



## MINNESOTA GROCERS ASSOCIATION

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August 19, 2014

Council President Kathy Lantry  
Council Member Dai Thao  
Council Member David Thune  
Council Member Chris Tolbert  
Council Member Russ Stark  
Council Member Amy Brendmoen  
Council Member Dan Bostrom  
St. Paul City Council  
15 West Kellogg Blvd.  
St. Paul, MN 55102

**Subject: Proposed Tobacco Ordinance No. 14-34**

Dear Council President Lantry and Council Members:

On behalf of the Minnesota Grocers Association, I am writing this letter to voice our opposition to Action Ordinance 14-34 – single cigar packaging regulation, which puts St. Paul retailers at a competitive disadvantage.

Minnesota's marketplace is unique with many independent local grocers who are the cornerstones of their community. They create jobs, support their communities and provide a safe and responsible shopping experience. The Minnesota Grocers Association believes that the ordinance to ban the sale of cigars in packages of less than five cigars, or mandate a retail price of more than \$2.10 for a single cigar, will have a negative impact on the economic climate for St. Paul businesses.

When a city -places significant restrictions or bans on tobacco, trends prove that consumers will change their buying habits. St. Paul consumers have easy access to retail locations in other localities and will make the choice to drive across the border to purchase legally regulated products. If this ordinance occurs, St. Paul retailers would be put at a distinct competitive disadvantage.

Incentivizing consumers to shift their purchasing trends and habits will hurt local retailers who invest in the City of St. Paul. The food industry typically operates on profit margins that are around one percent. The loss of revenue would severely affect the food industry's ability to succeed in this challenging marketplace. In addition, the city will lose out on local sales tax revenue while its neighboring jurisdictions will benefit.

We appreciate the opportunity to voice our concerns over this issue. If you have any questions or concerns we can be of assistance, please do not hesitate in contacting us.

Sincerely,

Jamie L. Pfuhl  
President

*The MGA is a state trade association representing the retail food industry since 1897. We have over 200 retail members with nearly 1,100 stores statewide, as well as approximately 115 distributors and manufacturers. Our member companies employ over 125,000 union and non-union Minnesotans. We actively advance the common interest of all those engaged in any aspect of the retail food industry as a leader and advocate in government affairs.*