

Regional Voice

Of the Natural Products Industry

|| NNFA EAST
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Natural
Products
ASSOCIATION™
e a s t
Autumn 2007

Join us at Natural Products Expo East 2007: The Premier Educational Event Designed Exclusively for Independent Retailers

September 26-29

Baltimore Convention Center • Baltimore, MD

Due to last year's positive feedback from our membership, NNFA-East is again partnering with New Hope Natural Media to co-produce Natural Products Expo East 2007.

Building on last year's successful program, the NNFA-East Convention Committee has worked with its counterparts at Expo East to create what we believe is an excellent educational program focusing exclusively on those issues most relevant to independent retailers.

Independent Retailer Education: Save \$20

The Education Program begins on Wednesday, September 26, with the Independent Retailer Networking Breakfast. This is an excellent opportunity to meet with old friends and network with new ones. The Wednesday Retailer Workshops follow the breakfast with a series of hands-on sessions designed to:

- Help you improve customer service
- Create long-term, sales-producing relationships with brokers
- Understand the ins and outs of starting, maintaining, and growing a successful organic retailer training program
- Develop effective human resource practices
- Receive hands-on tips and techniques that ensure customer interest, loyalty, and improved profits

- Learn the nuts and bolts of financial planning and management, and raising capital for growth and expansion

The cost for these workshops is \$75 for NNFA East members and \$95 for non-members. This price includes lunch and a take-away that you can reference again and again. The upgrade can be purchased easily when you register online at www.expoeast.com or by calling 1.800.458.4935.

Retail Resource Center

The Retail Resource Center, designed specifically to meet the needs of independent retailers, will serve as your headquarters for doing business. A highlight of last year's Expo, the Center features advice and guidance by industry experts; networking, brainstorming, mentoring opportunities; and business tools, including computers, fax machines, and Internet access.

The Retail Resource Center also features the NNFA-East Hot Topic of the Day.

These industry-relevant topics will be up for discussion at 3:00 pm each day. Drop off your questions or comments on the current topic from 8:00 am to 2:30 pm. Then stop back at the Center to hear what industry experts have to say about how these topics are affecting our industry and your business.

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Visit our Website For Upcoming Events

www.nnfaeast.org

Contact us

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www.nnfaeast.org

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Legislative Update

Throughout the year, there were again a number of bills proposed in the New York State Legislature threatening the very livelihood of the natural products retailer. One of these potentially destructive bills would have created a New York State regulatory body that acts as a "mini-FDA." Had this piece of legislation been enacted into law, every retailer in New York would be subject to unnecessary regulatory burden from the state in addition to requirements posed by DSHEA and the FDA. And, as an industry pundit recently said, "Unlike Las Vegas, what happens in New York does not stay in New York." Key individuals in the legislature have the goal of exporting this mini-FDA model to every other significant supplement state in the country and undermining the natural products industry which they feel is not being effectively regulated by DSHEA and the FDA.

But that's just the beginning! Two additional so-called consumer protection bills would require the re-labeling of every dietary supplement bottle sold in New York State, causing enormous added expense for the manufacturers and suppliers due to the need for a segregated inventory and separate labels for New York retailers. The bottle would have to indicate that the product inside had NOT BEEN TESTED by the FDA. These label and inventory costs would almost certainly be passed down to the retailer, who, in turn, would have to pass along these increases to their consumers. This would make the New York State retailer vulnerable to all types of out-of-state retailers, especially those right across the state line who would not have to carry inventory labeled as such and would not face the associated economic hardship.

And there's more! One bill would have made it a misdemeanor for coaches and other school employees to endorse certain dietary supplements to students. While we certainly support protecting our school children, legislation already exists that covers these issues. Finally, the last bill proposed by the New York State Legislature would make it a deceptive practice to sell certain dietary supplements that claim to assist consumers in the pursuit of a healthy lifestyle.

To read the full text of each bill, please go to the NNFA-East website (www.nnfaeast.org), scroll down to **Legislative**

Updates, and click on any of the bills highlighted at the bottom of the article.

NEW YORK UPDATE: Thanks to the combined efforts of NNFA-East and the lobbying firm of Hill & Gosdeck, every one of these potentially disastrous bills was stopped in its tracks before getting to the floor of the Legislature and voted upon. As you can imagine, hiring a first-rate lobbying firm is an expensive proposition. However, considering the devastating effects any of these bills could have on our ability to do business, we believe it is money well-spent. Since any or all of these bills could surface again next year, we have contracted with Hill & Gosdeck to represent our Association in Albany through 2008.

But New York was not the only state bent on creating harmful and completely unnecessary laws designed to cripple dietary supplement and natural products retailers. The Delaware state legislature attempted to fast track a bill that, had it passed in its initial form, would have made it illegal for dietary supplement and natural food retailers to discuss with consumers the health and nutrition benefits of the products they carry in their stores. That privilege could have been restricted to dietitians and nutritionists licensed by the State of Delaware. Basically, it would have reduced every retailer in the State of Delaware to a clerk in his or her own store, unable to discuss even the most rudimentary benefits of their products.

DELAWARE UPDATE: Fortunately, due to a last-minute advocacy effort organized by NNFA-East, local retailers, and other concerned groups, language was added at literally the 11th hour, exempting dietary supplement and natural food retailers from the bill's restrictions.

It's not over yet!

Most of these activities occurred over the course of a few months. Many of the state legislatures begin again in September or January and you can be sure similar bills designed to dramatically restrict or prevent the natural products retailer from keeping their doors open will continue. This is why an ongoing advocacy effort is essential to our very survival as independent retailers. It can't be left to someone else. Please consider becoming an active advocate of our industry. We won't ask for much of your time, but your return on investment will be well worth it.

For information on how to get personally involved in fighting for your rights, please contact our Executive Director, Paul Kushner, at 856.985.5446, or e-mail Paul at pkushner@comcast.net. You also can go directly to the NNFA East website and click on the **Take Action** button at the top of the home page.

NNFA-East Membership Approves Name Change:

Announcing Natural Products Association East

With an overwhelmingly positive response, the membership of NNFA-East approved the proposed amended By-Laws of our organization. The vote by our Association's current members on the issue was in compliance with the current By-Laws of the organization. As a part of the By-Laws amendment, the NNFA-East Board of Directors recommended the name change to be consistent with the newly renamed national Natural Products Association (formerly NNFA). Their name change was officially announced last year during the 2006 national Annual Meeting in Las Vegas.

Beginning with the upcoming membership meeting in Baltimore at Expo East, our association will now officially be known as the Natural Products Association East. We strongly believe that our new name better captures the entire spectrum of participants in our industry—acknowledging that we are more than an association focused solely on dietary supplements. The name change also allows potential members in the body care and non-perishable segments of our industry to participate more fully in an organization that reflects their activities as well.

Now that our region has accepted the By-Laws changes, the Board of Directors is moving forward with the necessary revisions to the logo, website, and related Association contracts.

Additional By-Laws changes related to better clarification of the roles and responsibilities of each Association officer and the delineation of the Standing Committees, which are now part of the Association's daily business structure.

NNFA-East Adds Two New Board Members

We are proud to announce the addition of two new members to NNFA-East's Board of Directors. From the retail side of the membership, meet Bob Kleszics, owner of Harvest Market, Inc., in Hockessin, DE. Bob was instrumental in having an amendment added to the recently passed Delaware bill, S-38, that protected the rights of dietary supplement and organic food retailers in the state. We are also pleased to announce the selection of Francine Bauer to the Board. Francine is employed by Select Nutrition Distributors, located in Uniondale, NY. Francine has many years of experience in our industry, and she and her company are committed supporters of the goals and mission of NNFA-East.

NNFA-East 2007 Progress Report

Earlier this year, NNFA-East President Andy Fox confirmed the new committee assignments for the organization for the 2007 calendar year. The Board of Directors agreed to expand the activities of the organization to better serve its members.

Advocacy

Andy Fox, Chair

The Advocacy Committee raised nearly \$90,000 to support our efforts throughout the year. A significant portion of these advocacy contributions were used to engage the firm of Hill & Gosdeck to lobby on behalf of the Association in New York State. We thank each of our contributors for their continued support of NNFA-East and our industry.

Convention

Adrienne Mastrobattista, Chair

Thanks to the continuing efforts of the Convention Committee, NNFA-East is again co-sponsoring Expo East 2007 with New Hope Natural Media. Several new areas of interest have been added to address the needs of the natural products retailer. The Expo is being held in Baltimore, September 26-29. For details and registration information, see the accompanying article in this issue.

Education

Mike Pelton, Chair

For the third consecutive year, the NNFA-East Education Committee organized an education forum. This year, the Committee focused on the use of technology in the independent natural products retail environment. This education event was scheduled to correspond with our members' yearly excursion to Capitol Hill to promote advocacy on issues related to the natural products industry.

Finance

Jay Jacobowitz, Chair

Thanks to the efforts of this Committee, the Association developed a more-detailed Chart of Accounts that enables the Treasurer to provide Financial Statements which report on the finances of the Association and clarify the income and expenses flowing through the region.

Membership

Denise de la Montaigne, Chair

Since early spring 2007, NNFA-East has been conducting an ongoing membership drive throughout the 12 states that comprises the Association. We are happy to report that, as of the end of July, membership in NNFA-East has increased by an impressive 19%. This means more networking opportunities for existing members and increased support for our ongoing advocacy initiatives.

Communications

Michael Hennessey, Chair

The Communications Committee recently took over responsibility for producing the NNFA-East Newsletter from New Hope Media. This first issue completely created by the Association is in your hands. We hope you are pleased with the results. If you have questions, comments, or recommendations for articles, please contact Executive Director Paul Kushner at 856.985.5446, or e-mail Paul at pkushner@comcast.net.

Strategic Planning

Donnie Caffery, Chair

The Strategic Planning Committee was charged with reviewing the text of NNFA-East Bylaws. Thanks to the diligence of this Committee, a complete analysis was made of the Bylaws and recommendations presented to the NNFA-East Board of Directors. One of the major recommendations of the Bylaws Committee was changing the name of the organization from NNFA-East to the Natural Products Association East. A complete copy of the Bylaws was mailed to each member in April.

Participation in any committee is open to any current NNFA-East member. Now is the time to get more actively involved, especially with the Advocacy committee and the political activism we intend to pursue in the coming year. For more information go to www.nnfaeast.org and click on the **Take Action** button at the top of the home page. Or contact our Executive Director Paul Kushner at 856.985.5446 or via e-mail at pkushner@comcast.net.

Board of Directors

Officers:

Andy Fox**President**

(Retail) Natur-Tyme and N.E.E.D.S.,
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Denise de la Montaigne**Secretary**

(Retail) Better Thymes Natural Foods,
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Dan Segal

Healthy Thymes Market,
Vernon, NJ

Executive Director:

Paul Kushner

Marlton, NJ

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NNFA East Annual Meeting

Please plan to attend the NNFA-East Annual Meeting at Expo East. It is being held on Thursday, September 27 from 1:00 pm to 2:30 pm in room 327, located on the 300 level of the convention center. This important advocacy event is your opportunity to talk directly to your Board of Directors and hear from them about what your association has been doing for you throughout the year. It's been an exciting and productive year, so please be sure to attend. This is your opportunity to have meaningful input in your association. Don't miss it!

We are excited about our ongoing partnership as a co-sponsor of Natural Products Expo East, because New Hope Natural Media clearly recognizes that advocacy—as exemplified by NNFA-East's regional efforts to preserve access to natural products—is critical to the health of our industry.

**Please visit our Website,
www.nnfaeast.org and click on any of
the links to "Expo East" to register
and for additional information.**

**Save these dates and join us:
September 26-29 in Baltimore, MD**

NATURAL PRODUCTS EXPO EAST

NNFA-East continues to be one of the great success stories of our industry, especially over the past year.

Thanks to the efforts of a core group of dedicated volunteers, this organization continues

to be an active and valid player in many areas directly affecting every participating business in our industry. In addition to significantly increasing membership, we will continue to partner with New Hope Media to co-produce next year's Natural Products Expo East. The result of this ongoing, synergistic relationship is an increased revenue stream for our Association, significantly improved communications and networking among members, and strengthening of our infrastructure. NNFA-East is in the best position in its history to accomplish its most important goal: Supporting our members through strong and consistent advocacy for the industry.

NNFA-East has worked hard to successfully fulfill one of the main directives of the organization by developing the building blocks for an effective Advocacy Network within NNFA-East. Although we still have far to go, we have shown in both New York State and Delaware, the importance and value of an advocacy network. Due in large part to the partnership between NNFA-East and our members in these states, we were able to turn back a number of serious threats to our very survival, threats that would have, no doubt, spread throughout the region and to the rest of the country. We are now better prepared to move in unison to effectively respond, either positively or negatively, to any legislative attempts that may affect your livelihoods as natural products retailers. This political aspect of our organization is the cornerstone of its existence and is another solid business reason for your active participation in NNFA-East.



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