

April 11, 2022



Mr. Mike Sullivan  
Chair, Environment Policy Committee  
San Francisco Commission on the Environment  
1155 Market Street, 3<sup>rd</sup> Floor  
San Francisco, CA 94103

Dear Commissioner Sullivan,

On behalf of San Francisco Grocers, I write to discuss with you the Antibiotics Use in Food Animals Ordinance and current and future efforts for compliance. We appreciate the Commission taking time to understand more about this complex issue area and the current challenges to full compliance. We believe hearing from the grocery industry and from academic experts on the current state of antibiotics use data, ongoing challenges the grocery industry faces in light of COVID and other global impacts to supply chains, and the grocery and food industry commitment to moving towards full compliance will lead you the conclusion that providing reporting waivers now will lead to better outcomes in the future.

It was well known and clearly communicated when adopted that this ordinance was aspirational with no clear path for compliance available. There is simply no infrastructure for compliant reporting. Despite this scenario, San Francisco grocers, the only regulated entities within the ordinance, attempted with their food industry partners to comply and report per the regulation. During this time, we were in communication with SFDOE regarding the industry level challenges preventing reporting in the manner required.

Over the last several years the food industry and SFDOE have identified partnerships and potential pathways to move closer to full reporting. It has become clear that continued participation and collaboration with the grocery industry, meat supply industry, and SFDOE will be required to continue momentum.

The food industry and San Francisco grocers have responded to this first in the nation ordinance with a first in the nation response. For the past reporting year Grocers convened an impressive working group of top level food industry representatives, grocers, and academic experts to identify pathways towards compliance. This effort also included a first ever data submission showing a representation of antibiotic type usage by the meat industry. Participation in the working groups represented both the full breadth and depth of the food industry on this issue.

What the Commission should take away from the recent milestones is the grocery and meat industry's commitment to the issue and momentum towards compliance. All parties involved in this effort are understandably experiencing their own frustrations, but the complexity of this issue needs to be properly understood. As has been shared repeatedly and you will hear from the experts the infrastructure to report currently does not exist for nearly all meat products. You will also hear that genuine and serious efforts exist to build the necessary infrastructure throughout the supply chain, which can be utilized for compliance with this ordinance, but it is not easy or as quick as we all would like. San Francisco grocers are asking SFDOE and our food industry partners continue to collaborate and do this necessary work.

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We believe recent momentum built towards full compliance should be celebrated and continued, but some may instead choose to tear down the work and push for sanctions and penalties against San Francisco grocers. Moving in that direction would create havoc for San Francisco consumers and grocers and likely bring cooperative compliance efforts to a halt.

A few high-end grocers have already chosen to only offer Organic or No Antibiotics Ever (NAE) meat products to fit their service model and customer base and in doing so are not subject detailed reporting. If pressed through fines or sanctions, grocers required to report would be forced into no longer offering conventional meat products and only offering organic or NAE products. For consumers this could mean meat price increases of 40% to 70% per pound across all meat types and where there are no replacement simply being unable to purchase certain meat items all together. This reaction would simply be our best choice to maintain both supply and accessibility. This is a scenario we want to avoid by continuing cooperation on compliance with SFDOE and our supplier partners.

Unfortunately, the impacts from the COVID-19 pandemic continue to play a role in the meat supply chain and for procurement by grocers. Since the outbreak and continuing to today, grocers have needed to scramble for supply, which often times means purchasing what products are available at the moment. This means grocers needing to move outside of regular suppliers and working with companies unable to provide reporting information due to lack of infrastructure. This stacked on top of the immediate need to supply consumers and no ability provide full reporting means grocers are again simply unable to comply for the 2021 reporting year. This scenario alone should be enough to reasonably grant waivers for the reporting year.

As discussed and offered in our March 1 letter to SFDOE regarding the waivers, we are asking for the opportunity for continued cooperation and collaboration with SFDOE on compliance reporting. For this upcoming year this means a waiver from reporting and joint recommitment to continue working group meetings on a species specific basis and to consider with our food industry partners and SFDOE a submission of information that builds on the success of the last year. It is important for the process and the value of the effort for the deliverables to be developed with and directly agreed to between grocers and SFDOE. Without continued collaboration, we fear grocers will not be able to comply and be faced with making difficult decisions that provide no value to the issue or our customers.

We want to thank the Commission for their interest in this complex issue. We also want to thank SFDOE for being both available and a partner. We look forward to additional collaboration as we move forward towards full compliance.

Sincerely,



Tim James  
Director, Local Government Relations  
California Grocers Association

cc: Jen Jackson, Toxics Reduction & Healthy Ecosystems Program, SFDOE