

Food Marketing Institute
Wholesaler Committee Meeting
Vancouver, British Columbia
Wednesday, October 15, 2014

Those Present

Brian George, Alex Lee, Inc.; **Jerry Garland**, Associated Wholesale Grocers, Inc.; **Henry Johnson**, W. Lee Flowers & Co., Inc.; and **Ken Nemeth**, Central Grocers, Inc.

Guests

Jack Porter, KeHE

FMI Executive Staff

Dagmar Farr, Mark Baum, George Green, Sam DiCarlo, and Dr. Hilary Thesmar.

I. Chairman's Call to Order

The October 15, 2014 Wholesaler Committee (WC) meeting in Vancouver, British Columbia was convened at 2:00 p.m. by Brian George, deputy vice chairman of the Wholesaler Committee. Mr. George noted that Mr. Jay Campbell, chairman of the Wholesaler Committee was unable to attend due to a conflict. Ms. George noted the letter sent by Mr. Campbell to all Committee members and Mr. Campbell's request to identify priority issues, review the current structure of the Committee and to expand participation by including other distributors.

Review of FMI Antitrust Compliance Policy.

Mr. George Green reviewed FMI's Antitrust Compliance policy with the WC and reminded the Committee that it is FMI's policy to comply with the antitrust laws in every respect, including social occasions.

II. Program Update

Mr. George asked Mr. Mark Baum and Ms. Dagmar Farr for updates on the issues/programs identified below.

a. **Supply Chain Conference 2015**

Mr. Baum reported on the FMI/GMA Supply Chain Conference February 15 -18, 2015 in Phoenix, Arizona.

Committee members raised a number of issues that should be addressed between trading partners, on-time delivery, service-levels, and others in the hope that these would become topics

of discussion at the conference or related forums. Committee members also noted that the WC would benefit from retail chain participation when addressing distribution, transportation, and logistics issues.

b. Rapid Recall Exchange

Mr. Baum reported on the status of Rapid Recall Exchange (RRE). Mr. Baum noted that given the positive response of the industry related to the timeliness of recall notification, there was no longer a need for a “preferred” recall notification service provider (i.e. Rapid Recall Exchange). Mr. Baum added that RRI had achieved its primary objective by driving awareness and action. Mr. Baum noted that the goal now is to have suppliers enabled to provide accurate, actionable information on a timely basis (with as “few touches” as possible), so that retailers (affected parties) can respond quickly for compliance purposes and the benefit of their consumers. Therefore, Mr. Baum noted that FMI, GMA and GS1-US would reconstitute RRE as a structured, fillable form that could be used by suppliers to inform their distributors and retailers in the event of a recall or withdrawal. The RRE form would include the core set of attributes agreed to by the service provider working group. The disposition of the RRE commercial enterprise- the server based platform would be determined over the next several months.

c. Reverse Logistics: ARP Study Task Force

Mr. Baum noted that the Unsaleables Committee would put the Adjustable Rate Policy debate aside to focus on systemic causes with the goal of reducing the occurrence of unsaleable products and creating more efficient reverse logistics practices. This group is working in conjunction with GMA.

The Committee identified and discussed the need for benchmarking research for wholesaler distribution. The Committee asked FMI to explore opportunities with existing benchmarking research being conducted by ROFDA and NAW.

d. FMI MarketLink

Mr. Baum provided a summary an update on the current state of FMI’s Marketlink program enabling one to many communications between manufacturers and smaller and mid-cap retailers below their normal selling coverage. Mr. Baum noted the need to increase recruitment of registered users from the independent retailer community and supplier to provide content.

e. WAFC/FMI Retail Manager Certificate Program

Ms. Dagmar Farr presented an overview of the Western Association of Food Chain (WAFC) Retail Management Certificate Program (RMC). The RMC program is an 8 course community college program available at 160 community colleges and satellites, and on-line. The program is designed and developed by college and industry professionals to meet the development needs of the retail industry. The course content is consistent across all approved community colleges and

is comprised of content designed to develop educational knowledge and technical competence in the following key areas:

Human Relations and Organizational Leadership Business Technology (Computer Applications)
Business Communications (Written/Oral) Principles of Management Principles of Marketing
Human Resources Management Financial Management and Budgeting Retail Management

College credits earned with the RMC certificate provide credit toward an AA/AAS degree and are transferrable to 4-year colleges.

Ms. Farr noted that WAFC asked FMI to participate in a U.S. Department of Labor grant to assist in taking the RMC program nationwide. Ms. Farr noted that this initiative is just underway and additional information would be forthcoming.

f. FMI Connect

Ms. Farr reported on FMI Connect and thanked the companies that hosted the reception for independent operators on the FMI show floor: Alex Lee., Inc., Affiliated Foods Midwest Cooperative, Inc., Associated Food Stores, Inc., Associated Wholesale Grocers, Inc., Bozzuto's, KeHE, W. Lee Flowers & Co., Unified Grocers, Inc., and Wakefern Food Corporation.

g. Herbert Hoover Award

Mr. George reminded Committee members that a request was sent to all FMI Board members requesting nominations for FMI's Herbert Hoover Award. FMI's Herbert Hoover Award recognizes a leading wholesale or supplier executive for humanitarian service in business. Mr. George urged members to get their nominations into FMI.

III. Food Safety/FSMA Update

Mr. George called on Dr. Hilary Thesmar for a food safety update. Dr. Thesmar provided an update of FSMA: what is in effect now, what rules apply to wholesalers, what must be addressed and resources available to FMI members. Dr. Thesmar also provided an update on FSMA Compliance at a glance, by facility type.

Dr. Thesmar noted that additional resources and reminders as they apply to wholesaler would continue to be sent to all wholesalers.

IV. Other Business

Priority Issues

Mr. George asked Committee members to identify priority issues that they would like FMI and the Committee to address: Two issues were identified: FSMA and benchmarking for wholesale distribution.

Next Committee Meeting

Mr. George announced that the next WC Committee meeting would take place just prior to FMI's Midwinter Executive Conference, January 24 – 27, 2015, in Miami, Florida.

V. Adjournment

There being no other business the meeting was adjourned at 3:30 p.m.

Dagmar T. Farr,

Senior Vice President, Member Services