



Recovery Sluggish in 2011

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## NC WIC Program: Eligible Canned Fruits and Vegetables

**O**n October 1, 2009, sweeping changes were made to the North Carolina Women, Infants and Children (WIC) program. The revisions to the WIC food packages were made to accommodate for diets lacking in whole grains, fruits and vegetables, and they reflect a shift in the ethnic composition of the WIC population and account for the



cultural preferences of Hispanics, Asians and Pacific Islanders.

As implementation of the new program began, WIC staff was inundated with calls from program participants for clarification on eligible food products. Retailers repeatedly raised questions about canned vegetables, specifically added sugar in these vegetables.

*Continued on page 2*

## Grocers, Shoppers feel aftershocks in produce prices

**T**he abnormally cold winter in the southern United States and the earthquakes in Chile have zapped winter produce items, especially grapes and tomatoes. Shoppers are likely to see the price of grapes double and the supply of tomatoes remain low through April.



Chileans awoke on February 27 to an 8.8-magnitude earthquake, one of the strongest ever recorded.

Although the epicenter of the quake was 70 miles from the southern city of Concepcion, the earthquake caused major damage to the port of Valparaiso, which is 350 miles north.

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# WIC

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Some vegetables and beans – such as sweet peas, corn and kidney beans- contain small amounts of added sugar for processing purposes, not for added sweetener. This added sugar prevents stress on the vegetable resulting in membrane rupture (i.e. sweet peas).



According to the United States Department of Agriculture, canned goods with sweeteners added for processing and not flavoring are acceptable WIC foods. However, North Carolina's WIC program has a different view.

According to Alice Lenihan, North Carolina WIC Program Coordinator, the North Carolina WIC program will NOT accept fruits and vegetables with added sugars.

The federal regulation regarding allowable fruits and vegetables states:

### **7CFR 246.10 (e)(12) Table 4**

*Any variety of canned or frozen vegetables (must conform to FDA standard of identity (21 CFR part 155)) except white potatoes (orange yams and sweet potatoes are allow); without added sugars, fats or oils. May be regular or lower in sodium.*

The NC WIC program initially considered including canned fruits and vegetables with added sugar, however it does not appear that all brands of canned vegetables in North Carolina contain added sugar. Therefore, it was determined that there are sufficient choices of fruits and vegetables without added sugar available in North Carolina.

The NC WIC program made the policy decision not to authorize any canned vegetables with added sugar. This policy decision is within the state's authority to exclude foods based on their nutritional composition.

Visit the NC WIC website for additional information:  
[www.nutrionnc.com/wic](http://www.nutrionnc.com/wic). □



**Retail Loss Prevention of the Carolinas** will be holding its next meeting on **Friday, May 14, 2010 at 10:00 am** until Noon.

**Location: NCRMA Headquarters,**  
601 Saint Mary's Street, Raleigh, NC.

**PRESENTATION: "Operation Inconvenience" an ORT Case Study of Retail and Law Enforcement Cooperation**

**Charles Butler**, Special Agent, US Department of Agriculture will show how partnering with retail Loss Prevention investigators resulted in one of the largest ORC busts in North Carolina checks, credit card fraud or organized rings your company is currently investigating!

**Please contact Kristin Hicks at [kristinh@ncrma.org](mailto:kristinh@ncrma.org) if you interested in attending the meeting.**

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# Recovery Sluggish Into 2011

The pillars of Americans' financial security – jobs and home values – will remain shaky into 2011 according to the recently released Associated Press (AP) Economy Survey.

The findings of the survey reveal that economic recovery will move slowly and fitfully both this year and next. Consequently, the Federal Reserve will be forced to keep interest rates near zero until at least the final quarter of 2010 according to 75% of the economists surveyed.

This survey is new for AP. In the future, it will be conducted quarterly, compiling forecasts of leading private, corporate and academic economists on a range of indicators, including employment, home prices and inflation.

Among this initial survey's key findings are:

- The unemployment rate will stay stubbornly high for the next 2 years, inching down to 9.3% by the end of 2010 and 8.4% by the end of 2011. When the recession started in December 2007, unemployment was 5%.
- Home prices will remain almost flat for the next two years; no increase is forecasted for this year, a 2.3% gain is predicted for next year.
- The economy will grow 3% this year, keeping unemployment high. It takes 5% growth in a year to lower the jobless rate by 1%.

The economy saw its first period of growth during the summer of 2009, 18 months after the

recession began. To keep recovery on track, the earliest the Federal Reserve will begin raising short-term interest rates is the fourth quarter of 2010. The continued low rates will help stimulate home sales.

The AP survey predicts previously occupied home sales will grow to 5.4 million this year and to 5.9 million in 2011, which would be in line with sales of a health economy.

By keeping interest rates low, the Federal Reserve intends to encourage consumers and companies to spend more and invigorate the recovery. However, anxiety over unemployment and a reluctance (or inability) to borrow will limit consumer spending.

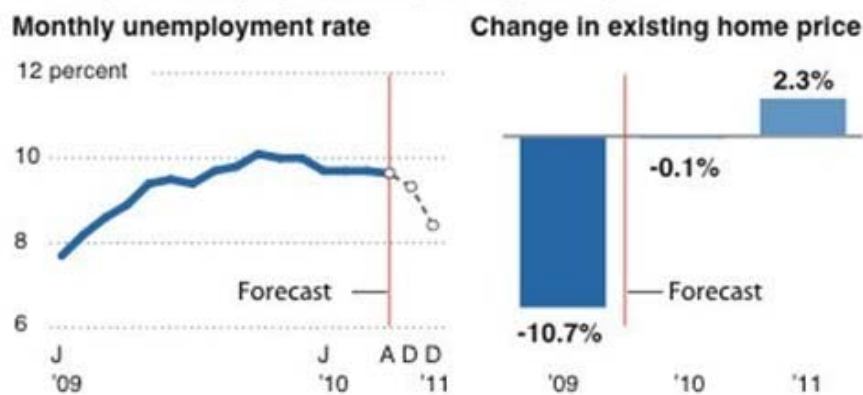
The recession has wiped out 8.2 million jobs nationwide. Although employers have begun to add jobs recently, including 162,000 jobs in March, it is not yet enough to reduce the unemployment rate significantly. About 125,000 new jobs are needed each month just to keep up with population growth and prevent the unemployment rate from rising. To make significant reductions in the unemployment rate, employers would need to consistently add 200,000 to 300,000 jobs per month. Economists roughly estimate job gains of 200,000 in April, 250,000 in May and 125,000 in June.

According to Sean Snaith, an economics professor at the University of Central Florida, "The labor market is the scar left over from the economic trauma we've been through. It will be slow to fade." □

Source: Associated Press, April 12, 2010

## AP Economy Survey: gradual recovery

The findings of the new AP Economy Survey point to an economic recovery that will progress slowly through next year.



NOTE: Forecast is based on survey of 44 economists.

AP

# Produce Prices

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The roads and bridges between Chile's ports and the produce-growing regions to the north and south became impassable, forcing the fruit that survived the quack to the back roads, thus making the trek from field to port a much more time-consuming journey.

After the earthquake, cargo ships were forced to wait longer to amass full loads, creating a gap of at least 10 days in the supply pipeline to the United States. This ripple effect of supply is likely to last well past March.

A Houston, Texas based distributor normally orders three or four pallets of green grapes a week. A pallet,

which includes 90 to 110 cases, would cost \$18 to \$20 a case, or \$1 a pound wholesale. The cost has now doubled to \$40 a case.

"It's about supply and demand, as pure as it can be," said David Holzworth, general counsel for the Chilean Exporters Association. "When you decrease the supply, that means the price goes up." Chilean fruit exports are estimated to be off about 40% from pre-earthquake levels.

The United States also receives pears, peaches, nectarines and blueberries from Chile. According to Holzworth, the earthquake "literally shook the fruit off the tree," making much of it unsuitable for export. Shipments of these fruits, which make up 20% of what is sent to the US from Chile, are expected to be delayed.



Florida, the nation's largest producer of fresh tomatoes, experienced freezing temperatures in mid-January. This abnormally cold winter sliced the normal volume of tomatoes shipped by 70%.

Retailers across the nation are experiencing a tomato shortage of 10-15%, with a price hike of a like amount. Additionally, the quality level of the tomatoes as been significantly reduced.

Mexico has boosted its tomato exports to partly make up for the Florida shortage. Stores receiving their tomatoes from Mexico have not experienced a shortage, but their customers have seen an increase in prices, up to 20 or 30%. □



## Mark Your Calendars!

Wednesday, May 12, 2010

NC Legislative Building  
16 West Jones Street  
Raleigh, NC 27601



**North Carolina  
General Assembly**

**Opening Day of Session**

**12:00 pm**



**NCRMA Annual Food Drive**

All Day Event  
**Press Conference at 10:00 am**

Join your fellow retailers  
supporting the  
**Food Banks of North Carolina:**

*CVS/Caremark, Food Lion,  
Harris Teeter, Haverty's,  
McDonalds, Target, Walgreens,  
Walmart*

E-mail Emily Atkinson, [emilya@ncrma.org](mailto:emilya@ncrma.org)  
if your company would like to participate

## You Decide:

# Is the North Carolina job market turning around?

**N**o other economic statistic receives as much attention as jobs. As well it should, because without jobs, households and families couldn't buy and spend, and the economy would collapse. Therefore, most people judge the condition of the economy by one simple test – **are jobs increasing?**

The economy has failed the test – big time – in the last two years. Since the recession began in late 2007, the national economy has lost more than 8.4 million jobs, and **North Carolina's economy has shed 290,000 jobs.**

But what about recently? Is there some evidence the North Carolina job market is beginning to improve? And perhaps even more fundamentally, how will we know when improvement does occur?

Before answering these questions, I have to go on a little detour and provide some background on job statistics. Each month the **government does** not one but **two job surveys**. One, called the **household survey**, contacts people at their homes and asks questions about work and jobs. In the second survey, termed the **payroll survey**, workers are counted at the businesses where they work.

It's important to recognize both of these surveys are just that – surveys. A **total count of jobs is not made**. Instead, statisticians devise a sample of both households and businesses, and then use the results to estimate total jobs.

Since there are two job surveys, an obvious question is whether one is better than the other.

Unfortunately, **each survey has advantages.**

Economists give thumbs up to the **payroll survey** because it is a much larger sample (**400,000 businesses are surveyed** versus only 60,000 households), and therefore, its statistical **reliability might be greater**. But since the payroll survey counts jobs, if a person holds more than one job, he or she is counted twice.

Because the **household survey** goes to people rather than businesses, workers who are self-employed or who have jobs at new businesses that aren't yet listed will be picked up by this measure while missed by the payroll survey.

The **household survey** is where the **unemployment rate is calculated**, and here there is another twist. To be counted as unemployed, the surveyed individual must indicate she is **actively looking for work**, meaning she's contacting potential employers and going on job interviews. If she isn't doing these things – even if she's lost her job – she's not counted as unemployed and isn't included in the unemployment rate.

Economists call these folks "**discouraged workers.**" So with this information under your belt, what do the two surveys say about North Carolina's recent job market?



*Dr. Mike Walden,  
North Carolina Cooperative Extension*

After a string of **22 consecutive monthly declines**, employment in the household survey has risen in each of the past three months – December 2009 and January and February of 2010. Over this three-month period, more than 10,000 **more** people in the state **reported having a job**. Importantly, this increase is after adjusting for typical seasonal variations in the job market.

The **payroll survey** shows a slightly different trend. Payroll jobs increased in October and November of last year, declined in December, increased in January of this year, but declined in February. So there is **no clear pattern**. However, prior to October, payroll jobs had decreased for 19 straight months, but now they have increased in three of the past five

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# Exploring an Employer's Rights

Related to: Cell phones, tweeting, Facebook and texting

**M**any employers are trying to understand their rights regarding employee social networking activities at the workplace. Perhaps you have experienced a situation where you have walked into a store to get help and staff is on his or her cell phone or texting a message to someone via the cell phone. What are your rights as an employer?

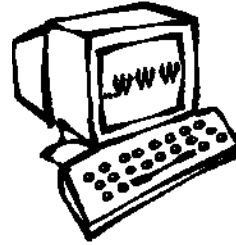


Employers have the right to prohibit employees from using cell phones during non-break time and in customer areas, such as on the sales floor. In fact, employers have the right to prohibit employees from bringing their cell phones onto the employer's premises. If employers issue cell phones to employees, employers should include in their policies that the cell phone may not be used if the employee is driving a company vehicle or they employee's vehicle while performing company business.

Facebook and other social network sites often have passwords that restrict access. In that situation, there is an expectation of privacy among those who participate at that site. However, the general principle is that whatever information is not password protected is in the public domain, and therefore, an employer is within its rights to review it. Thus, if you have an applicant and you want to Google the applicant's name, that is your right to do so.

The one area to be careful about is if you discover information that could raise potential discrimination claims based upon protected class status. When you discover information, evaluate how the information relates to your organization's business interests. You may determine that employee expressions or activities away from work, while protected legally, are such that you as an employer would be uncomfortable hiring that individual. Again, that is your right as an employer, but be sure that there are not potential discrimination implications.

Employers have the right to monitor employee Internet use. Be sure that your organization has an Internet/technology use policy that is communicated to employees, which notifies employees of such monitoring and that employees should not have the reasonable expectation of privacy while using



company computers. Your policy should also tell employees that any message that is stored or forwarded that potentially violates your organization's policies concerning equal employment opportunity, no harassment and no retaliation may be a basis for discipline or discharge. These include jokes or pictures or a sexual, racial or vulgar nature.

Employers have broad rights to set the rules of what employees may or may not do on employer premises and during working time, even if the rules are not in place at the time an employee is hired. It is most effective for compliance and avoiding misunderstandings to communicate such rules in the form of workplace policies, even if your organization only has a few employees. □

*Source: Alabama Retail Quarterly, First Quarter 2010*

## Employer's Rights In 2009...

**25%** of companies fired employees for **e-mail policy** violations

**4%** of companies fired employees for **instant messenger** violations

**2%** of employers terminated employees for **content posted on social networking** sites like Facebook and MySpace

**1%** of employees were terminated for **videos posted** online (i.e. YouTube)

# You Decide

Continued from page 5

months. In total, **payroll jobs are up by 17,200** since September, although 14,600 of these positions are in government. Once again, typical seasonal patterns are accounted for in these numbers.

## But hold on, **hasn't the unemployment rate in North Carolina continued to increase?**

Yes it has, from 10.9 percent late last year to 11.2 percent in February (again, seasonally adjusted). How can the unemployment rate be increasing while jobs are also increasing?

The answer has to do with the aforementioned discouraged workers. As a recession lingers, more unemployed folks give up looking for work and thus fall into the discouraged worker category – unemployed but not officially counted as such.

But when economic prospects begin to brighten – as they have in the last few months – some of these folks start knocking on employers' doors again. As they do so, they are added to the ranks of the unemployed, and the unemployment rate is nudged upward.

So taken altogether, my assessment is the **job market in North Carolina has improved** in recent months. The job situation is better but certainly not great, and it likely won't be great for a long time. Of the 290,000 jobs lost in North Carolina since the recession began, we may get 40,000 of them back this year.

The recession created a big hole, and we're beginning to climb out of it. But to gauge progress, we'll first have to decide how to measure it! □



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