



February 10, 2020

Paul G. Pinsky
Chair, Education, Health, and Environmental Affairs Committee
Cheryl C. Kagan
Vice Chair, Education, Health, and Environmental Affairs Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

**Re: SB 351 Agriculture - Farmers Markets - Advertising, Labeling, and Enforcement
(Farmers Market Integrity Act)**

Hearing Date: February 11, 2020

Position: OPPOSED

Dear Chair Pinsky, Vice Chair Kagan and Committee Members:

This letter is submitted on behalf of Sprouts Farmers Market, a healthy grocery store founded in 2002 under the guiding principle of making healthy living accessible to all. We operate over 340 stores in 22 states, including three stores in Maryland:

- 9150 Baltimore National Pike, Ellicott City in Howard County
- 803 Goucher Boulevard, Towson in Baltimore County
- 680 Marketplace Drive, Bel Air in Harford County

We plan to open two additional stores in Maryland in 2020:

- 8070 Governor Ritchie Highway, Pasadena in Anne Arundel County
- 3800 Boston Street, Baltimore City

We are opposed to this bill because the definition of "Farmers Market" in SB 351 could prevent us from continuing to do business in the State of Maryland, resulting in a severe negative impact on the communities we serve in your state.

Who we are

Sprouts Farmers Market is a natural & organic grocery store that offers a full grocery shopping experience with fresh produce, dry groceries, meat and seafood, frozen and bulk foods, and vitamins and supplements. Each Sprouts Farmers Market location employs approximately 100-120 Maryland residents, supports surrounding businesses, and generates hundreds of thousands of tax dollars for Maryland each year.

We pride ourselves on conducting our business in a way that is good for our communities. Each of our stores features products sourced from local vendors. In our Maryland stores, our primary seafood supplier is Maryland-based Congressional Seafood Co., and we sell a variety of grocery products sourced from Maryland businesses, including South Mountain Creamery, Lord Byron's Honey, and Mama Vida, among others.

To further support our local Maryland communities, we have formed relationships with a number of Maryland non-profit partners, including Living Classrooms Foundation, Civic Works and Every Kid Can Cook. Since Sprouts Farmers Market opened its first store in Maryland in 2018, we have donated nearly \$100,000 to support our Maryland non-profit partners.

And through our Food Rescue Program, Sprouts Farmers Market has donated nearly 116,000 pounds of food, which is the equivalent of more than 95,000 meals, to the Maryland Food Bank to fight hunger in our communities.



We use the words "Farmers Market" in our name out of respect for those who grow the food that supports American families. We recognize and appreciate the significant role that farmers play in the success of our business. We sell over \$1 billion of produce annually, and that produce is grown through the hard work and dedication of our farmer partners around the country. By providing a major outlet for American farmers to sell their crops, we are directly supporting their livelihoods.

Why we are opposed to SB 351

If the bill was to pass, we would be forced to close our stores in Maryland. The impact to our business goes far beyond simply removing "Farmers Market" from the exterior of our stores. Operating under a different banner in Maryland than we do in other states would require the costly creation of Maryland-specific promotional materials, private label product packaging and in-store signage and branding. This added cost and complexity of operation would disrupt our business model and render it economically unfeasible for us to serve Maryland customers. By the end of 2020, we expect to employ over 500 Marylanders in our five stores. Passing this bill would result in substantial job loss in a retail industry that is struggling to remain relevant amid fierce competition from online sellers and preclude Maryland from any future growth that Sprouts Farmers Market has planned around the country.

There is no confusion that Sprouts Farmers Market operates as a farmers market, in the traditional, colloquial sense of the term. Traditional "farmers markets" are not located inside buildings in large, busy shopping centers and do not advertise on billboards and along-side grocery stores with weekly ad circulars. We've been operating since 2002 and never have we been mistaken for a traditional farmers market fitting the description in SB 351. Our customers know who we are and what we sell.

Furthermore, we also believe that this bill is problematic in that it would interfere with a federally registered trademark. "Sprouts Farmers Market" is a federally registered trademark by the United States Patent and Trademark Office. The Lanham Act expressly forbids any state interference with federal trademarks, which is exactly what this bill would do by preventing us from using or forcing us to alter our name to remove "Farmers Market."

The economic repercussions of this bill are real and severe for Sprouts Farmers Market and the many Maryland residents that we serve – as our employees, customers, vendor partners and donation recipients. For all of the foregoing reasons, we request an Unfavorable Report on SB351.

We are available to answer any questions the Committee Members may have. Please do not hesitate to contact Lisa Harris Jones, Sprouts Farmers Market's lobbyist, at 410-366-1500 or by email at lisa.jones@mdlobbyist.com.

Sincerely,

Derek J. Mirza
Deputy General Counsel
Sprouts Farmers Market, Inc.