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SB 298

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My name is Mike Moon. My wife and I own and operate 3 grocery stores in Kansas. Moon's Hometown Market in LaCygne, Humboldt, and in Osawatomie, where I live.

I believe that modern realities and modern consumers demand modern liquor laws. Instead, Kansas enjoys the distinction of having some of the most antiquated liquor laws in the nation. We are one of the few states that still prohibit the sale of full-strength beer, wine and spirits in grocery and convenience stores. It's time to change that.

Here's something you may not know about rural grocery stores; there are a lot fewer of us than there used to be. Since 2006, nearly 40 percent of Kansas' grocers in towns of less than 2,500 have closed their doors. And the rest of us are struggling to survive. That's bad news for us; that goes without saying. But what people often don't realize is what bad news that is for the communities we serve.

But where does our business go? Many people think we operate in a recession-proof business model, after all, "Everybody has to eat". While that statement is true, they don't have to buy it from us. There is more competition for the food dollar today than ever before. You can purchase pop, milk, and bread at any convenience store. In small towns, "dollar" stores take away our paper, household, and cleaning aisles, and are getting deeper daily into crackers, snacks, canned goods and frozen foods. A few are experimenting with fresh meat and produce. And the oft-acknowledged threat from the mass merchants and big box retailers is greater than ever. As our sales base erodes, we fight back with hotter prices and promotions, which impact profit margins at a time when expenses are rising at an unprecedented pace. This is a slippery slope which many cannot recover from.

Without small-town grocery stores, entire counties can become "food deserts": areas where healthy food is hard to come by. Residents are forced to drive long distances to shop, or must settle for convenience foods or other, less-healthy options. The elderly and disabled are especially at risk.

But that's only part of the story. Grocery stores represent much more to their communities than simply a place to buy food. They serve as meeting places. They drive local economies. They generate significant sales and property tax revenues. And, they represent a key element in attracting new residents. In short, they are part of the glue that holds a community together. So, when a town loses its grocery store, it's a huge blow with far-reaching effects.

Modernizing Kansas' liquor laws will be good for rural grocery stores. First of all, the ability to sell adult beverages will boost sagging profits by allowing us to add new products lines and increase revenues. It will also attract new businesses and economic development to our communities and surrounding communities, instead of driving them away as current laws do. Contrary to what some may say, small businesses thrive in an environment with robust development.

Let's face it: adult beverages are really food items. Making them available in grocery stores, alongside other food items, makes perfect sense. Even the State of Kansas recognized that fact in 1986, when it relaxed on-premise liquor consumption by allowing it in restaurants and bars that derive 30% of their receipts from food. And, it provides a clean, wholesome place for consumers to shop for adult beverages, which is what our customers tell us they want.

And, we haven't forgotten about minors. We fully realize we have a responsibility to keep alcohol out of the hands of our children, and have proven our reliability over decades of restricting the underage sale of beer, tobacco and lottery tickets. And, the State of Kansas as well as local law enforcement conducts regular compliance checks to confirm that we continually do our job well.

When the opponents of this bill speak, their major point will be that this change in legislation will put their personal investment out at risk. Like many liquor stores, small-town grocery stores are small, locally owned business. Like them, we have made significant personal investments to keep our stores running efficiently. And, like them, we compete every day for our customers. But rules, regulations and the needs of the consumer often change, and we—like *other* retailers—are prepared to adjust quickly when they do.

Consider this: If I asked you at a legislative breakfast or other public gathering if you would support new legislation that would protect small business owners and their investment by restricting other businesses from selling competing items in their communities, my guess is your answer would be an emphatic “no”. This would stifle development and would be extremely bad for consumers. Every economic development director, city manager, and chamber of commerce in the state would strongly oppose the idea. There would be no new Wal-Mart, Pamida, Alco, Menards, “dollar”, or countless other merchants allowed to expand in the state, development that is considered essential for our communities. But isn't that what current legislation provides for the liquor industry?

Granting liquor stores the exclusive right to sell adult beverages, *an acknowledged food commodity*, puts small-town grocers in Kansas at a disadvantage and limits our ability to compete in a free marketplace. We believe that one type of store shouldn't be given an advantage over another, and we are asking the state legislature to level the playing field. Give grocers the right to sell alcoholic beverages. And, give liquor stores the ability to sell food items. I am not interested in running anyone out of business, nor would I rejoice upon seeing the closure of a single liquor store. I am interested in every business having every open-market advantage possible.

As a small-town, local grocery store owner, I urge you to support the Uncork Kansas bill that your committee is considering. I believe it is good for small businesses, for consumers and for our state. And, I know it will benefit small-town grocery stores, which are the very lifeblood of the communities they serve.

Thank you for your consideration.