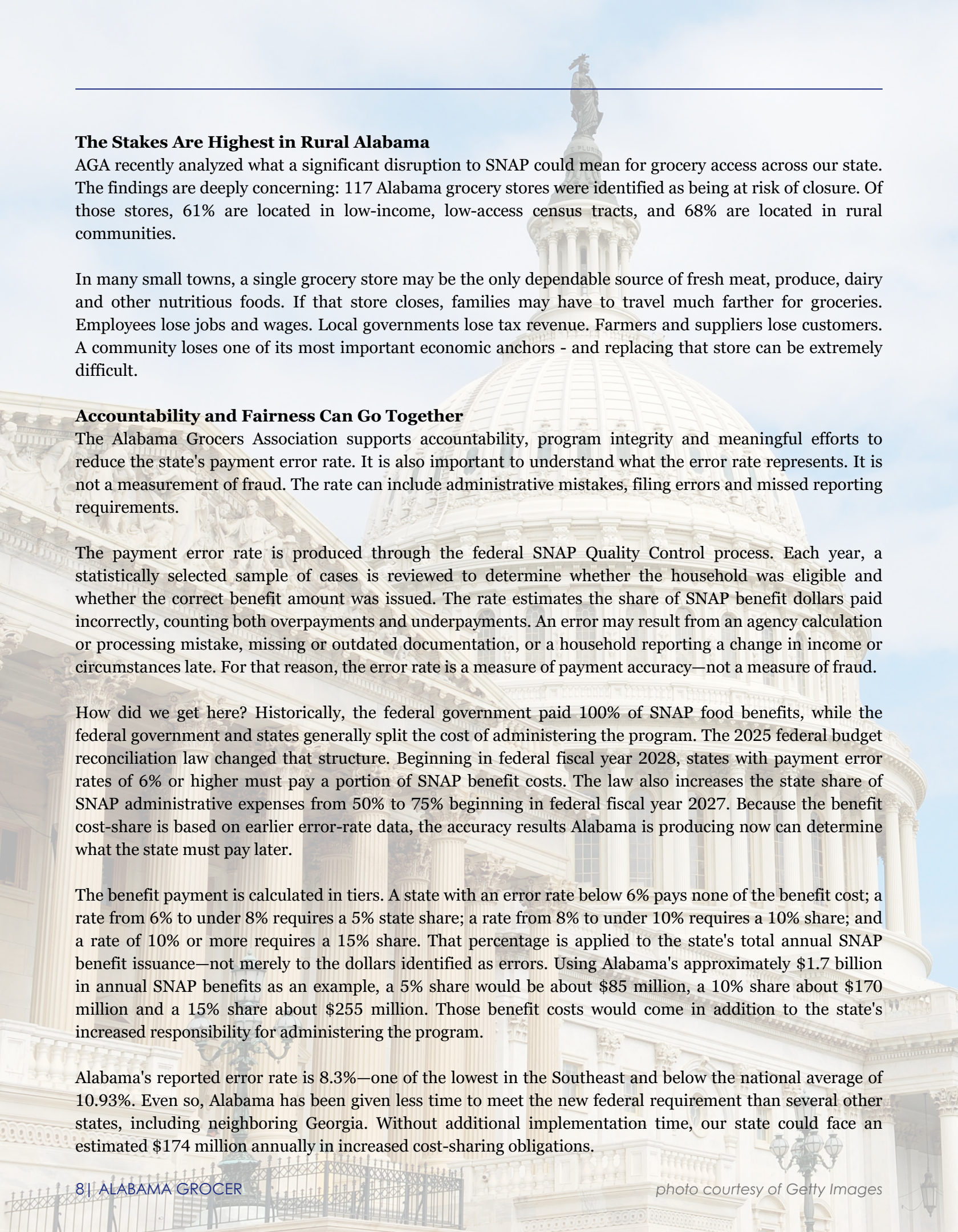
The impact does not stop at the checkout lane. Last

year alone, SNAP generated an estimated economic impact of more than \$3 billion in Alabama. Those dollars supported grocery employees, wholesalers, food distributors, transportation companies, farmers and businesses throughout the supply chain. The broader grocery industry employs approximately 188,000 Alabamians, pays about \$6.8 billion in annual wages and generates an estimated \$18 billion in economic activity each year.

WHEN A COMMUNITY LOSES ITS GROCERY STORE, IT LOSES FAR MORE THAN A PLACE TO SHOP. IT LOSES JOBS, INVESTMENT, TAX REVENUE AND A VITAL SOURCE OF FRESH, NUTRITIOUS FOOD.



photo courtesy of Getty Images



The Stakes Are Highest in Rural Alabama

AGA recently analyzed what a significant disruption to SNAP could mean for grocery access across our state. The findings are deeply concerning: 117 Alabama grocery stores were identified as being at risk of closure. Of those stores, 61% are located in low-income, low-access census tracts, and 68% are located in rural communities.

In many small towns, a single grocery store may be the only dependable source of fresh meat, produce, dairy and other nutritious foods. If that store closes, families may have to travel much farther for groceries. Employees lose jobs and wages. Local governments lose tax revenue. Farmers and suppliers lose customers. A community loses one of its most important economic anchors - and replacing that store can be extremely difficult.

Accountability and Fairness Can Go Together

The Alabama Grocers Association supports accountability, program integrity and meaningful efforts to reduce the state's payment error rate. It is also important to understand what the error rate represents. It is not a measurement of fraud. The rate can include administrative mistakes, filing errors and missed reporting requirements.

The payment error rate is produced through the federal SNAP Quality Control process. Each year, a statistically selected sample of cases is reviewed to determine whether the household was eligible and whether the correct benefit amount was issued. The rate estimates the share of SNAP benefit dollars paid incorrectly, counting both overpayments and underpayments. An error may result from an agency calculation or processing mistake, missing or outdated documentation, or a household reporting a change in income or circumstances late. For that reason, the error rate is a measure of payment accuracy—not a measure of fraud.

How did we get here? Historically, the federal government paid 100% of SNAP food benefits, while the federal government and states generally split the cost of administering the program. The 2025 federal budget reconciliation law changed that structure. Beginning in federal fiscal year 2028, states with payment error rates of 6% or higher must pay a portion of SNAP benefit costs. The law also increases the state share of SNAP administrative expenses from 50% to 75% beginning in federal fiscal year 2027. Because the benefit cost-share is based on earlier error-rate data, the accuracy results Alabama is producing now can determine what the state must pay later.

The benefit payment is calculated in tiers. A state with an error rate below 6% pays none of the benefit cost; a rate from 6% to under 8% requires a 5% state share; a rate from 8% to under 10% requires a 10% share; and a rate of 10% or more requires a 15% share. That percentage is applied to the state's total annual SNAP benefit issuance—not merely to the dollars identified as errors. Using Alabama's approximately \$1.7 billion in annual SNAP benefits as an example, a 5% share would be about \$85 million, a 10% share about \$170 million and a 15% share about \$255 million. Those benefit costs would come in addition to the state's increased responsibility for administering the program.

Alabama's reported error rate is 8.3%—one of the lowest in the Southeast and below the national average of 10.93%. Even so, Alabama has been given less time to meet the new federal requirement than several other states, including neighboring Georgia. Without additional implementation time, our state could face an estimated \$174 million annually in increased cost-sharing obligations.

Those consequences would not be confined to the state budget. They could reach Alabama families, retailers and communities that rely on SNAP and the grocery infrastructure it helps sustain.

A Reasonable Path Forward

AGA's request is straightforward: give Alabama the same additional implementation time that has been provided to other states. A fair timeline would allow Alabama to put meaningful corrective measures in place, lower its error rate and avoid unnecessary economic disruption in the process.

We should not create new food deserts while working to improve the administration of a nutrition program. These goals are not in conflict. Alabama can strengthen SNAP program integrity while protecting food access, grocery jobs and local economies.

Our industry understands better than most how interconnected the food supply chain truly is. Protecting SNAP's stability protects far more than a program. It protects grocery stores, Alabama jobs, rural communities and the families who depend on all of us every day.

Your voice is critical to this effort. Please know that the Alabama Grocers Association is working diligently to protect the interests of Alabama's grocery industry—both in Montgomery and in Washington, D.C. We also encourage you to contact members of Alabama's congressional delegation, particularly Senators Tommy Tuberville and Katie Britt, and urge them to support a fair implementation timeline for Alabama. Let them know that SNAP is not only essential to families in need, but also a powerful economic driver that supports grocery stores, jobs and communities throughout our state. ■

Sincerely,

Ellie



AGEF CLAY SHOOT

a day at

SELWOOD FARM

10.08.26



LEGISLATIVE UPDATE

ELECTION SEASON REMAINS IN FULL SWING



PATRICK MCWHORTER

Legislative Consultant
The McWhorter Group

IT'S SEPTEMBER, AND IT'S ALABAMA. IT HAS BEEN UNBELIEVABLY HOT THIS YEAR, BUT I'VE ALWAYS SAID I'LL TRADE HOT SUMMERS FOR COLD WINTERS ANY TIME.

Alabama has always had a major election cycle every four years, with all constitutional offices, all legislative offices, congressional and Senate seats up for grabs. This year is exceptional because I do not recall a time during my career when we had so many of these positions up for grabs.

Despite all the important elections, SNAP continues to be of the utmost concern to us. Your staff continues to work tirelessly to persuade Congress to give us the same favorable treatment as those states with high error rates, in order to avoid Alabama having to pay a penalty which amounts to almost 10% of our General Fund budget next year. Currently, Congress has granted an extension of time for payment, but we will still be judged based on the error rate almost two years ago. So, we continue to work with your congressional delegation to include language in the pending agriculture bill to give us relief. Alabama DHR has done an amazing job to get our rate down, and has created a campaign to vigorously go after fraud in the SNAP program.

Back to politics. US Senator Tommy Tuberville continues to lead in the governor's race, despite repeated efforts to remove him from the ballot due to residency issues. And he has a substantial cash advantage over his opponent, former US Senator Doug Jones. Former Republican Party Chairman John Wahl is also leading in his race for Lt. Governor, with a wide gap in fundraising over

Democrat State Representative Phillip Ensler. Republican candidate for Secretary of State Caroleene Dobson has only token Democrat opposition; the same with Republican US Senate candidate, Rep. Barry Moore.

But our main focus in this year's election, as it should be, is the race for Commissioner of Agriculture and Industries. Corey Hill, Mayor of Douglas, Alabama and owner of a grocery store who is a longtime member of AGA, has a tough race against a former two-term Commissioner, Democrat Ron Sparks. It is imperative that all our members encourage their employees and friends to turn out a strong vote for Corey.

WE HAVE NEVER HAD THIS OPPORTUNITY BEFORE, AND WE MUST TAKE ADVANTAGE OF IT.

Another tough race looming is that of Congressional District 2 in South Alabama. The district stretches across the middle of "LA" (Lower Alabama), encompassing Montgomery all the way down to the Wiregrass area (Dothan, etc). State Representative Rhett Marques, the Republican nominee, is

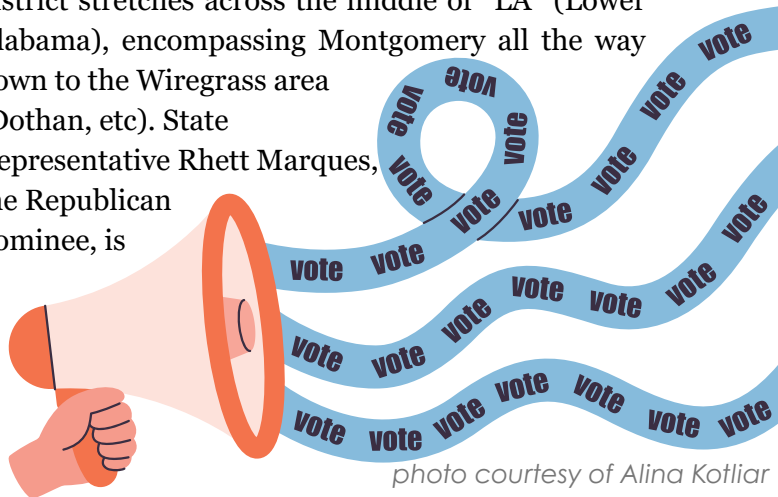


photo courtesy of Alina Kotliar

endorsed by the Alabama Grocers Association Board, but faces incumbent Representative Shomari Figures. You'll remember Figures was elected two years ago after redistricting of Congressional Districts 1 & 2. Rhett, a current Alabama State Representative, has supported literally every effort we have had in the state legislature, especially the reduction in state grocery sales taxes, and the Board believes he is the best candidate to represent our interests.

There were several surprises in legislative primaries this spring. Republican Senator Dan Roberts and Representative Jim Carnes, both of Jefferson County, were defeated by strong business-oriented candidates. Senator Greg Albritton in south Alabama, chairman of the Senate Finance & Taxation-General Fund Committee, was challenged and defeated as well. This, plus a number of retirements in House and Senate, will result in several new faces for the next four years in the Legislature.

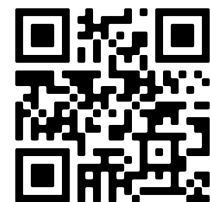
Some of the biggest political news of the summer came from Senate Minority Leader Bobby Singleton. After years of internal divisions and leadership struggles within the Alabama Democratic Party, Singleton challenged the party's longtime power structure and called for a new direction. At the party's August meeting, he decisively defeated incumbent Chairman Randy Kelley, by a vote of 165-62. The overwhelming victory marked a significant change in leadership for the state Democratic Party and signaled a new chapter for the organization.

And let me tell you: Bobby knows how to win. And even though he is a staunch Democrat, the Leader has been a strong and faithful ally of the AGA and grocers across the state. If anyone can breathe new life into the state's Democratic Party, it is Bobby Singleton. He hit the ground running and is out campaigning for legislative candidates already. Bobby got his start working for Mike Fuller at Fuller's Supermarket in Greensboro, so he knows our industry extremely well.

Please be sure you vote on November 3 and bring everyone with you! ■



**SCAN HERE FOR
AGA ENDORSED
CANDIDATES**





INDUSTRY NEWS

LEGAL REFORM ON THE HORIZON FOR ALABAMA LAWMAKERS AS WE NEAR 2027



PAUL DeMARCO
AGA General Counsel
Wilmer & Lee, P.A.

WHILE WE ARE STILL SIX MONTHS UNTIL THE NEXT LEGISLATIVE SESSION, THERE IS ALREADY WORK ON WHAT PRIORITIES LAWMAKERS WILL TAKE UP WHEN THEY ARE BACK IN SESSION.

One of the issues that is already percolating is the reform of Alabama's judicial system. The large verdicts and settlements in the state's civil court system has business leaders striving for change.

In the past, Alabama had the reputation as being one of the worst states for businesses because of what was going on in county courthouses. Because this was hurting efforts to attract new companies to the state, tort reform became the new mantra to force change that the Alabama Supreme Court and Legislature would not accomplish.

The first major efforts to effectuate change occurred in 1987 after a fraud case related in Birmingham lead to a large punitive damages award spurred action by the Alabama Legislature to pass new laws to limit future jury verdicts. Alabama had earned the reputation as being a "tort hell." Yet, despite the legislation and harm it was causing the state, the Alabama Supreme Court blocked a number of the bills as being unconstitutional.

Then again in 1999 another large punitive damages award due to a \$580 million verdict in Hale County related to the alleged fraud from the sale of a satellite dish brought another round of tort reform, the Legislature passed the new bills because of economic development recruitment was being severely hurt by the large verdicts.

Finally, in 2011, after Republicans took over majority control of the Alabama House of Representatives and Senate, the last round of tort reform passed. Governor Robert Bentley signed the new laws into place that were some of the most significant legislation to date for the civil justice system.

YET, BUSINESS LEADERS ARE AGAIN CONCERNED THAT THE REFORMS OF THE PAST HAVE NOT YIELDED THE LONG-TERM RESULTS EXPECTED AS LARGE VERDICTS BY JURIES ARE RAISING THE RED FLAG THAT ALABAMA IS AGAIN GIVING BUSINESSES PAUSE ON WHERE THEY CONDUCT BUSINESS IN THE STATE.

Neighboring states, like Georgia, Florida and Louisiana have passed significant tort reform in the past three years with the leadership of each of the state's governors. Thus, there is already talk, will the next governor of Alabama take the helm to lead changes to Alabama's own civil justice system to create more predictability and fairness for the citizens of the state.

A new statewide coalition of businesses and trade associations is working with lawmakers to propose new laws to be enacted to balance a system where excess verdicts are driving higher insurance premiums and pushing others to limit where they conduct business in Alabama.

There are different proposals on the table, but Alabama grocers are facing some of the same issues other businesses have with lawsuits that are driving up the cost to do business, despite their best efforts to create a safe environment for their customers and enacting more risk management tools such as cameras and sweep logs.

Once we get past the fall elections and approach 2027, count on hearing more about efforts to improve Alabama’s business climate with changes in the state’s civil justice system. ■

Paul DeMarco is a former member of the Alabama House of Representatives, general counsel for the Alabama Grocers Association and a partner at the law firm of Wilmer & Lee, P.A.



INDUSTRY NEWS

**GOVERNOR IVEY PROCLAIMS SEPTEMBER AS
FAMILY MEALS MONTH**

The Alabama Grocers Association thanks Governor Kay Ivey for proclaiming September as Family Meals Month in Alabama and recognizing the important role shared meals play in strengthening families and communities across our state.

Research continues to show that gathering around the table offers benefits that extend far beyond the meal itself. According to FMI research, 91% of shoppers recognize the benefits of family meals, while 72% say family meals help teach respectful interactions and 65% say they provide a safe environment to discuss difficult topics. Family meals are also associated with healthier diets, stronger family connections and improved emotional well-being.

This September, AGA encourages our retailers, suppliers and families across Alabama to join the Family Meals Movement and make time for one more family meal each week. FMI offers graphics, research, promotional ideas and other resources to help everyone participate. ■

Find Family Meals Month resources at:
www.fmi.org/family-meals-movement





INDUSTRY NEWS

SETTING THE RECORD STRAIGHT ON ELECTRONIC SHELF LABELS



GREG FERRARA

President & CEO
National Grocers Association

A FALSE NARRATIVE IS SPREADING THROUGH STATEHOUSES, SOCIAL MEDIA FEEDS, AND NEWS COVERAGE ACROSS THE COUNTRY: GROCERS ARE GOUGING CUSTOMERS WITH NEW IN-STORE TECHNOLOGY, AND IT'S ABOUT TO GET WORSE.

You have likely heard the claims that electronic shelf labels (ESLs) will enable "dynamic pricing" or "surge pricing," with the cost of ice cream jumping on a hot afternoon or bottled water spiking before a storm. Lawmakers in several states have introduced legislation to restrict or ban these tools based on little more than speculation.

For those of us who have spent our lives in this industry, these accusations are not just wrong. They are backward. And for Alabama's independent grocers, who work every day to keep food affordable for the families and communities they serve, the stakes of getting this debate right could not be higher.

Here is the truth that you are likely all too familiar with: independent community grocers operate on net margins of one to two percent. For every dollar that crosses the register, a penny or two remains after paying for product, labor, rent, refrigeration, swipe fees, insurance, and freight. That is not the profile of an industry gouging anyone. Our members price the way they always have, based on cost, and they pass along savings through promotions, loyalty programs, and discounts whenever they can. They do not use surge pricing. Period.

We have seen this movie before. In 1974, the first supermarket barcode was scanned on a pack of chewing gum in Ohio, and consumer advocates warned that scanners would let grocers manipulate and inflate prices. A half-century later, the barcode stands as one of the most powerful affordability tools in retail history, speeding checkout, improving accuracy and driving down costs across the entire supply chain. The predicted gouging never materialized. Today we are re-enacting the same panic with a new piece of hardware, and we risk legislating away an affordability tool in the name of protecting consumers from it.



photo courtesy of Getty Images

Because that is what ESLs actually are.

THESE LABELS DO NOT DETERMINE PRICES. THEY DISPLAY THEM, WITH ONE CRITICAL IMPROVEMENT OVER PAPER: THE PRICE ON THE SHELF ALWAYS MATCHES THE PRICE AT THE REGISTER.

When a store's system flags that rotisserie chickens need to be marked down before closing, an ESL updates that price in seconds instead of waiting for an employee to print a tag and walk the aisle. The result is a lower price for the shopper, less food in the dumpster, and staff hours redirected from swapping paper tags to serving customers. In a market like Alabama, where every hour of labor and every input adds cost, these efficiencies flow directly to keeping shelf prices down.



NGA is fighting this misinformation on every front, and in Alabama we are proud to stand alongside the Alabama Grocers Association (AGA) in that effort. In Washington and in state capitals, NGA's government affairs team is meeting directly with lawmakers and pushing back against misguided legislation, armed with the data and the real stories of community grocers. We are organizing store tours that bring elected officials inside our members' stores to see firsthand how pricing actually works, because nothing corrects a false narrative faster than a legislator standing in the aisle of a family-owned market. And we have launched a digital awareness effort across social media and earned media, including op-eds in national trade press, to reach consumers and lawmakers directly with a simple message: data-based pricing tools are how independent grocers cut prices faster, reduce waste, manage labor, and keep shelf prices honest.

But an association is only as strong as its membership. If your company is not yet an NGA member, I am asking you directly: join us. Your voice, the voice of a grocer who serves Alabama communities, sponsors local teams and knows customers by name, is the most credible one in this debate. Membership connects you to our advocacy team, gives you a seat at the table when policy is written, and links you with thousands of independent operators facing the same fights. If you are already a member, get engaged: host a store tour for your legislators, share our campaign content, and tell your story.

The independent grocery sector will always answer false narratives with facts and hard work. Together with partners like the Alabama Grocers Association, we will set this record straight, too. Visit www.nationalgrocers.org to learn more or to become a member.

And there is no better place to continue this fight together than the 2027 NGA Show in Las Vegas, January 31 through February 2. I invite every independent grocer to join us there to connect with peers from across the country, get hands-on with the tools and technology shaping our industry's future, and learn more about how NGA is working to counter this harmful narrative and protect the affordability tools our members depend on. Join the conversation and help us set the record straight. ■



photo courtesy of DCR



ASSOCIATION NEWS

AGA NEW MEMBERS

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ASSOCIATION NEWS

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**YOUR INDUSTRY.
YOUR VOICE.
YOUR AGA.**



Become part of the AGA family and join the voice of Alabama's grocery industry.





INDUSTRY NEWS

RETHINKING RETAIL



MICHAEL SANSOLO

Retail Food Industry Consultant
Sansolo Solutions

GIVEN ALL THE ATTENTION TO E-COMMERCE, IT'S WORTH TAKING A PAUSE TO EXAMINE A BRICK AND MORTAR COMPANY STAGING A MOST UNLIKELY COMEBACK AND FOCUSING ON JUST HOW IT IS ACHIEVING A NEW LIFE.

If there were any category of retail most at risk from e-commerce it would have to be booksellers. After all, Amazon.com started with the book business and unlike food retailing, books are a stable item to ship. Books require no refrigeration and usually have a fairly simple shape and heft, far different from retailers selling produce, frozen foods or even weighty items such as detergent.

With all those factors against them, it was hardly surprising that bookstores were disappearing at an alarming rate across the nation. That is, until recently.

The turnaround lesson grabbing attention surprisingly comes from Barnes and Noble, a fairly large chain that was given up for dead. But to an even greater extent than Best Buy, which also seemed to find a way back to some level of relevance, Barnes and Noble is suddenly on the upswing opening stores and increasing sales.

And the widely reported analysis of the changes the company made should grab the attention of the entire food industry in Alabama, especially, but not limited to, retailers.

Based on various reports about this comeback, let's examine some of the key changes made in Barnes and Noble's stores.

Chief among those changes is a shift in attitude as to how the retailer was operating. Barnes and Noble was criticized for years for acting more as a real estate agent than as a retailer. While books lack the perishability of fresh produce, they do have some measure of time sensitivity. New books, especially in well-known series or from famous authors, have a short period in the spotlight.

So for that reason, publishers would push hard to get prime shelf space and displays for those books, backing them with all manner of support from merchandising displays to funding.

The problem was that Barnes and Noble's bookstores were overly focused on those items and not necessarily what customers wanted to read and buy. It's a pretty obvious parallel to practices in food retail where items might win shelf space or end caps based more on the level of support from suppliers than on customer demand.

A second step in Barnes and Noble's resurrection was a greater emphasis on local marketing, especially by allowing individual stores and staff great latitude to feature books based on trends specific to their market.

Here again, the parallel to food retailers is pretty obvious especially in larger companies where decisions might be made far from the main streets

of Alabama's cities and towns. But it's not a problem limited to the large. It's challenging for even small operators to allow front line staffers the ability to influence merchandising decisions or even be part of the discussion.

Lastly, the biggest change at Barnes and Noble was likely what happened at the top of the company. A new CEO was hired and he has a background as a book seller (admittedly at a much smaller level than the large chain) and he has a well-stated passion for books and bookstores.

Taken together it's not hard to see the lessons and parallels for food retailers.

Start with merchandising and the long-bemoaned reliance on drawing funds from buying (through deals with suppliers) rather than selling to customers. This won't be an easy area to fix, but it remains critical. There are numerous merchants in Alabama whose stores create clear distinction from the competition by focusing on specific products or services that are unique to that merchant.

Think of companies such as Costco or Aldi who rely heavily on private label lines. But again, retailers and national brand suppliers working together can share knowledge about shopper preferences, highlight product attributes and focus on building excitement in virtually every part of the store.

That sense of excitement creates enormous opportunity in fresh products. Department managers in meat, bakery or the deli should be ambassadors for their products both in store and in your electronic communications. Empower them to talk up new products, menu ideas and even hot culinary trends both in store and through whatever electronic communications (websites, apps and social media) that you employ.

You can draw easy inspiration from the dairy case where cottage cheese, a long quiet product, has become a sales superstar thanks to consumer interest in protein rich foods. That's a trend your dairy manager has certainly noticed and should be talking about.

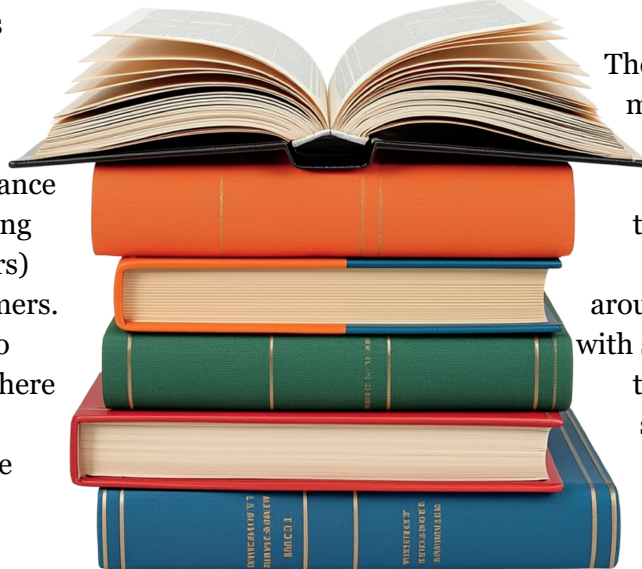
And to be clear, suppliers can play an important role in building this excitement. Many center store products are regularly enhanced with new nutrients, flavors or convenience offerings. Let's make sure we improve communication in the industry so that those attributes are well understood and communicated to shoppers.

There's also the simple reality that many people running or working in the industry love food. That passion and knowledge makes those people assets to building a heightened level of excitement around products that can be shared with shoppers and possibly get them thinking of the industry as less a source of fulfillment and more a destination for solutions.

Let's not ignore that many shoppers right now are feeling economic pressures due to inflation. Again, grab the moment to talk about ways to balance the budget from sale items to private label products to benefits of frozen products. And let's endlessly make the point on how eating at home can be more budget friendly (and nutritious) than eating at restaurants.

IF BARNES AND NOBLE SHOWS US ANYTHING, IT'S THAT BRICK AND MORTAR RETAIL IS FAR FROM DEAD, BUT IT DOES REQUIRE SOME NEW THINKING, CREATIVITY AND ENERGY TO SUCCEED LIKE NEVER BEFORE.

It's a new day filled with new challenges, but also new opportunities to win over customer loyalty to products, services and people. ■



*photo courtesy of
AJR Studios*



INDUSTRY NEWS

WHY THE PHYSICAL GROCERY STORE STILL MATTERS



STEPHANIE HARRIS

Chief Public Policy Officer and General Counsel
Food Marketing Institute

AS SUMMER WINDS DOWN AND HOUSEHOLDS RETURN TO SCHOOL AND WORK ROUTINES, SHOPPERS ARE NAVIGATING A FAMILIAR TENSION: STRETCHING THEIR BUDGETS WHILE PRESERVING THE MEALS AND RITUALS THAT MATTER MOST.

FMI's U.S. Grocery Shopper Trends 2026—Return to Routine report finds renewed anxiety among consumers about affordability; however, it also shows their remarkable resilience. Consumers are adapting by eating more meals at home through home-sourced lunches and intentional grocery choices—while continuing to give food retailers credit for helping them manage household budgets.

Affordability Returns to the Forefront

Concern about rising grocery prices increased seven percentage points from February, with 68% of shoppers now extremely or very concerned. At the same time, 75% of shoppers say they feel in control of their grocery spending, down five percentage points. It's important to note, however, that the strain is broader than food: confidence also softened across other household expenses, especially gasoline.

Additionally, 6 in 10 shoppers believe they are spending more on groceries than a year ago, and most attribute the increase directly to higher prices rather than buying more products or choosing more expensive brands. Seventy percent report that household income has not kept pace with food price inflation over the past two years. Even so, two-thirds describe their financial situation as comfortable or “doing fine,” suggesting many households have adjusted their routines to a demanding marketplace. In fact, average weekly

household grocery spending remains steady at \$169.

Resilience at the Grocery Store

Despite shoppers' heightened focus on price, their relationship with grocery stores remains strong. FMI's U.S. Grocery Shopper Sentiment Index stands at 69—down from a record 73 in February, but still near its six-year average.

Importantly, 67% of shoppers say retailers try hard to provide options that help them stay within budget, including through promotions, coupons, private brands and varied package sizes. That recognition underscores an opportunity for retailers to make value visible and easy to access. Clear price communication, dependable assortments and solutions that combine affordability with convenience can strengthen trust when household confidence is under pressure.



photo courtesy of Getty Images

Family Meals Anchor Home Life

While budgets shape decisions, shoppers are not evaluating meals on cost alone. Family meals remain a centerpiece of home life: 91% see benefits in them, and 66% say those benefits outweigh the time, effort and expense involved.

NEARLY HALF OF SHOPPERS REPORT HAVING MORE MEALS AT HOME THAN A YEAR AGO, WHILE 35% ARE COOKING MORE.

At the same time, half are eating fewer restaurant meals with family and nearly as many are ordering less takeout or delivery.

The appeal extends beyond savings. Shoppers view family meals as more balanced, healthier and more enjoyable than eating alone. Seventy-two percent say family meals are a good time to teach respectful interaction, and 76% say homemade meals make it easier to include nutritious options. Those who believe the benefits outweigh the costs are also more likely to feel closer to loved ones than they did several years ago.

Lunch Reflects the New Routine

Lunch is another important expression of value, health and convenience. More than half of workday lunches are sourced from home—54% when employees work away from home and 62% when they work remotely. Shoppers most often cite lower cost, convenience and health as reasons to make or bring lunch. Prepared, ready-to-eat or ready-to-heat foods from grocery stores account for a smaller but meaningful share, with shoppers emphasizing speed and ease.

Parents face a similar calculation as the school

year begins. Among households with children ages 5 to 14 who will eat lunch at school five days a week, 55% expect their child to bring lunch from home most days. Health is the leading reason for home-packed lunches, while convenience leads for school meals. Yet 65% of parents say lunch preparation takes too much time and energy.

A Clear Invitation for Retailers

These findings point to a straightforward opportunity: help shoppers turn good intentions into manageable routines. Better-value lunch options top consumers' wish list, followed by healthier, fresher, better-tasting and more varied prepared meal offerings. Easy-to-assemble foods, lunch meal kits, order-ahead pickup and clearly merchandised solutions can meet consumers where cost, health and convenience intersect.

As households return to fall schedules, shoppers are not simply cutting back. They are reorganizing how they eat—bringing more meals back inside the home, seeking practical shortcuts and preserving the social value of eating together. Retailers that deliver transparent value and flexible meal solutions can help make the return to routine feel less like a burden and more like a fresh start. ■



photo courtesy of African Images



To download the U.S. Grocery Shopper Trends 2026: Return to Routine report, visit www.fmi.org/grocerytrends.



INDUSTRY NEWS

OH SNAP! USDA APPEALS DISTRICT COURT DECISION IN SNAP FOOD WAIVER LITIGATION



STEWART FRIED

Principal
OFW Law

ON JUNE 22, 2026, IN ARAGON V. ROLLINS, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA ISSUED AN OPINION STRIKING THE UNITED STATES DEPARTMENT OF AGRICULTURE'S (USDA) APPROVAL OF PILOT PROGRAMS IN FIVE STATES THAT RESTRICTED SNAP HOUSEHOLDS FROM PURCHASING SODA AND/OR CANDY WITH SNAP BENEFITS.

While the opinion only applies to those states in which the plaintiffs reside – Colorado, Iowa, Nebraska, Tennessee, and West Virginia, it raises serious questions about the legitimacy of the Trump Administration's broad effort to make soda and candy SNAP-ineligible items nationwide and deals a serious blow to a central facet of the Make America Healthy Again (MAHA) movement.

Although many politicians, nutritionists, and others have taken issue with the ability of SNAP beneficiaries to purchase soda, candy, energy drinks, prepared desserts, and other items perceived to be "unhealthy," the definition of "food" in the Food and Nutrition Act of 2008 is extremely broad and only excludes "any food or food product for home consumption except alcoholic beverages,

tobacco, hot foods or hot food products ready for immediate consumption." 7 U.S.C. § 2012(k). Notwithstanding this seemingly clear statutory definition of "food," USDA Secretary Brooke Rollins sent a letter on February 13, 2025, to states, tribes, territories, and other governmental partners, inviting each to "propose bold ideas to address challenges that have long plagued our nation," including "much needed reforms to nutrition assistance programs to promote the dignity of work and healthy eating habits to ensure our citizens live longer, more abundant lives." Secretary Rollins also issued a template that states and other USDA partners could use as a guide in submitting a SNAP Food Restriction Demonstration Project Request.

photo courtesy of pixelshot



USDA's SNAP Waiver Pilot Project

In response to Secretary Rollins' plea, 22 states submitted requests to USDA seeking approval to conduct "pilot projects" that would effectively prohibit the sale of soda and/or candy (and other "similar" items) in those states. Not surprisingly, USDA promptly approved all such waivers and the first set of waivers went into effect on January 1, 2026. USDA approved each pilot project pursuant to Section 17 of the Food and Nutrition Act and authorized each state to replace the statutory definition of "food" with each state's proposed definition. It is important to note that USDA did not propose uniform definitions of soda or candy and instead let states craft their own request. For example, waiver requests submitted by some states were limited to carbonated beverages; others included energy drinks and other non-carbonated beverages. Other states sought to exclude the sale of soda, while permitting the continued sale of candy. Other states' waiver requests, including Florida's, excluded "prepared desserts" and defined that terms to mean "shelf-stable, ready-to-eat, pre-packaged sweet food intended for immediate consumption and without further preparation."

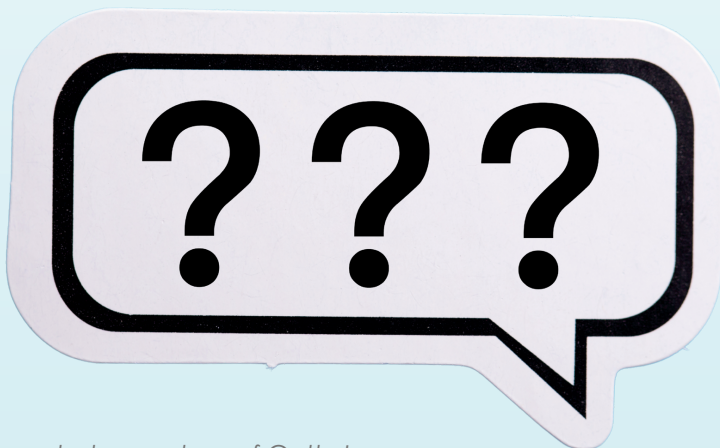
NEEDLESS TO SAY, THIS PATCHWORK OF DIFFERING DEFINITIONS OF "SODA" AND "CANDY" HAS LED TO WIDESPREAD CONFUSION ACROSS THE RETAIL LANDSCAPE, ESPECIALLY FOR GROCERS OPERATING IN MULTIPLE STATES.

Moreover, most states with approved waivers, with a small number of notable exceptions, failed to provide retailers with clear guidance regarding which food items were no longer SNAP-eligible items. These failures were compounded by the USDA's retailer notification plan, which purported to require all retailers in states with waivers to execute Attestation Forms that confirmed that they would comply with the new SNAP restrictions by each state's implementation deadline and annually thereafter. USDA also advised that non-compliant retailers, following a 90-day grace period and a warning following a first offense, would be subject to "Involuntary Withdrawal" from participation as a SNAP retailer.

USDA Did Not Have Authority to Conduct the SNAP Waiver Pilot Project and Failed to Comply with its SNAP Regulations

On March 11, 2026, SNAP beneficiaries in five states filed suit in federal district court in Washington, D.C. challenging USDA's approval of the waivers. The complaint alleged that USDA exceeded its authority under the Food and Nutrition Act and failed to comply with mandatory requirements for SNAP pilot projects. The District Court's well-reasoned opinion agreed, concluding that USDA's waivers exceeded its authority under Section 17 of the Act because the SNAP waiver pilot project did not seek to address the "administrative and logistical efficiency of the SNAP program" and that the waivers improperly attempted to amend the Congressional definition of "food."

The key takeaways from the District Court's opinion are that while USDA can conduct pilot projects designed to increase the efficiency of the SNAP program and improve the delivery of SNAP benefits, the SNAP Waiver Pilot Project did not. Judge Berman Jackson also held that "Congress defined what 'food' is supposed to be, and it did not authorize the agency to amend or waive the definition it enacted. It did not authorize the agency to cut types of food out of SNAP entirely."



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Finally, the District Court held that USDA failed to comply with its own regulation that requires it to post notices in the Federal Register regarding proposed pilot projects not less than 30 days before implementation if they are likely to have a significant impact on the public. Judge Berman Jackson rejected USDA's self-serving statement that it would have an insignificant impact on the public, noting that "it is directly contrary to the facts in the administrative record."

Current Status of SNAP Waivers

The District Court's opinion enjoined Colorado, Iowa, Nebraska, Tennessee, and West Virginia from enforcing the waivers approved by USDA in those states. The decision had an immediate impact in Iowa, Nebraska, and West Virginia because the waivers had already gone into effect. SNAP retailers and beneficiaries in Colorado and Tennessee are safe, for now, from the waivers based on the Court's opinion. But it had zero impact on retailers and SNAP households in the eight states that had approved waivers that were already in effect, including Florida and Texas. With respect to the other 10 states with approved waivers, USDA appears to be taking remedial action based on the opinion. For example, several states, including Ohio, Montana, North Dakota, South Carolina, and Virginia, have received letters from USDA asking each to delay implementation of the waivers in order to permit USDA to publish the required notices in the Federal Register and to solicit public comments.

What Comes Next?

USDA filed a notice of appeal of the District Court decision on August 20, 2026. While the decision to seek appellate review is not surprising, it is curious that USDA waited nearly two months to do so considering that the SNAP waiver project was characterized by many as a signature achievement of the MAHA movement. Given Judge Berman Jackson's well-crafted opinion, it appears doubtful that the United States Court of Appeals for the

District of Columbia Circuit is likely to reverse. That said, the randomly drawn three-judge panel of the D.C. Circuit could be a conservative one. The panel could also focus on the District Court's standing analysis. While standing to sue is a requirement for federal court litigation, it is generally viewed to be a low threshold to satisfy. That said, an argument could be made that none of the plaintiffs sustained sufficient harm to sue based on their alleged "need" to consume soda and/or candy.

To date, USDA has not sought a stay of the opinion or sought expedited briefing. Assuming that it does not, the D.C. Circuit will likely issue a briefing schedule, hold oral argument during Spring 2027, and may issue a decision by next summer. In the interim, it is likely that USDA will publish notices in the federal register in an effort to address that procedural failure. It would also not be surprising to see new lawsuits filed challenging waivers in the other 18 states. What SNAP retailers in Alabama and across the country can be assured of is that USDA's efforts to prohibit the sale of soda and candy is far from over. As a result, grocers in the Heart of Dixie and elsewhere need to buckle up, because it's 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.



photo courtesy of Billion Photos



AGA PROUDLY OFFERS ITS GROUP HEALTH PLAN!



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 23 - March 13, 2026.



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:

Single - \$2,500, Family - \$5,000



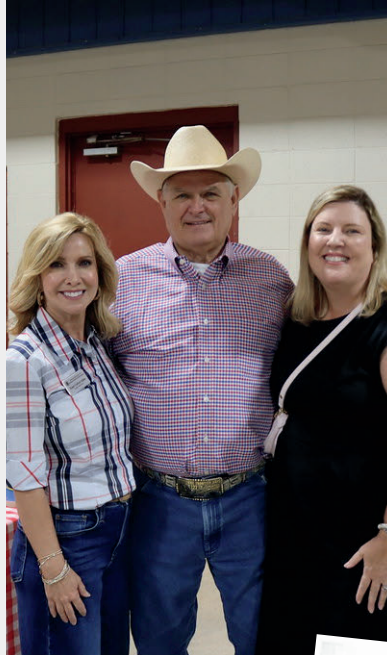
SCAN ME!

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



ASSOCIATION NEWS

A PARTNERSHIP SUPPORTING ALABAMA AGRICULTURE



The Alabama Grocers Association was honored to receive a letter of appreciation from Alabama Commissioner of Agriculture and Industries Rick Pate, recognizing AGA's continued support of the 23rd Annual Tomato Sandwich Lunch and our longstanding partnership with the Alabama Department of Agriculture and Industries.

Commissioner Pate highlighted the importance of working together to connect Alabama producers with consumers, promote buying local and strengthen our state's food supply chain.

AGA extends a special thank you to the many members who contributed products and helped make this event possible. It is the support and generosity of our members that brings partnerships like this to life and help us continue supporting Alabama's farmers, producers and communities. ■



Rick Pate
Commissioner

STATE OF ALABAMA
DEPARTMENT OF AGRICULTURE AND INDUSTRIES
1445 Federal Drive • Montgomery, Alabama 36107-1123

Monday, July 6, 2026

Attn: Ellie Taylor
Alabama Grocers Association
300 Vestavia Parkway, Suite 3500
Vestavia Hills, AL 35216

Dear Ellie,

On behalf of the Alabama Department of Agriculture & Industries, thank you for your generous support of the 23rd Annual Tomato Sandwich Lunch. Our partnership with the Alabama Grocers Association continues to play an important role in connecting Alabama producers with consumers and promoting the importance of buying locally.

Ellie, I especially want to thank you for your friendship and your continued support over the years. Your leadership and dedication to Alabama's agricultural and food industries have never gone unnoticed, and I am grateful for the encouragement and partnership you have always shown us.

The Alabama Grocers Association's continued commitment to strengthening our state's food supply chain and supporting agriculture makes a lasting impact. Because of partners like you, this event remains a meaningful celebration of Alabama's farmers, producers and communities.

I truly appreciate your support and value both our professional partnership and friendship. I look forward to many more opportunities to work together in the years ahead.

With sincere appreciation,

Rick Pate
Commissioner Rick Pate



INDUSTRY NEWS

WHAT ALABAMA GROCERS SHOULD CARE ABOUT AS AGENTIC AI ARRIVES



DR. GLENN RICHEY

Harbert Eminent Scholar
Auburn University

ALABAMA GROCERS HAVE BUILT COMPETITIVE ADVANTAGE THROUGH A DISTINCTIVE COMBINATION OF OPERATIONAL EXCELLENCE, LOCALIZED MARKET KNOWLEDGE, AND SUPPLY CHAIN AGILITY.

Whether a fourth-generation independent operator in a rural county, a regional multi-store chain, or a supply-chain-focused competitor holding its own against national retailers, sustained success emerges not from technology adoption but from something deeper: the continuous development and deployment of human judgment across procurement, demand sensing, inventory management, and community engagement. The most profitable Alabama grocers understand their supply networks intimately. They make decisions informed by both data and experience. They cultivate employees who can recognize when conditions have shifted and respond with informed action.

Agentic AI refers to autonomous decision-making systems capable of analyzing conditions, identifying actions, and executing decisions with minimal human intervention. Within grocery operations and supply chain management, such systems promise tangible improvements: reduced forecast error, optimized inventory positioning, labor-scheduling algorithms, dynamic pricing, and autonomous ordering recommendations. For AGA members operating in a competitive environment characterized by razor-thin margins, labor-market constraints, and rising customer expectations, these capabilities warrant serious strategic consideration. The efficiency argument is compelling. But I would argue it is also incomplete.

AI Can Improve Grocery Operations—But at What Cost?

Consider the operational benefits. Better demand forecasts reduce shrink. More precise ordering lowers inventory carrying costs. Optimized labor scheduling improves productivity per labor dollar. Faster analysis of market conditions lets managers focus on strategy rather than administrative work. For independent grocers and regional chains competing against larger players, these advantages matter significantly.

Imagine an independent operator with stores across communities such as Troy, Cullman, Alexander City, and Andalusia. Traditionally, an experienced district manager spent hours reviewing sales reports, promotional calendars, local events, and supplier availability before finalizing orders. AI systems can process that data in minutes and generate recommendations with statistical precision. This is valuable. AI can extend the analytical reach of experienced managers, allowing them to oversee more stores without sacrificing decision quality.

When used strategically, agentic AI can help Alabama grocers compete more effectively against national retailers that already enjoy scale economies, centralized data infrastructure, and substantial technology investments. The opportunity is genuine. So are the hidden risks.

The Organizational Capability Problem

Most grocery executives developed their professional expertise through direct experience rather than formal training programs. A produce manager learned the business by walking departments daily, monitoring shrinkage, negotiating with suppliers, and making ordering decisions—sometimes correctly, sometimes not. These corrections taught judgment. A regional store manager learned demand patterns through seasons, holidays, football weekends, and local events. A procurement director learned supplier relationships and supply chain dynamics through years of interaction and problem-solving. Expertise, in other words, developed through repetition, feedback, and accumulated experience.

Here is the strategic concern: many of the operational activities now targeted for automation are precisely the activities through which employees historically developed expertise and judgment. Consider a young assistant manager at a family-owned AGA member store. In prior decades, that individual gained competence over several years by participating in demand forecasting, inventory management, labor scheduling, and merchandising decisions. Through mistakes, corrections, and mentorship from experienced managers, they gradually developed judgment about what works in their specific market.

If agentic AI increasingly performs these tasks—even if it performs them well—where will the next generation of leaders develop the experiential foundation necessary for independent decision-making? Five years forward, who will recognize when an AI-generated forecast has become unreliable? Who will challenge a procurement recommendation that looks statistically sound but misses local market realities? Who will notice that customer behavior in a particular community has shifted in ways that historical data no longer predicts?

The concern is not job elimination in the near term. The concern is the slow erosion of an organization's internal capability to think, question, and decide independently. Organizational learning requires people to develop expertise through doing, not by observing automated systems.

Why This Matters for Alabama Grocers Specifically

Many AI and forecasting systems are trained on national datasets and regional patterns. They may not understand the cultural significance of Auburn football game weekends on beverage and prepared-food demand. They may not capture how hurricane-season psychology drives bulk-buying in Gulf Coast communities. They may not anticipate demand shifts tied to local government employment cycles, university schedules, or community festivals. These insights emerge through local market knowledge—something that develops through years of observation and decision-making.

An experienced Auburn-area store manager immediately recognizes how a major home football weekend reshapes demand across multiple categories. A Gulf Shores manager understands tourism seasonality. A manager in Montgomery anticipates spending shifts tied to state budget cycles. These are not data problems; they are insight problems. Data analytics identifies patterns. Experienced managers understand communities.

Organizations that win over the next decade will combine both capabilities: the pattern recognition of advanced analytics and the market insight of experienced decision-makers. Neither alone is sufficient.

Succession Planning and the Leadership Pipeline

Many AGA members already face succession challenges. Experienced store managers, department heads, and operations leaders are

approaching retirement. Replacing them is difficult. The next generation must be developed intentionally—through responsibility, mentorship, and decision-making authority.

Agentic AI creates a subtle but dangerous temptation: allowing junior managers to focus on oversight rather than learning. A district manager supported by AI may oversee more stores. A buyer supported by AI may manage more categories. A planner supported by AI may handle more responsibilities. The short-term productivity gains look impressive. But leadership capability develops through practice—through forecasting demand, managing inventory disruptions, negotiating with suppliers, and solving operational problems independently.

If tomorrow's store managers never experience the challenge of being wrong about demand, never negotiate their way through supplier constraints, and never make inventory decisions whose consequences they must live with, then organizations may discover too late that they have weakened their leadership bench. Technology should accelerate learning, not replace it.

Supply Chain Resilience and Adaptation

Grocery operations are intrinsically subject to disruption. Hurricanes interrupt supply chains. Severe weather affects transportation. Economic shocks alter consumer behavior. Labor shortages create operational constraints. When disruptions occur, historical data becomes a poor guide. What worked in normal conditions often fails in stressed conditions.

The grocery operators who navigate disruptions most successfully are not typically the ones with the most advanced technology. They are the ones with the strongest combination of technology, human expertise, and organizational adaptability. Consider a hurricane scenario along Alabama's Gulf Coast. An AI system may recommend orders based on

historical demand patterns. An experienced operator may recognize that this particular storm presents unique supply-chain risks—port closures, fuel constraints, spoilage concerns—and make dramatically different inventory decisions.

That judgment comes from experience and contextual understanding. If employees become overly dependent on automated recommendations, if managers lose the habit of questioning the system and applying independent thought, then organizational resilience may actually decline. In disruption, human judgment matters more, not less.

Community Relationships as a Competitive Asset

One structural advantage of independent and regional grocers is unlikely to change: their deep connections to local communities. Many AGA members know their customers by name. They support local schools, sponsor youth sports teams, and participate in civic organizations. Their employees live in the neighborhoods they serve. This is not sentimentality; it is a genuine competitive advantage.

When customers have concerns, they want to speak with a person. When employees need development and support, they seek leaders. When communities face challenges—economic disruption, natural disaster, social crisis—trusted local businesses become community anchors. AI can automate transactions and optimize logistics. It cannot build trust or create authentic community relationships. For Alabama grocers, this distinction is strategically critical.

**THE INDUSTRY'S FUNDAMENTAL COMPETITIVE
ADVANTAGE HAS NEVER BEEN TECHNOLOGY. IT HAS
ALWAYS BEEN TRUST.**

Accountability and Organizational Culture

One often-overlooked issue involves ownership and

accountability. As AI systems become more capable and autonomous, organizational culture can subtly shift. Decisions begin to be viewed as "machine-generated" rather than personally owned. Over time, this erodes accountability.

The most effective grocery operators I have observed possess a strong sense of personal accountability for outcomes. If inventory is wrong, they investigate and correct it. If customer service slips, they address it. If sales underperform, they analyze root causes. Their mindset is straightforward: the result is theirs to own. This sense of responsibility drives behavior and performance.

Agentic AI should enhance that sense of ownership, not diminish it. Managers must remain decision-makers, even as they rely on AI as a sophisticated advisory tool. The moment an organization begins externalizing accountability to the system—"the algorithm recommended it," "AI made that call"—it has begun to lose organizational effectiveness.

Strategic Recommendations for Alabama Grocers

Resisting AI would be a strategic mistake. The path forward is thoughtful, strategic adoption that captures genuine productivity gains while protecting the human capabilities that drive long-term competitive advantage.

First, use AI to automate administrative work and augment analytical capacity. Forecasting algorithms can improve demand prediction. Scheduling systems can optimize labor allocation. Pricing algorithms can identify opportunities. These uses enhance productivity without replacing human decision-making.

Second, commit intentionally to developing the next generation of leaders. Ensure that assistant managers develop competence in demand forecasting, inventory management, and merchandising through direct responsibility and

mentorship. Ensure that future leaders experience supply-chain disruption, demand volatility, and operational problem-solving firsthand. Leadership develops through experience, not observation.

Third, maintain human decision-making authority at strategic points. When an AI system recommends a major order quantity, shift in supplier mix, or significant price change, that recommendation should pass through experienced human judgment before execution. The system provides analysis; humans provide wisdom.

Fourth, build organizational cultures where questioning the system is expected and valued. Encourage managers to understand why AI-generated recommendations make sense—or to identify when they don't. This inquiry-based culture is how organizations maintain adaptive capacity.

In other words, treat AI as a training and advisory partner, not a replacement for human judgment. The grocery retailers that thrive over the next decade will not be those that automate most aggressively. They will be organizations that successfully combine advanced analytical capability with experienced, engaged, culturally grounded people.

Conclusion

For Alabama grocers, the essential strategic challenge is not deciding what agentic AI can do. The real challenge is ensuring that in pursuing efficiency, they do not inadvertently hollow out the organizational capabilities—local market knowledge, leadership competence, supply chain resilience, and community relationships—that created their competitive position in the first place. Those human capabilities remain the industry's most valuable asset. Unlike software, they cannot be redownloaded or reimplemented quickly when needed. They are built through years of experience, mentorship, and learning. Protect them. ■



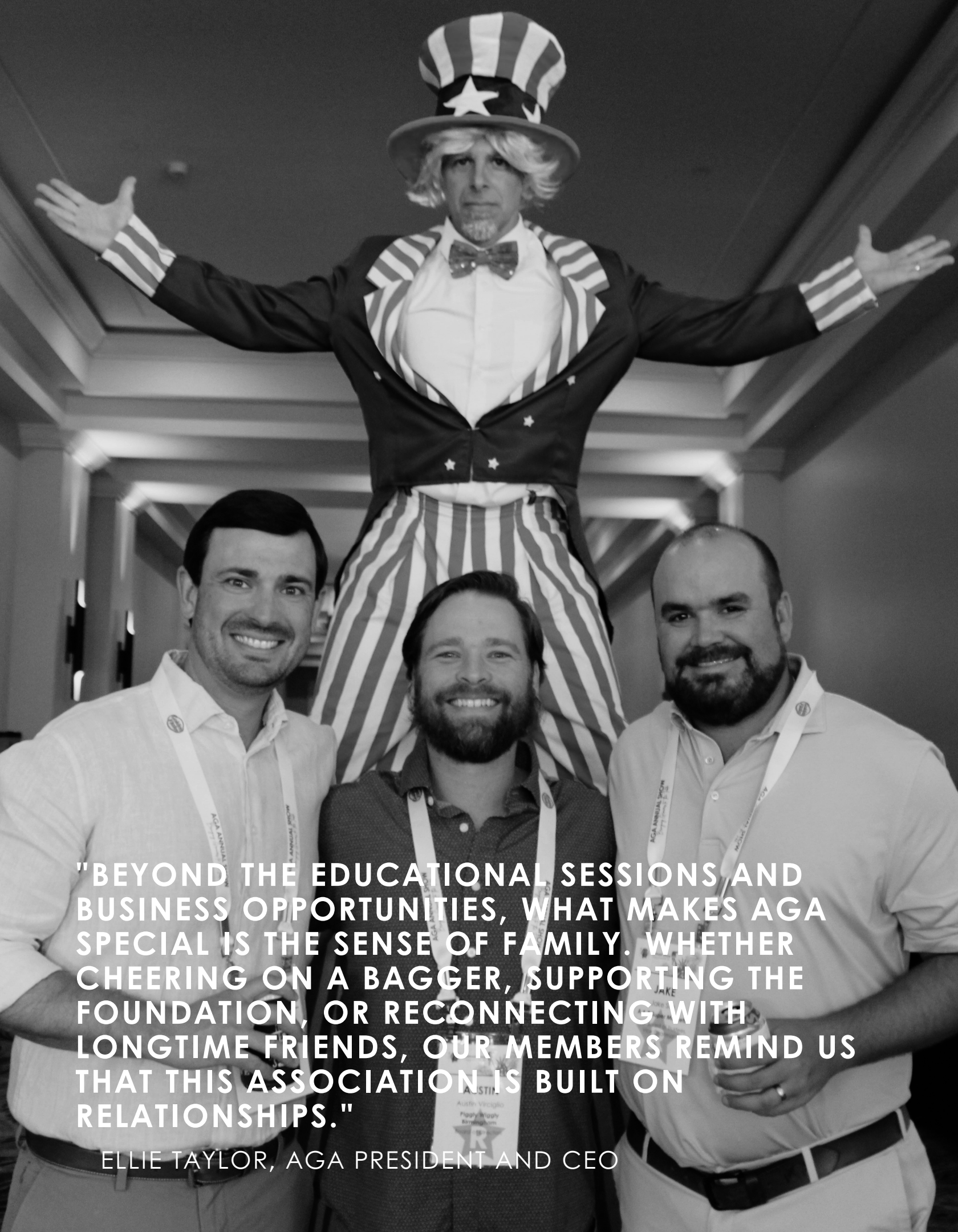
2026 ANNUAL SHOW

Recap



The 2026 AGA Annual Show brought the AGA family together at Sandestin for a “Stars, Stripes and Celebration,” theme honoring America’s 250th birthday while celebrating the people and relationships that make Alabama’s grocery industry strong. The week was a celebration of connection, camaraderie and the AGA family, capped off with a special performance by Alabama native and American Idol winner Taylor Hicks.





"BEYOND THE EDUCATIONAL SESSIONS AND BUSINESS OPPORTUNITIES, WHAT MAKES AGA SPECIAL IS THE SENSE OF FAMILY. WHETHER CHEERING ON A BAGGER, SUPPORTING THE FOUNDATION, OR RECONNECTING WITH LONGTIME FRIENDS, OUR MEMBERS REMIND US THAT THIS ASSOCIATION IS BUILT ON RELATIONSHIPS."

ELLIE TAYLOR, AGA PRESIDENT AND CEO

IDEAS, INSIGHTS AND INDUSTRY LEADERSHIP



Education was a key focus of the 2026 AGA Annual Show, bringing together experts to address the trends, challenges and opportunities shaping the grocery industry.

U.S. Congressman Barry Moore provided a national legislative update, while Michael Sansolo of Sansolo Solutions explored how artificial intelligence is changing the customer journey and examined the growing influence of GLP-1 medications on grocery. Paul DeMarco of Wilmer & Lee, P.A. and Paul Burnett of Higginbotham Insurance discussed litigation and risk prevention, offering insight into issues facing today's retailers.



Looking toward the future, Dr. Glenn Richey of Auburn University examined the role of AI in grocery supply chains, while Jon Cline and Rachael Gideo of FMS shared perspectives on national grocery trends.

Together, the sessions gave attendees a broader view of what is happening in Washington, in stores and across the supply chain, and what it could mean for the future of Alabama's grocery industry.



GIVING BACK

Giving back was at the heart of the 2026 AGA Annual Show. Through Fund the Future, the AGA family raised more than \$28,000 to support the Alabama Grocers Education Foundation and its scholarship program.

The Annual Show also celebrated the people who make our industry shine during the Alabama Best Bagger Competition. Hope Golden of K-VA-T/Food City was named the 2026 Alabama Best Bagger, competing alongside Abigail Sikes of Greer's and Dorothy Elaine Pierce of Rouses. Andrew Virciglio of Piggly Wiggly Birmingham, Bubba Lindley of EDLINCO, and Brett Bennett of Publix Super Markets, Inc. competed in the inaugural Boss Best Bagger Competition, with Bennett taking home the title.

Together, these events highlighted the AGA family's commitment to supporting our industry, celebrating its people, and investing in its future.



STARS, STRIPES & EXHIBITS

The 2026 AGA Annual Show Exhibit Hall brought the Stars, Stripes & Celebration theme to life as exhibitors showcased their products, services and creativity while connecting with retailers and wholesalers from across the grocery industry. From creative exhibits to valuable industry connections, the Exhibit Hall once again highlighted the strong relationships that make the AGA family special.



BEST DECORATED BOOTH
WINNERS



Taking home Best Decorated Booth honors were Alabama Crown Distributing Company and Utz/Golden Flake. Both exhibitors stood out for their creativity and commitment to the theme, adding to the energy and celebration throughout the sold-out Exhibit Hall.

AGA congratulates Alabama Crown and Utz/Golden Flake and thanks all of our exhibitors for making the Exhibit Hall a memorable part of this year's Annual Show.





ASSOCIATION NEWS

AGA WISHES TO RECOGNIZE OUR DIAMOND AND FOUR STAR SPONSORS FOR THEIR GENEROUS SUPPORT OF THE 2026 ANNUAL SHOW

★ ★ ★ ★ FOUR STAR SPONSORS ★ ★ ★ ★



◆ ◆ ◆ ◆ DIAMOND SPONSORS ◆ ◆ ◆ ◆





Few people know the inner workings of a company the way Chris does. He has spent more than 40 years learning, leading, mentoring, and helping build one of the most recognizable brands in the South. But what makes Chris truly special is that while he has achieved tremendous professional success, he has never forgotten the importance of serving others.

-Wade Payne, AGA Chairman



CHRIS CROSBY

Spirit of Alabama Recipient

The Alabama Grocers Association proudly presented Chris Crosby of Utz/Golden Flake with the 2026 Spirit of Alabama Award, recognizing his leadership, service and dedication to Alabama's grocery industry.

Chris began his Golden Flake career in 1982 and has spent more than four decades in the industry. He served on the Alabama Grocers Education Foundation Board for more than 20 years, joined the AGA Board of Directors in 2018, and has been an AGA Annual Show exhibitor since the very beginning.

Known for his generous spirit and commitment to faith and family, Chris truly embodies the Spirit of Alabama. Congratulations, Chris!





ASSOCIATION NEWS

BUY ALABAMA'S BEST FOOD EXPO



Celebrating Alabama-Made Products

The Buy Alabama's Best Food Product Expo showcased local products and the companies behind them. A special thank you to our participants: Alabama Department of Agriculture & Industries, Bee Creek Farm, Blue Bell Creameries, Bud's Best Cookies, Buffalo Rock Company, Coca-Cola Bottling Company UNITED, Golden Eagle Syrup, Mayfield, Milo's, Moore's Marinade, Ms Rubins, Red Diamond, Sid's Sure Shot, Uncle Bob's Sauces & Rubs and Wickles Pickles. Thank you for supporting Buy Alabama's Best and helping us celebrate Alabama-made products.



Giving Back to Children's of Alabama

Giving back is at the heart of Buy Alabama's Best, making Children's of Alabama the perfect setting for this special event. Hospital staff joined us during the Expo, making their way through the exhibit lines to sample Alabama-made products and meet the companies behind them. It was a meaningful opportunity to share some of the best products our state has to offer while celebrating the longstanding partnership between Buy Alabama's Best and Children's of Alabama.





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Red Diamond
Retail Data Systems, Inc.
Reynolds American
Truno
Utz Quality Foods/Golden Flake

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Wright's Markets



ASSOCIATION NEWS

UPCOMING EVENTS AND SOCIAL MEDIA ACCOUNTS



AGEF CLAY SHOOT

a day at

SELWOOD FARM

10.08.26



CELEBRATING
ALABAMA'S
FINEST



10.21.26
THE CLUB
BIRMINGHAM, AL

RETAILER
OF THE YEAR
JAY WILBORN



WHOLESALE
OF THE YEAR
BOYD WEST



VENDOR
OF THE YEAR
CHRIS WOODS





AGA ANNUAL SHOW

Sandestin Golf & Beach Resort



JULY
25-28
2027

JULY
23-26
2028

JULY 29-
AUG 1
2029

JULY
28-31
2030

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FOR MORE INFORMATION PLEASE CONTACT:

**Billy Leverett
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