

# Newsletter



## 2025 Legislative Session Approaching

With the legislative session approaching, VRGA is eager to hear from our members about the issues and initiatives that matter most to them. Your insights are invaluable in helping us prioritize and shape our advocacy efforts to best support the retail and grocery sectors in Vermont. Whether it's around data privacy, sustainability, or workforce challenges, we want to ensure that your needs are represented. Please reach out to us at [info@vtrga.org](mailto:info@vtrga.org) and share what legislative action would make the greatest impact for your business this year.

As we gather member input, VRGA is also preparing to address specific issues already on the legislative agenda, including consumer data privacy. Last year's privacy bill, H.121, which was passed but later vetoed by Governor Scott, highlighted some key concerns within the business community.

While our members fully support comprehensive privacy protections, the bill proposed standards more stringent than those in neighboring states like Connecticut and New Hampshire, which would have raised compliance costs and limited the ability of Vermont businesses to effectively reach local customers.

*In this edition of our newsletter, we've gathered important updates and resources to keep you informed. Learn how you can support VRGA's impact this legislative session and stay up-to-date on the current state of the legislature after the election. You'll also find useful insights on merchandising strategies, compostable packaging, and learn how retail is predicted to be driven by tech in 2025.*

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## H.121 Data Privacy

### Key Concerns with H.121:

#### Disadvantaging Vermont Businesses:

- H.121 would have placed Vermont businesses at a competitive disadvantage, increasing compliance costs and introducing complex legal risks. This imbalance would make it easier for businesses to reach out-of-state consumers than Vermont residents, ultimately limiting the local market and increasing operational expenses.

#### Risk to Loyalty Programs:

- The proposed legislation threatened to eliminate popular loyalty programs that many Vermonters benefit from, such as airline miles, gas discounts, and ski pass rewards. The bill's restrictions would have made these programs too costly and legally risky for businesses to maintain, depriving consumers of valuable perks.

#### Private Right of Action (PRA):

- The bill included a first-of-its-kind private right of action, allowing individuals to sue businesses directly over privacy issues. While well-intentioned, this provision could have opened the floodgates for lawsuits, mainly benefiting out-of-state plaintiff attorneys. This would have placed a heavy burden on Vermont's small and medium-sized businesses.
- Proposed Solution: Enforcement authority should remain solely with the Attorney General to ensure penalties are fair, targeted, and avoid incentivizing frivolous lawsuits.

#### Data Minimization & Regional Conformity:

- By imposing stringent data minimization rules, H.121 would have limited how businesses can communicate with consumers, measure ad performance, and use data to improve customer experiences. Aligning Vermont's privacy laws with those in neighboring states like New Hampshire and Connecticut would enable businesses to protect consumer data while still fostering innovation and growth.
- Proposed Solution: Vermont should adopt privacy standards similar to those in neighboring states, allowing businesses to use essential customer data responsibly while maintaining strong consumer protections. Removing restrictive requirements would help local businesses continue serving Vermont consumers effectively.

### The Path Forward

Vermont can protect consumer privacy while ensuring that local businesses are not unduly burdened. By adopting a regionally consistent approach, the state can create a privacy framework that safeguards consumer rights without stifling the economic growth of Vermont's businesses. As we approach the 2025 legislative session, we encourage policymakers to consider these balanced solutions that serve both consumers and the business community.

### Align with Consumer Habits and Drive Larger Basket Sizes

Seasonal merchandising offers a valuable opportunity for grocers to increase sales, boost customer engagement, and enhance brand loyalty, according to Tom Duffy, Senior Advisor at FMI. By anticipating customer needs for key times of the year—such as holiday gatherings, summer barbecues, and back-to-school season—stores can attract more shoppers and encourage larger basket sizes.

Strategic displays of seasonal items help drive impulse buys, with about 52% of general merchandise purchases made on impulse. Attractive, timely displays not only highlight seasonal products but also integrate seamlessly with food categories to encourage cross-category purchasing. Additionally, limited-time products like holiday décor and grilling accessories create urgency, motivating customers to act before items are gone. Read more [here](#).



### Preparing for a Tech-Driven 2025 in Retail

As retailers face an economically challenging 2025, technology will be essential for adapting to pressures like declining consumer demand, higher costs, and increased competition. Global retail is expected to reach \$24.9 trillion, with \$5.3 trillion in online sales, mainly from China and the US. However, growth is slowing to pre-pandemic levels, forcing retailers to innovate for profitability.

Key trends include a surge in generative AI applications, with one in five US and EMEA retailers expected to launch AI tools to enhance customer experience and operational efficiency. Additionally, some US retailers will adopt biometrics to prevent internal theft in high-risk sectors. Grocers will face tighter margins due to rising supplier costs and shifting consumer sentiment, likely leading to increased private-label offerings and retail media investments to offset reduced profitability.

Thriving in this landscape will require a commitment to experimentation and a willingness to embrace new tech and strategies, fostering a culture of adaptability to navigate the year ahead. Read more [here](#).

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# State and Regulatory

Newsletter – November 2024



## Vermont Election Analysis

Governor Phil Scott cruised to his fifth term in office with more than 70% of the vote. In the race for Lt. Governor, Republican John Rodgers defeated the incumbent, Progressive/Democrat David Zuckerman. The election returns the Democrats to power in Montpelier in both the House and the Senate, but without the supermajority they have had for the past two years.

The Democrats lost six seats in the Senate and more than a dozen seats in the House.

Here are some of the key races:

- Larry Hart in Orange County, who defeated incumbent Senator Mark MacDonald
- Steven Heffernan in Addison County, who defeated incumbent Senator Chris Bray
- Pat Brennan in Grande Isle County, who defeated incumbent Senator Andy Julow
- Chris Mattos in Chittenden County, who defeated incumbent Senator Irene Wrenner
- Scott Beck in Caledonia County, who won a seat formerly held by Senator Jane Kitchell
- Sam Douglas in Orleans County, who defeated former Rep. Katherine Sims

If the early results hold, the split is 17 Democrats/13 Republicans, which is enough votes to sustain a veto from Governor Scott.

There were also some notable races in the House where the incumbents lost, including:

- *St Albans*, where Joe Luneau defeated Rep. Mike McCarthy, the influential Chair of the Government Operations Committee
- *Rutland*, where Chris Keyser defeated Rep. Bill Notte, who was the Assistant Majority Leader in charge of Development & Strategy
- *In Vergennes*, where Rob North defeated Rep. Diane Lanpher, the powerful Chair of the Appropriations Committee
- *In Corinth*, where Michael Tagliavia defeated Rep. Carl Demrow, the ranking member on the House Ways and Means Committee
- *In Brandon*, where Todd Nielsen defeated Rep. Stephanie Jerome, the Vice-Chair of the House Commerce Committee
- *In Middletown Springs/Pawlet*, where Chris Pritchard defeated Rep. Chesnut-Tangerman
- *In Barre*, where Michael Boutin defeated Rep. Jonathan Williams
- *In Dorset*, where Sandy Pinsonault defeated Rep. Mike Rice
- *In Barnet*, where Debra Lynn Powers defeated Rep. Bobby Farlice-Rubio

This shake-up will impact several key leadership positions in the House and Senate. Already, there is a contested race to be the next Speaker of the House, and this is likely to intensify over the next few weeks



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Associated Grocers of New England is a full service Cooperative Grocery Wholesaler supplying Supermarkets and Convenience Stores from Maine to New York.

### **Strafford General Store Seeks Soul Mate**

The Strafford Community Trust is searching for the perfect match to run our town's general store. Are you ready to fall in love with your new business?

If you have retail experience, love small towns, and want to become an integral part of a close-knit, welcoming community, we have the place for you!

Learn more at [straffordcommunitytrust.org](https://straffordcommunitytrust.org)



Spending extra on compostable dishes? Most Vermont compost facilities do not accept compostable dishes, so check with your [food scrap hauler](#), [compost facility](#), or [local waste district](#) to find out if you can send your compostable dishes to the local compost site or if they need to go in the trash.

Reusable dishes [save businesses money](#) over time, even when you consider dishwashing costs, and they're better for the environment and public health than any single-use dish.

Not ready to switch to reusable dishes? Consider single-use dishes made from post-consumer recycled content. [Get other sustainability tips for food and beverage containers and dishes from the VT DEC.](#)

### **Association Staff is here to help!**

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