



THE VOICE OF FOOD RETAIL

Feeding Families  Enriching Lives

July 12, 2017

Dr. Matthew Curran
Committee Chair
National Conference on Weights and Measures
Specifications & Tolerances Committee
Bureau of Standards in the Division of Consumer Services, State of Florida
3125 Conner Blvd., Lab 2
Tallahassee, FL 32399-1650

Re: S&T Item 3200-3 - S.1.8.5. Recorded Representations, Point of Sale Systems

Dear Dr. Curran:

The Food Marketing Institute (FMI)¹ opposes 3200-3 (formerly S.1.8.5) *Recorded Representations, Point of Sale Systems*. Item 3200-3 requires sales information recorded by cash registers when interfaced with a weighing element to contain the tare on the register receipt, for items weighed at the point of sale (POS).

This proposed requirement is in addition to the already required net weight, unit price, total price and the product class or, in a system equipped with price look-up capability, the product name or code number. As stated by the originators of this item, the purpose is to “provide verification to consumers through recorded representation that tare has been taken at point of sale for sales from bulk.”

As we understand it, examples of the foods that would be required to show the tare on the register receipt are produce, salad bar, bulk candy, bulk coffee, bulk nuts, or any other food product that is weighed at the POS. We also understand this to mean that if a customer purchases one item to be weighed at the POS, or 100 or more, it does not matter; all tare weight will be required from each, on the register receipt.

¹ The Food Marketing Institute (FMI) proudly advocates on behalf of the food retail industry. FMI’s U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies, representing a combined annual sales volume of almost \$770 billion. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world. FMI membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large multi-store supermarket chains and mixed retail stores. For more information, visit www.fmi.org.

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FMI and its members have a substantial interest in Item 3200-3 and its impact on our industry and our customer base. Our members also have a vested interest in customer satisfaction and have made great strides to ensure that customers are happy with their grocery shopping experience; in fact, great weight is put to any customer concerns.

To this end, FMI could not find one member who had a customer request that tare appear on their register receipt. And please keep in mind that this involves millions of produce and bulk transactions per year.

FMI members also have a vested interest in keeping food – a basic necessity – safe and affordable. In fact, the grocery industry runs on a razor-thin profit margin of just 1.7%. Item 3200-3, if passed by the National Conference on Weights and Measures (NCWM), would prove extremely costly to the industry, and these are all costs that would be shifted to the consumer, all for a regulation that consumers have not asked for, and that is already regulated through inspections for compliance by each state.

As you know, currently, the tare is entered into a retailer's item system to account for packaging on random weight, but that number does not print out on register receipts. FMI understands that there are some POS systems in place that offer the option to print the tare, as the ability is already coded in the software of these systems. However, the vast majority of FMI members have front end systems that do not offer this option and therefore would require extensive and costly system updates and redesigns.

Redesigning how a point of sale system captures price and sales information would require software development, labor costs, testing and possible equipment upgrades, employee training and consumer education, in order to comply. This also means that each register would need a software change, multiplied by the number of registers in the store, and then multiplied by the number of stores owned. This would be a significant cost for chain retailers, and it would also be a significant cost for single-store operators, all of whom already run on a razor-thin margin. Many of these single-store operators, also known as "Mom and Pops" may be using old technology and could be put in a situation where they would need to jump a generation or two of technology in order to comply.

Additionally, many grocery stores have "self-weigh" or "scan it" systems located in the produce department. In this situation, a customer can weigh their produce, and print a scale label that shows the net weight, unit price and total price as well as the product name. The scale label also contains a barcode that will be scanned at the POS. In this instance, the produce does not need to be weighed again at the front-end, because it has already been weighed in the produce department. To require that in this situation, the tare appear on the register receipt would require a major development effort with multiple systems involved: barcode to POS. This would require software development in the self-weigh system plus new barcode specifications.

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Additionally, significantly more paper would be used with longer receipt tapes, if the tare is required to appear on the register receipt for each item weighed at the POS. This would be a heavy cost to the industry that would be handed down to consumers as well as having an environmental impact.

As you may know, the retail grocery industry is already a heavily-regulated industry with many costs, so close assessment is given to any proposal that will burden the industry, and therefore eventually grocery consumers, with unnecessary costs.

To put things into perspective, the retail grocery industry is a dynamic part of the U.S. economy, accounting for about \$899.25 billion in output or about 5.02 percent of GDP. It employs approximately 7.85 million Americans who earn wages and benefits of about \$334.88 billion. Members of our industry and their employees pay \$153.67 billion in federal, state and local taxes. (This does not include state and local sales taxes or excise taxes that may apply to specific retail services.)²

In short, the cost to industry and eventual cost to consumers versus the benefit of Item 3200-3 – for something that is already routinely inspected for accuracy – does not add up.

FMI appreciates the opportunity to comment on this important matter. FMI and our members share your commitment as well as that of the NCWM, to ensure honesty and equity in the marketplace for both consumers and the business community. Thank you for your consideration of our views on Item 3200-3, and we look forward to continue working with you and the NCWM.

Sincerely,

Elizabeth K. Tansing

Elizabeth K. Tansing
Director, State Government Relations

² John Dunham & Associates. *The Food Retail Industry Economic Impact Study*. April 14, 2017.