

January 22, 2018

Dear Members of the New Mexico Legislature,

I own a pet food/supply store in Washington County, Maine—a state that has assessed a pet food manufacture surcharge to fund spay/neuter (like New Mexico is currently considering, Senate Bill 51 and House Bill 64) for over a decade. I am writing to share my direct experience.

Washington County is one of Maine's poorest counties. We opened our doors in the 3rd quarter of 2011 with 4 brands of pet food. Today we carry twice that many brands. It's important to understand that the Maine pet food surcharge had been in effect long before we opened. One would assume that as a buyer and seller of pet food, I would have been made aware of such a surcharge. As a retailer, I am the last in the chain from manufacturer to customer. Oddly, that assumption would be wrong.

No representative of any pet food manufacturer ever complained to me about Maine's pet food surcharge. No representative from my wholesaler ever complained to me about Maine's pet food surcharge. No customer ever complained to me about Maine's pet food surcharge. I only became aware of the surcharge when Maine's governor tried, unsuccessfully, to remove the surcharge.

A bit of background for perspective: Prior to opening my store in Maine, I worked for five years as an Inventory Control Manager for a large pet store franchise. I am not a newcomer to the pet industry. When I moved here in 2011 and opened my store, I also began volunteering for the animal shelter in a neighboring city. I soon became a Board member. Several years ago, our shelter forged an important partnership with "Community Spay-Neuter Clinic" (CSNC) of Topsham, Maine. I began to volunteer at these clinics, which were held several times a year. We neutered and rabies vaccinated hundreds of cats. These events provided the elderly, the disabled, and the working poor of our community with basic care at "low to no cost" that they otherwise would not have been able to afford. And then, Maine's governor attempted to eliminate the source of funding for these much needed and successful clinics. THAT is when I became aware of the pet food surcharge: A full six years after opening my store.

New Mexico has structured their surcharge legislation similarly to Maine. It is wise to look at other states in which this legislation is working and to network with advocacy groups who know of what they speak.

For my part, I can testify as to how it has affected me as a pet store owner: It has NOT.

Here is what I can tell you:

1. Before testifying in front of Maine's joint Agriculture, Conservation, and Forestry Committee, I conducted an anecdotal poll in my store. Over the course of several weeks, I asked all pet food customers if they would mind paying 55¢ to help spay/neuter the pets of low income families. Not one single person said "no." More than a few offered me way more than 55¢ on the spot...
2. ...because, not one customer was aware that a pet food surcharge existed in Maine or that the pet food manufacturers were passing the cost along to the consumers.
3. Of great interest to the committee was that pet food manufacturers provide retailers with a Suggested Retail Price (SRP) for their products. This SRP does not differ from state to state or region to

region. I buy all my food from one national wholesaler. I can confirm that my sales representative for this company knew of only one manufacturer who had regional SRP's. And this difference was based on transportation costs NOT state surcharges. Ultimately, owners and managers of pet stores determine what to charge the customer. I'll go out on a limb here and say that no owner or manager has ever determined the retail price of pet food, in any state, based on a surcharge. We work strictly on margin and "turns." That's the bottom line.

4. Not one pet food manufacturer has stopped selling because of the surcharge in the state of Maine. Nor have they limited their new offerings.

5. In Maine, the pet food manufacturers are charged a fee on each SKU (Stock Keeping Unit) that they sell in the state. One could reasonably assume that if the surcharge was actually a serious financial burden, the numbers of SKU's would therefore decline: Quite the contrary. Every week, my list of new SKU's consists primarily of food and treat products. For example: Of fifty one new product offerings this week, forty seven were food and treat SKU's.

6. My store is thriving and growing in a financially depressed area.

I hope this information has been useful to you and that you will ultimately be able to enact legislation that will be beneficial to all involved: The businesses, citizens, and animals of New Mexico. I am happy to make myself available if you have any further questions.

Respectfully Submitted,
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