

Texas Retailers Newsletter: November 2018



Hello Texas Retailers,

November is here and that means election day has come and gone, and the holiday shopping season is already underway. After a year filled with one of the most intense elections seasons in recent memory, and probably the most hard-fought mid-term elections ever, the dust has now settled. Regardless of where you stood on the candidates, one thing is for sure, there are a LOT of new faces in both the state legislature and among our Congressional delegation. It will be our job to get to know all of these new elected officials and begin to educate them about the importance of retail in Texas, and that process has already begun. The 116th Congress, which will feature a Republican controlled Senate and Democratically controlled House, will convene on January 3rd, and the Texas Legislature, featuring a new House Speaker, will convene on January 9th.

However, before all of our legislative works gets underway in January, we have the “Super Bowl of retailing,” otherwise known as the annual holiday shopping season. I know that we are all looking forward to another great holiday shopping season for Texas retailers. In Texas our economy has bounced back, and unemployment is at record lows, so all signs point to another record holiday shopping season. On that note, TRA has been laying the groundwork to promote Texas retail during the holiday shopping season, starting even before the traditional kick-off to the holiday shopping season-- the Thanksgiving Holiday weekend. As TRA has done successfully for the last three years, our goal is to once again position TRA as THE resource for retail information during this most important time of the year for our members – and we’ve already been quite busy, fielding media inquiries and interviews about what Texas retailers are expecting this holiday season. If you, your company or store is interested in serving as one of our industry spokespeople, please contact Justin Williamson at jwilliamson@txretailers.org.

The 2018 mid-term elections were held on November 6th and had the highest voter turnout for any Texas gubernatorial election since 1970. Even with the largest turnout in close to half a century, the outcome of the election was as the polls had generally predicted, but not without a few surprises. All of Texas’ statewide elected officials won re-election and US Senator Ted Cruz won an ultra-competitive race for re-election. Because of the election results there will be at least 29 new members in the Texas House starting in January. Perhaps the most surprising part of the results is that Republicans lost 12 House seats, which was more than expected. Come January, the Texas House will be comprised of 83 Republicans and 67 Democrats. In the Texas Senate, two Republican incumbents lost their elections, so next session there will be 19 Republican and 12 Democratic Senators. However, despite the loss of two Republicans, the election results will have little effect on the way the Senate operates, as it would have taken at least 13 Democrats to stop legislation from hitting the Senate floor for a vote. On the federal level, Texas was not spared from the national Blue Wave that propelled House Democrats to the majority. Texas’ Congressional delegation also saw some significant changes and will feature nine new members starting in January, including

two Democrats, who beat incumbent Republicans in their respective elections. More details on the midterm elections are included in this newsletter, including information about how you and your colleagues can join us for Texas Retailers Lobby Day at the State Capitol here in Austin on March 20th.

Lastly, as we enter the holiday season, especially with a great outlook for another robust and record-setting holiday sales season, it's important to remember how each of us can do more than just for ourselves. Many of you know about, and in fact probably participate in, giving campaigns during the month of November. I'd like to make a special appeal to all of TRA's members that they give strong consideration to allocating some of their personal or corporate giving this month, and especially on GIVING TUESDAY (Nov. 27th) to the Texas Retailers Education Foundation (TREF). As you may know, TREF is the charitable arm of TRA and provides financial support to educational programs and individual students at the high school, community college, and university level, who promote, train and educate our state's next generation of retail leaders. TREF has done great work over the years and expanded its reach in the last few years. You and your companies can help TREF continue this great work through your generosity during this year's giving campaign. More information is available on how you can participate in this newsletter.

As always, the TRA team is busy laying the foundation for some of our most important efforts during 2019, while working on finishing 2018 strongly. Please don't hesitate to contact me or any member of the TRA staff team at any time. As always, thank you for supporting TRA and Happy Thanksgiving to all of you and your families, and best wishes on a successful holiday sales season.

Sincerely,



President/CEO
Texas Retailers Association

Legislative Update



November begins a new phase of work being done in Austin and in the halls of the Capitol Building. The general elections are over and we now know who will be sworn into office on January 8, 2019 to begin the 86th Texas Legislative Session. Additionally, bill filing began on November 12th and several hundred pieces of legislation were filed, many having a direct impact on our industry. TRA is tracking a variety of issues this session and will be providing updated legislative tracking lists for our weekly Tax and Legislative calls beginning in January. If you hear of a specific bill that is of interest to your business please contact TRA to get more information. As always, TRA's member input on how these proposed new laws impact the retail industry is critical to this process and we welcome your participation.

General Election Recap

The mid-term elections were held on November 6th in Texas and although voter turnout was the highest for any gubernatorial election since 1970, the outcome of the election was as many of the polls predicted.

Senator Ted Cruz defeated Congressman Beto O'Rourke 51%-48%. O'Rourke received the most votes ever for a Democrat in Texas and this race was the closest statewide election for any Democratic challenger since 1994.

Texas House Races

There will be at least 29 new members in the Texas House following yesterday's election. 13 were open seats, 8 members lost their primaries and 8 incumbent Representatives lost his or her general race yesterday.

The Republican's lost 12 seats since last session while on the Democratic side, no seats were lost. When Session begins in January, the Texas House will be comprised of 83 Republicans and 67 Democrats.

We were excited to see TRA member and State Representative John Raney, from College Station win his reelection bid where he will continue to support our industry.

Texas Senate

In the Senate, two incumbents lost their elections. Tea Party incumbent Sen. Konni Burton (R-Colleyville) was defeated by businesswoman Beverly Powell (D-Burleson) in Senate District 9. This Tarrant County seat was seen as the only "purple" Senate district as it historically flips between Republican and Democratic representation.

In Dallas's Senate District 16, incumbent Don Huffines lost to Democrat Nathan Johnson. This seat has been represented by a Republican for more than three decades.

Next session, there will be 19 Republican and 12 Democratic Senators.

Statewide Elections

Governor's Race - Governor Abbott won reelection against former Dallas County Sherriff Lupe Valdez.

Lt. Governor's Race - In the Lt. Governor's race, Lt. Governor Dan Patrick defeated Democratic candidate Mike Collier in the November election.

Attorney General's Race - Attorney General Ken Paxton defeated Democratic challenger, Justin Nelson.

Agriculture Commissioner Sid Miller, Comptroller Glenn Hegar, and Land Commissioner George P. Bush all won their elections.

Congress - Texas will get 9 new representatives in Congress in January. There were 7 open races and 2 Congressman lost their races.

Congressmen Pete Sessions (R-Dallas) lost to Democratic challenger Colin Allred. Allred is lawyer and former NFL player for the Tennessee Titans.

In Houston, Democrat Lizzie Fletcher unseated Congressman John Culberson. This seat has been held by a Republican for over 50 years, but the national Democrats focused their attention on this seat because Hillary Clinton won the district in 2016.

Congressman Michael Cloud (R-Victoria) retained his Congressional District 27 seat. This district runs from Nueces County to Bastrop County. Congressman Cloud was elected to this seat during a special election to replace former Congressman Blake Farenthold. He was able to defeat a democrat, libertarian, and independent challenger to continue representing this district.

Congressman Will Hurd (R-Helotes) was able to narrowly defeat Gina Ortiz-Jones (D-San Antonio) to continue representing Congressional District 23, anchored in San Antonio. This district was considered a swing district, but Congressman Hurd ended up with the victory.

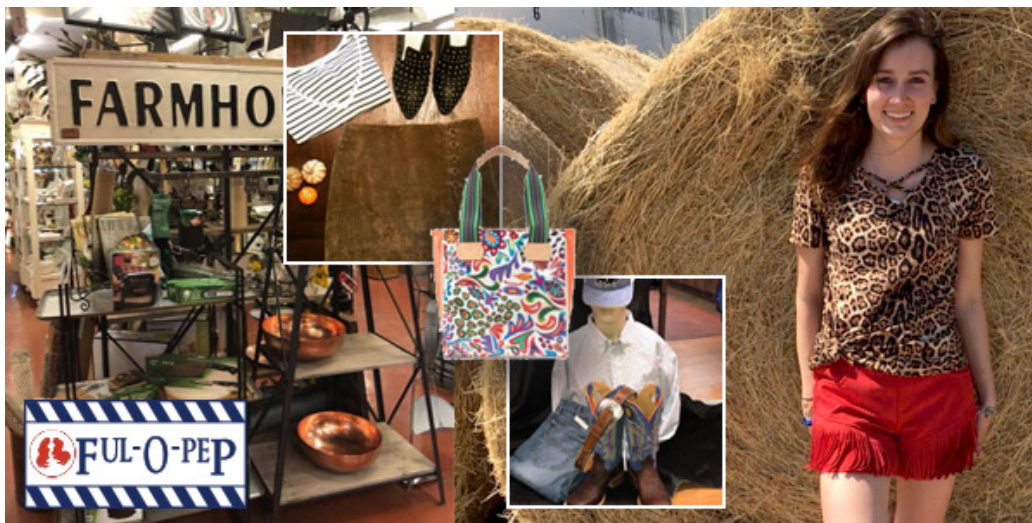
Chip Roy (R-Austin), former Chief of Staff to U.S. Senator Ted Cruz, will now represent Congressional District 21, which runs from San Antonio to Austin. Roy defeated Democratic candidate and former Army Ranger, Joseph Kopser.

In East Texas, current State Representative Lance Gooden (R-Terrell) will head to Congress to replace Jeb Hensarling, who retired.

Veronica Escobar from El Paso and current Senator Sylvia Garcia from Houston both won their respective elections and will be the first Latina women from Texas to serve in Congress.

[A full list of election winners can be found here.](#)

Member Spotlight: Ful-O-Pep Ranch Store



Ful-O-Pep Feeds, with headquarters in Cuero, Texas, is long time family-owned business that extols the virtues and values of a life focused on fellowship, agriculture and animal husbandry – values that are not only important to everyone that enjoys a meal, but also values that seem to be on the decline in our heavily-technology-focused world. To further support the future of agriculture, Ful-O-Pep helped found “Shoestring Syndicate” in DeWitt County. Shoestring Syndicate, to date, has awarded over \$500,000 in youth agriculture scholarships! Ful-O-Pep has feed mills and retail stores in both Cuero and San Antonio, Texas. Ful-O-Pep Ranch and Garden Center in Cuero is a one-stop-shop for feed and ranch supplies, plants and gardening supplies, home and garden décor, unique gifts, gourmet treats, fashions, footwear and more. Ful-O-Pep Ranch and Home Center in San Antonio offers many of the same items, however does not have an extensive garden center.

The Ful-O-Pep mills and retail stores are staffed with friendly, knowledgeable people that are happy to help answer any questions. Ful-O-Pep has two websites, one focusing on feed and the mills at www.fulopep.com, and the other that focuses on the retail stores at www.fulopepranchstores.com. Ful-O-Pep has a social media presence on Facebook (@fulopepfeed and @fulopepranchstore), Instagram (@fulopepranchstore) and is also on Pinterest. Visit a Ful-O-Pep Mill or Ranch Store and you’ll appreciate their feed, their products and most importantly, their effort to make a difference.

Ful-O-Pep Ranch & Garden Center & Bloomin' Cactus Boutique - Cuero
1551 North Esplanade, Cuero, TX. 77954, PHONE: 361-275-5033

Ful-O-Pep Ranch & Home Center - San Antonio
4542 Rigsby, San Antonio, TX. 78222, PHONE: 210-648-0141

Ful-O-Pep Corporate Headquarters
208 Hutcheson, Cuero, TX. 77954, PHONE: 800-242-3500

Plastic Container Theft Task Force



The Texas Retailers Association launched the Operation S.T.O.P.P. initiative in 2013 in Houston, TX in response to the overwhelming plastic container losses our retail members report each year. Plastic crate theft is considered a felony and our mission is to recover crates and stop this organized crime.

When you opt in to the Plastic Container Theft Task Force, you have a very high chance of getting your plastic crates and containers back. This program is designed specifically for retailers who are victims of plastic container theft and who want to save money by recovering their stolen property. If your company wants to acquire stolen goods back or wants to help prevent future organized retail crime, [please click here for details on opting-in](#) to the Plastic Container Theft Task Force.

Representative Will Hurd's Visit with Target



Thanks to TRA Member, Target, for hosting Representative Will Hurd. During this visit, TRA was able to present his National Retail Federation Hero of Main Street Award! CEO/President, George Kelemen, was able to represent TRA and attend the event.

TRA-Endorsed Energy Solutions Provider: Amerex Energy Services



A TRA-endorsed service provider since 2002, Amerex is the largest OTC(wholesale) natural gas, electricity and emissions trader in North America. Their real-time involvement in the wholesale energy market and their customized service has consistently yielded significant cost savings to TRA members. [Click Here to Learn More](#)

Contact: Brandi Peck, bpeck@amerexenergy.com, 281.340.5308
www.amerexenergyservices.com

Click Here to Learn More!

NRF and Federal Reserve Small Business Survey



The Texas Retailers Association is partnering with the National Retail Federation and the Federal Reserve to conduct a Small Business Credit Survey for both pre-start and existing businesses, and we'd like you to participate. This short survey will take approximately 9 minutes and will ask about business conditions, financing needs and credit experiences. All responses are confidential; summary results will be shared with you.

The survey highlights the experiences of small businesses and provides critical information that service providers, policymakers and lenders use to improve programs for small business owners.

Please click the link below to complete the survey. Thank you for participating.

https://frb.co1.qualtrics.com/jfe/form/SV_3mhPesBmhBIL9I3?orgid=NRF&entid=&reserve_bank=National

The survey closes December 8, 2018. Questions? Contact ATLFedSmallBusiness@atl.frb.org.

TRA-Endorsed Insurance Provider: ANCO Insurance



**Need retail business insurance?
Discover coverage and service
that is your perfect fit.**

Get the right insurance from insurance professionals who know retailers. At ANCO Insurance, you'll find:

- Customized coverages for your business
- Knowledgeable agents who know your special requirements
- Affordable, quality products
- The only TRA-endorsed agency.

Apply online at InsuranceforRetailers.com. Or contact us at (512) 330-9836, ext. 6324 or 6340 or by email at ohara@anco.com and doolittle@anco.com.

We go the extra mile for you!



Agents Cassie Doolittle
and Gina O'Hara



ANCO insurance is TRA's endorsed provider for the full range of insurance coverages for your business, including property, general liability, auto, workers compensation, occupational accident, life, group health and disability. You can count on an insurance program customized for your business with a commitment to serving TRA's membership and providing personal attention to each client. ANCO is known for superior customer service standards, quick response times to calls & emails, along with individual care.

Contact: Gina O'Hara, ohara@anco.com or
Cassie Doolittle, doolittle@anco.com, 512.330.9836 x 6340

www.insuranceforretailers.com



Texas Retail Lobby Day is quickly approaching and you won't want to miss it! Lobby Day will be Wednesday, March 20th at the Sheraton Austin Hotel at the Capitol. Attendance is free for all TRA members. This is your opportunity to voice your company's and our industry's needs with your representatives. [Save the date and register today!](#)

Grocers Corner- In the Cart



WIC/SNAP Program Statistics Update

WIC recently issued an important news flash regarding new approved foods for the Authorized Product List (APL) effective October 1, 2018: This list included brands like Kix Cereal, Quaker Grits, Bush's Organic Beans, Dannon Low Fat Strawberry Yogurt, and some private label (store specific) brands. Also a few products were deleted effective Jan. 1, 2019. A full list can be found on: hhs.texas.gov.

A Few WIC Statistics for October 2018:

Participation: 730,239

Dollars: \$39,409,956

As the economy improves, WIC participation continues to decline -3.5/Month.

SNAP recently alerted retailers and regarding a possible phone fraud. A few retailers reported receiving a call to schedule an appointment to discuss risk matrix and interchange rates. The caller indicated they worked in conjunction with merchant services for debit/credit/EBT. This is not the case. Please be aware FIS merchant services ins not contacting retailers about services.

A Few SNAP Statistics for October 2018:

of cases: 1,577,628

recipients: 3,694,343

Average: \$264.00

Total: \$416,819,239

Nationwide for 2018 39 million people are using SNAP benefits. Over 260,000 stores in the U.S. accept SNAP benefits. This is down about 2% vs. last year same time. The redemption nationwide are down about 6.5%. The negative redemption trend in Texas has moderated and was .2% vs. last year.

Again, as the economy improves, SNAP dollars are declining versus last year about 5%. Keep in mind some of the decline is due to Hurricane Harvey disaster response last year.

Please contact Gary Huddleston ghuddleston@txretailers.org or 972-670-6814 if you have any questions regarding the statistics update.

2019 National Grocers Association Show

Each year, The NGA Show brings together independent retailers and wholesalers, food retail industry executives, food/CPG manufacturers and service providers for unparalleled opportunities to learn, engage, share, network, and innovate.

NGA is the only industry association devoted exclusively to the needs of independent grocers. Given today's ever-changing marketplace and evolving advancements in innovation occurring in the food retail industry, The NGA Show is a must-attend event.

Over the course of three days, attendees have the opportunity to:

- Take part in over 40 education workshops, to bring home ideas that are guaranteed to drive profitable growth to your company
- Visit an EXPO floor designed to optimize business relationships between retailers and manufacturers and service suppliers, which features innovative and game-changing products and solutions
- Network with peers and industry leaders

Members of the Texas Retailers Association receive a 15% discount on registration for the 2019 NGA Show [using this link](#).

[Learn more about the 2019 NGA Show!](#)

USDA Reports SNAP Participation Continues to Fall

USDA recently reported in their Amber Waves publication that although participation in SNAP varies across state lines, overall participation in the program is decreasing. The share of the population receiving SNAP benefits has declined each year since 2013, when 15.1 percent of Americans participated in the program. In fact, last year, 12.9 percent of the U.S. population – approximately 42 million people – received SNAP benefits. In 2017, SNAP benefits ranged from 22.1 percent in New Mexico to 5.7 percent in Wyoming.

The USDA's Southeast region (Alabama, Georgia, Florida, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee) had the highest average share of residents receiving SNAP benefits at 15.1 percent. The region ranged from 18.0 percent SNAP participation in Mississippi to 13.3 percent in North Carolina.

The Mountain Plains region (Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming) had the lowest average share of residents receiving SNAP at 9.6 percent. In fact, of the five states that had resident participation rates at or below 8 percent, four were in the Mountain Plains region: Kansas, North Dakota, Utah, and Wyoming.

USDA reports that the share of a state's residents participating in SNAP is influenced by two major factors—economic conditions and program policies. Stronger economic conditions typically lead to increased employment and therefore less reliance on SNAP.

Differing policies related to SNAP can also influence participation. States administer SNAP differently and exercise unique policy options, as allowed by USDA. A recent Economic Research Service (ERS) study found that there was greater state variation in SNAP policies in 2014 (the latest year of the study) than in the mid-1990s, when states were first granted flexibility

in some aspects of SNAP administration. For example, states differ in whether they offer an online application for SNAP and in the extent of their outreach activities, such as eligibility pre-screening and application assistance.



TEXAS RETAILERS
ASSOCIATION



2019 TEXAS RETAILERS FORUM	2019 TEXAS RETAIL INDUSTRY LOBBY DAY	2019 TREF GOLF TOURNAMENT
OMNIBARTON CREEK RESORT & SPA AUSTIN, TX JULY 29, 2019	SHERATON AUSTIN HOTEL AT THE CAPITOL AUSTIN, TX MARCH 20, 2019	WILDCAT GOLF CLUB HOUSTON, TX MAY 3, 2019

Same FedEx Service. Lower Cost.



If you could get the same service from FedEx that you do today, but for a lower cost, wouldn't you jump at the opportunity? Through the **TRA Shipping Program**, you can. When you enroll for this free TRA member benefit, you can ship FedEx the same way you do today. The only difference you'll notice will be the positive impact on your bottom line. Enroll today **to save up to 27%* on select FedEx services**.

Visit www.PartnerShip.com/01tra for complete program details. If you have any questions call 800-599-2902 or email sales@PartnerShip.com.

Click Here to Learn More!

Texas Retailers Monthly Newsletter is Powered by Our President's Circle Sponsors



PRESIDENT'S CIRCLE SPONSORS

