

Season 2 - Episode 1 "Legislative Relationship Building"

Welcome to the first episode of Season 2 of the NJFPA Stradley Ronon Food Forum Podcast. In this episode, <u>Bill Mandia</u>, Partner at <u>Stradley Ronon Stevens & Young</u>, speaks with <u>Mary Ellen Peppard</u>, Vice President of government relations for the <u>New Jersey Food Council</u>. They talk about wading into the details of regulations, effects of some upcoming laws, and tips on building relationships with lawmakers.

Guest Bio:



Known for her vast industry knowledge and her innate ability to build coalitions, Mary Ellen Peppard is a key player in the New Jersey food processing industry. For the last nine years, Mary Ellen has been with the New Jersey Food Council, where she currently serves as Vice President of Government Relations. At the Food Council, Mary Ellen plays a leadership role in formulating policy positions for legislative strategies on priority issues. She also advocates on behalf of the Council on legislative and regulatory issues that impact the food retail and distribution industry.

Prior to the NJFC, Mary Ellen was Assistant Vice President of Government Relations at the New Jersey Chamber of Commerce. She has a masters of public affairs and politics from the Edward J. Bloustein School of Planning and Public Policy at Rutgers University. Mary Ellen has always been named on numerous lists of top influencers in Trenton and the New Jersey state government.

Listeners will hear:

- NJFCs efforts around workforce development, policymaking, connections within the Departments of Labor and Human Services, and more.
- Her role in translating the effects and challenges of different policies to lawmakers.
- Upcoming packaging use laws going into effect soon, balancing all the players, exceptions, and details of the industry.
- News on the "Bag Up New Jersey" public education campaign.
- Mary Ellen's thoughts on how the upcoming election might change the legislature.
- Tips to build relationships with your community and legislators before an issue arises.

Edited Interview Transcript

Bill Mandia [0:48]

Hello, and welcome to another episode of the Stradley Ronon New Jersey Food Processors Association podcast. I'm Bill Mandia from the Stradley Ronon Law Firm. Today I'm very thrilled to have Mary Ellen Peppard with us. Mary Ellen is the Vice President of government relations for the New Jersey Food Council. Welcome, Mary Ellen.

Mary Ellen Peppard [1:08]

Hi Bill, thank you so much. I really appreciate the opportunity to be here today.

Bill Mandia [1:13]

So if you could, just as a starting point for our listeners, talk about the New Jersey Food Council, what it is, what it does, and what your role is there.

Mary Ellen Peppard [1:21]

Sure. Thank you, Bill. So the Food Council, we represent the food retail and distribution industry in New Jersey. So that is pretty much all the major grocers, supermarkets, the independent stores as well, convenience stores, food manufacturers, processors, distributors, and pretty much anybody that services the food retail and distribution industry. Obviously, there are 1000s of locations that we represent throughout New Jersey for our different members. As you mentioned, I'm the Vice President for the Food Council. I am the lead for the government affairs program. So I spend a lot of time advocating for our members before the legislature and governor's office as well as some regulatory work with the State Departments.

Bill Mandia [2:08]

I want to jump in and talk about a topic that is coming up in almost every industry today, which is labor shortage and supply chain issues. I think it's particularly a significant issue for the food industry because it's obviously an industry that's pervasive everywhere in our society, in our lives. If you could, talk a little bit about what's going on on that front, what are the concerns of your members? What kind of things are being done to potentially address issues with labor supply and supply chain?

Mary Ellen Peppard [2:36]

As you mentioned, like many employers, our members continue to face workforce shortages. They have throughout the entire pandemic, like a lot of different industries. It has been very challenging. Our members have managed to stay open and serve their communities throughout the entire time. But it can be very challenging in terms of having to schedule their employees for longer hours, obviously trying to figure out the breaks, you're figuring out department staffing, its customer service. It's been very difficult.

We certainly appreciate the initiatives that the legislature and governor have taken these last couple of months to alleviate some of these problems. For example, our industry has a lot of part-time minors that work in our stores, particularly during the summer. So one of the laws that was enacted in June allowed minors to work additional hours, just during the summer when they're not in school. So that was something that was able to take some of that pressure off. So we certainly hope and encourage the policymakers to continue to prioritize workforce issues and incentivize employment, tax credits, apprenticeships, things like that. We do appreciate the governor's recent announcement just this week that he's not going to further the extended unemployment benefits when they expire on September 4 on the federal level, we think that is something that will take some of the pressure off and help get people back into the workforce.

Bill Mandia [4:09]

So even before the pandemic, labor shortage was a huge issue for a lot of folks. It's just become harder and harder to source a sufficiently large workforce. The pandemic has obviously made that worse. But do you foresee any initiatives coming to the forefront? Whenever we get through the pandemic and return to, I'll put in air quotes. "the new normal" that will hopefully offset some of those problems that folks were facing, have been facing historically for a few years now?

Mary Ellen Peppard [4:39]

We have been talking about this for a couple of years now. We've had a number of conversations, at least in our industry, with the Department of Labor, as well as the Department of Human Services and one of the areas we've been focusing on is barriers to employment and this is not unique to the food industry. Childcare, transportation, and things like that can be difficult. One of the areas that we were also talking about was trying to educate people, particularly young people about potential opportunities and career paths in the grocery industry. You can start off as a young teenage cashier and

associate and you can work your way up to manager. We certainly have people that I work closely with now in corporate and government relations that started off young, working in the stores as associates. There's definitely a career path if that's something that is wanted. We've talked about education, we've talked about apprenticeship, training programs, certification programs, and things like that.

Bill Mandia [5:44]

That's an interesting point, one of the things that I've noticed in a few industries, and including some educational institutions that I'm involved with, is a mindset shift. Ensuring that people get the academic credits they need to graduate, but also trying to get a results-oriented career focus at an earlier age. Have there been discussions between your members or your organization and public educational systems about collaborating in terms of trying to create a pipeline?

Mary Ellen Peppard [6:19]

There have been and some of our members actually work, for example, with St. Joseph's University, which has a big food area. Of course, Rutgers has that Food Innovation Center. So there have been those conversations. We also work closely with Rutgers on training. We have food safety training and certification programs, and we receive grants, our members receive grants to that effect. I think it's, as you mentioned, trying to get people excited about potential careers in this industry and realize that it's not just something where you would just be a cashier, but there are lots of different types of channels and opportunities.

Bill Mandia [6:57]

Another topic related to what was asked is supply chain disruption, which is tied to the labor issue. If you could talk a little bit about how that's affecting your membership, and what kind of initiatives are underway to hopefully try to mitigate the downside that everyone's been experiencing from that.

Mary Ellen Peppard [7:17]

I think that that's a really tough one, our members are working closely with their suppliers. Unfortunately, with how quickly COVID hid and how devastating that has been, obviously, there was no way anyone could have anticipated that. Now our members have for many months now been working closely with their suppliers to try to mitigate, to the extent possible, those supply chain challenges. Unfortunately, now we're seeing a little bit of a resurgence in COVID. Our members have had to make do with 25%, in some cases, 50%, less staffing, some transportation challenges as well. Obviously, it starts at the food processing and manufacturing level. Unfortunately, when there's a shortage of workers there, that leads to a shortage of products. It's not something that I think is easily challenged, our members have had to do what they can to work around it.

During the height of COVID, some of the steps that our members and the processors have had to take to mitigate COVID, like distancing and changing transportation and

changing who's allowed in stores, who's allowed to get on-site, that's obviously had the effect of slowing down production. Our members have been talking with policymakers about this issue for some time. We're also talking about some of the mandates that we have coming up, either now or in the near future. It can be challenging to source some of the packagings that we need. That's something that we're trying to relate to policymakers. it's not a matter of not wanting to get certain packaging and utilize it. It's just not available, not available to our members, it's not available to other businesses as well.

Bill Mandia [9:13]

So in addition to labor and supply chain, are there any other issues unique to the pandemic that you've been working on? How do you see those playing out?

Mary Ellen Peppard [9:26]

In terms of issues unique to the pandemic? I think there's a continued focus on labor issues. Certainly, our industry provides benefits to our workers, to our workforce. That's something that we've always done. There are conversations you probably heard in the legislature about what those benefits look like. Should there be additional, for example, COVID sick leave and the conversation about the unemployment benefits?

These are conversations that are very important to have and when we do, we try to educate the legislature about, in some cases, unintended consequences of these proposals. Are there other avenues rather than a new state mandate or a new state law? In a lot of cases, there has been federal relief and federal funding. That's been available fortunately for food assistance, for childcare, as well as there's been federal sick leave for COVID, and for childcare, and things like that. So there are a lot of avenues that are currently out there and that will, fortunately, continue to be out there.

Bill Mandia [10:34]

So shifting focus a bit, I want to talk about some of the changes that are coming up due to the law regarding the usage of bags. So if you could just lay a foundation, can you just talk a little bit about what's coming legally on that front, and then maybe we could talk about how your membership is going to be dealing with it?

Mary Ellen Peppard [10:50]

This is a very important issue for our members. We're working on the implementation of the new law, which bans single-use paper and plastic bags, polystyrene products, and plastic straws. The Food Counsel has been working on this issue for many years. We are very appreciative that last year, the legislature and governor did enact the law, which creates a statewide uniform standard for these products. Previously, our members have been dealing with a patchwork of local ordinances, which was extremely challenging. They were all different, it was really, really hard for our members who might have hundreds of locations throughout New Jersey.

We're working very closely with our partners at DEP [Department of Environmental Protection], as well as the <u>Business Action Center</u>. In the <u>Clean Communities Council</u>, we meet every week to discuss implementation and a public education campaign called "<u>Bag Up New Jersey</u>." The purpose of this campaign is to make sure that the residents, as well as the businesses, are aware of the new law. That they knew what the new law entails and to encourage residents to bring reusable bags with them when they shop. The bag ban goes into effect May 4 so we have been working on that for a couple of months now.

What we've done is created several working groups at the Food Council to focus on specific aspects of the law. For example, we have a communications working group. The idea there is to try to figure out the best way to message to customers and to really get the word out. The last thing we would want is for customers to be surprised on May 4 that this new law has taken effect. We want to make sure that they're aware and they're prepared and starting to get those reusable bags. We're also going to be working with the Clean Communities Council on a campaign to distribute reusable bags. There's going to be a particular focus on underserved communities. That's something that we're excited about as well.

One of the challenges that has come up and I think a lot of this is a result of COVID and the focus on contactless, contactless delivery and shopping. We're working through the e-commerce and delivery challenges with the bag ban. We've created an e-commerce working group to figure out what those types of alternatives could look like, what makes the most sense. There's a lot of different players and stakeholders, because some of our members utilize third parties like Instacart and Doordash, as well. So there's a lot of different players involved in this. It's something that we're trying to work through.

We've also just created a Polystyrene Working Group that's going to be meeting to talk about that aspect of the law. Our focus with that piece has really been on trying to make sure that alternatives to those products are appropriate for food safety purposes. That's something that's challenging. They have to be durable, economical, they have to be able to withstand different types of food and beverage, and biodegradable. A lot of the alternatives on the market today don't meet all of those qualifications. So it's something that we are continuing to work through, that challenge.

Bill Mandia [14:11]

Any other front-burner issues that you're dealing with on the legislative front, or that you see potentially coming up over the next 12-18 months?

Mary Ellen Peppard [14:21]

I think we're expecting a very active lame-duck [session] after the elections in November. I think for some of the issues that we're working on, we expect them to come back up and perhaps make it to the finish line during that period between November and January. One of the really big issues that we've been working on for about a year now has been the recycled content legislation. The bill establishes recycled content requirements for rigid plastic containers and plastic beverage containers, glass containers, and bags. The food and beverage industry has been working to increase the recycling rates for

packaging materials. They are supporting a lot of national education and the national solution. But there's a shortage of post-consumer recycled materials. It makes it difficult for companies that have certain standards and commitments to meet these goals.

The bill has changed a lot over the last year since it was introduced. We really appreciate a lot of the work that has been done on this bill. We're working with the legislature, we're working with DEP and other stakeholders and certainly, some of our concerns have been addressed through amendments. At the moment, unfortunately, we still have food safety concerns that we are continuing to focus on and work through and ask for some additional amendments in the legislature. Food packaging is designed differently for food safety purposes. The packaging has to protect the food from damage, exposure to the elements and from contamination. It has to stay fresh. There's a lot of concern about the potential contamination when you're using post-consumer recycled plastics and packaging that it's not going to be food-safe and food appropriate. These are some things that we've been talking about with policymakers. There has been a lot of really great work done the last couple of months. We do have a five-year delay on the ban for plastic containers. We're asking for some additional time and some additional food safety exemptions.

There are a lot of similar concerns that we have regarding beverage containers, different types of beverages are more prone to spoilage such as milk products. This is something that, fortunately, the legislature did recognize the uniqueness of milk and did exempt those products in the bill. We're very appreciative of that. We are advocating for a similar exemption for products that utilize certain processes. A lot of shelf-stable fruit and vegetable juices are heated prior to being filled, the bottle has to go through a lot. It's heated at a very high temperature, it's inverted, it's held for a certain period of time. That bottle really needs to be able to withstand the heat or it's not going to hold. The seal may break, there may be leakage or contamination. The problem is that using a high percentage of the post-consumer recycled content tends to weaken the strength of the bottle. This is something that we have been discussing with the legislature. It's not the most exciting issue, but it's something that we have been really focused on and asking them to take those products out of the bill. I think it's something that we're continuing to make progress as the months go on with this legislation. It is a priority for our members right now.

Bill Mandia [17:53]

So we're quickly approaching the election, and by the time this episode airs, we'll be very close to it. Obviously, no one can look into the crystal ball and predict who's going to be the winner. But are there different concerns or issues you see happening if we have a second term of the Murphy administration versus a first-term Republican governor? How do you see those playing out?

Mary Ellen Peppard [18:16]

The election time is always hard because obviously, things get a little tense with the different players. I think after the election is over, we'll see people sort of going back to work and working together again, on some of the most important issues. I really do think the governor's office and the legislature came together in a tremendous way during

COVID. They really mobilized very quickly, they had remote meetings to pass critical bills going back a year and a half, there really was a lot of really good cooperation working together. It's interesting because we have several legislators, longtime legislators that are retiring. So regardless of who gets those seats, we are going to have a number of new faces in the legislature in January. So that's always a nice opportunity to have some fresh ideas, fresh thoughts, and meet some new legislators.

At the Food Council, we certainly always encourage our members and we encourage them to encourage their employees to register to vote to get out to vote. In New Jersey right now, it's very accessible. There's a lot of different options. You can vote by mail, you can vote early, nine days before the election. There's a lot of different ways that you can cast your ballot. I think it's very accessible here and that's something that we always encourage.

Bill Mandia [19:34]

You've been involved with the politics around the legislature and the New Jersey State Government for some time now. What are some of the biggest changes you've seen? Even looking forward, it's impossible to predict, but what are some things you think may change as we move forward?

Mary Ellen Peppard [19:50]

What I've seen the last couple of years just from what I do from a government affairs perspective, there's been a tremendous increase in the volume of bills that are introduced and advanced in the legislature, sometimes very quickly. Sometimes they'll go from introduction to passage in a week. It's obviously been very different in difficult advocating during COVID. Obviously, it's hard to reach people, but you lose something by not being able to go to the State House and have those quick one on one conversations. Everything had to be done by phone, by email. That did present some challenges. You don't know at this point when the legislature and state government might go back. I think there's been some discussion about the state of New Jersey going back in October at this point, but I guess we're going to have to see how that plays out.

From what I've seen in my time, and I think, heard from people that have been in the statehouse for decades, there seems to be and I think it's a really positive thing, a lot of focus on research, and really getting involved in the details of the legislation and policies. We're really trying to get down to every single provision. We try to be a resource for the legislators in terms of explaining the impact of proposed legislation on our members and give as much homework and research as possible to really try to understand, understand the bills. Sometimes they can be technical, we've talked about some of the environmental bills. They can get very, very technical and nuanced in detail.

I think that's something that I'm happy to really see a focus on that with stakeholders and policymakers and a real desire to understand the implications and details of the bills. Sometimes that can get lost when a bill is moving too quickly. So that's something that can be challenging and a lot of government affairs professionals have commented on that and made note of that the last couple of months and said, maybe you ought to slow

some things down, if they're very complicated. Make sure we get it right, as opposed to just making sure we pass it by a certain date. That's always a struggle.

I always encourage new lobbyists who say, Well, what do you do when there's like 1000s and 1000s of bills? As soon as the bill is introduced, you start working on it, you don't wait till it gets to committee. As soon as you see it, and it could have an impact. And if you don't know if it has an impact, reach out to your members, your clients ask them for their opinion. So you just do the best you can with the volume of work that there is today, I don't think that's going to change anytime soon, either. I think that with the remote access, we've seen a lot more, just a lot more activity, a lot more legislative hearings, sessions. At one point last year, the legislature was meeting practically every day. That might change if we go back to in person, but I think it's something that everyone, to a certain extent, got used to now.

Bill Mandia [23:00]

So oftentimes, members of the industry see legislation or policy issues on the horizon that are of concern to them. But they don't have the big sophisticated internal government affairs group or necessarily the time or the bandwidth to get involved, but they may want to. So what advice could you give to some of our listeners who would find themselves in those positions about how they can find ways to get active and make a difference that will help them and others in the industry?

Mary Ellen Peppard [23:33]

To your point, people don't have the time or the bandwidth. You're not going to have regular people, for the most part going to the statehouse to lobby, because they have other jobs to do. I feel like it's relatively easy now to reach out and get in contact with your elected officials to discuss issues that are important. You can call, you can email, you can send a letter. But I also think to the extent that it's possible if you want to attend either remotely now or, or in the future in person, attending and participating in public hearings of your local school board, your local municipal government hearing, or even state legislative hearings. Not every week, but maybe there's one issue that's really important to you when you want to go to the hearing, you want to make some comments.

The Food Council, we always encourage our members to reach out and get to know their elected officials, the ones that represent their stores. Of course, it's always better to do that early on just to have sort of a meet and greet and just talk a little bit about your store and your store, your customers, your employees, rather than waiting until there's a problem to reach out. Just try to get to know your local and state officials. It may be a little bit challenging right now just because of the COVID environment. But in the future, that's something that I would definitely recommend. People that are looking to maybe make a career out of government affairs. Again, I think getting involved in your local meetings is a great way to serve, network, and meet people. Volunteering, volunteering for campaigns, things like that. I think just being active and participating, obviously, networking and making those contacts is critical.

Mary Ellen thank you so much for your time and for an interesting discussion about the state of legislation in New Jersey and some of the things that are going on currently and on the horizon. So thank you very much.

Mary Ellen Peppard [25:23]

Thank you so much, Bill. I really appreciate it.

On behalf of the New Jersey Food Processors Association. We thank you for listening to this episode of the NJFPA Food Forum. For more information, you can visit us at www.njfoodprocessors.org. If you have an idea for a future episode, please email us at help@njfoodprocessors.org. We would love to connect with you and make your story and your experience part of this series too.