Martyniak New AFD President

Under the direction and leadership of Allen Verbrugge of Verbrugge’s Market, the AFD continued its growth both in size, stature and accomplishments. In 1973, the president’s gavel is turned over to Raymond Martyniak of Ray’s Prime Meat Stores, who promises to keep the AFD on the move.
Pepsi-Cola
Metropolitan Bottling Company of Michigan

Wishes you a Happy and Prosperous Holiday Season.

To Assist You in Making Your Holiday Season Prosperous, Ask Us about Our Holiday Promotions.
YOUR ASSOCIATION AT WORK

Review of AFD Involvement, Action Programs

The following is a year-end review of the numerous major action programs, projects and involvement of the Associated Food Dealers during 1972. It also includes some of the major developments which occurred in, and affected, our industry. This report was compiled by AFD president Allen Verbrugge and executive director Edward Deeb.

JANUARY

The year began with a Jan. 1 deadline from the Cost of Living Council and IRS for retailers to post price lists in their stores in conjunction with Phase II of the wage-price freeze. The ruling was to have been made effective Nov., 1971, but was postponed to Jan. 1 following protest of the Associated Food Dealers (AFD), stating that there were “hazy and needed clarification.” Later in the year, businesses with less than 60 employees were exempt from the controls.

The AFD participated in a meeting called by various beverage distributors and the MCCP to discuss the issue of one-way versus returnable containers. DAGMR’s Inaugural Ball was held Jan. 15 with Donald Dorst of Independent Biscuit Company being installed as president. James Hutton of Steve Conn Associates was elected president of the Detroit Food Brokers Association. AFD’s Al Verbrugge and Ed Deeb participated in a dinner meeting of the Grosse Pointe Jaycees.

Federal Trade Commission during this month accused the four major cereal firms of having a monopoly, and proposed that some of the firms should be “broken up.” On Jan. 21, AFD’s Ed Deeb appeared as a guest on Tom Shannon’s Morning Show (WXZY-TV) to discuss issues of our industry. On Jan. 24, the AFD participated in a meeting of the Michigan Industrial Traffic League, to discuss issues of “motor vehicle detention” regarding policies and shipments for change in food stamp transactions. Seallest Foods converted its Detroit ice cream plant “due to economic conditions, and more retailers going into private brands.”

MARCH

The AFD participated in a hearing in Lansing supporting SB 577 to license state food distributors, but asked that the bill be amended to “spell out rules” by which the licensed dealer would be governed, and also that copies be provided to all distributors. AFD’s A1 Verbrugge announced the formation of a new Michigan Convenience Store Council, to be coordinated by AFD’s Spartan Stores, Inc., inaugurated unit-pricing and cardboard baling programs for its retailers.

APRIL

AFD endorsed the Detroit Police Department’s STRESS unit, which was under fire, as both an encouragement and a vote of confidence to Detroit Mayor Roman Gribbs and Police Commissioner John Nichols. AFD said STRESS was reducing crimes and making streets safer.

The National Association of Food Retailers called for “some controls” on raw agricultural products at a Price Commission hearing April 12 in Washington. AFD termed “unacceptable and inefficient” an idea by the Trade Union Leadership Council of Detroit to cut off the tail portions of T-Bone and porterhouse steaks in a public statement.

AFD officially supported U.S. Senate Bill S-1457 designed to strengthen the Clayton Act by setting the guidelines which eliminate cut-throat, destructive and unfair competition. The action was relayed to all Michigan Representatives and Senators in Washington.

The AFD issued a Special Report on Food Prices in the April edition of The Food Dealer, showing food prices increasing less since 1968 than any other category.

AFD participated in the Detroit Mayor’s Task Force on Hunger and Malnutrition meeting. AFD opposed amendments to the Fair Labor Standards which would raise federal minimum wages to $2 per hour; and if approved, students should be exempted to encourage work for them.

April 19, AFD participated in a meeting of the Michigan Food Trades Council which saw William DeCrick of Stiles-DeCrick Company re-elected president. The AFD participated in the annual Home Economics conference at MSU. Also, the association participated in a meeting of the Litter Prevention Committee of the Detroit Chamber of Commerce. Members of the AFD and the association participated in the Annual Food Forum at MSU’s Kellogg Center; guest speaker was NAFC’s Clarence Adams.

AFD’s Ed Deeb addressed the Detroit Agriculture Club April 28 at Carl’s Chop House.

MAY

Joseph Foy announced at the annual Spartan Stores convention May 16 that he would be retiring in 1973; Ray Dutmers was named to succeed him. AFD converted its over 100 Michigan food stores into WEO discount units.

Pitigliano’s Market ended up in first place in the AFD Bowling League standings for the 1971-72 year. DAGMR hosted executives of Chatham Super Markets Meeting.

Associated Food Dealers hosted a meat-cutting seminar in cooperation with Wolverine Packing Company at Wolverine’s new plant.

EXECUTIVES of WWJ-Radio-TV gave a special presentation to the AFD.

(Continued on Page 7)
FRESH NUTS

A complete line of the freshest nuts. Huge variety, salted and cooking variety right at the shoppers fingertips. Quality. Value. Fast service to you. Customers will be back for more, you'll be back for more. They're the perfect go-togethers with their favorite soft drinks (opposite page). Hint: we're all in business together.

KAR-NUT PRODUCTS COMPANY
PHONE: 564-6990

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EDWARD DEEB, Editor
CHRISTINE SAJDAK, Office Secretary
MINERVA ZIVAN, Insurance Secretary

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WILSON ROYD—King Cole Super Markets ___________ Detroit
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GENE MATTI—Tows Square Super Market ___________ Dearborn
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SALEM SARAF—Big Dipper Super Market _____________ Detroit
RAY SHOULDERS—Shoulder’s Markets ________________ Detroit
LEONARD TAGAVIA—Dan-Dee Super Markets __________ Detroit
LOUISE VESCO—Vesco’s Super Markets ______________ Saginaw
THOMAS VIOLANTE—Holiday Super Market ___________ Royal Oak
WILLIAM WELCH—Hollywood Super Market ___________ Troy
JERRY YONO—Imperial Quality Market _______________ Detroit
Operating Results for Food Chains During 1971-72

The annual study of food chains made by Cornell University for the National Association of Food Chains shows these highlight results for the year 1971-72. (Fifty-nine companies participated in the survey, operating 7,105 stores with aggregate sales of $17.3 billion).

1—Average annual sales per store increased by $176,000 per year over the previous year to $2.43 million per store—an 8% gain.

2—Gross margin increased from 21.39 percent of sales last year to 21.53 percent.

3—Total expenses increased from 21.20 percent to 21.92 percent of sales.

4—Payroll expenses increased from 11.09 percent to 11.38 percent of sales.

5—Promotional expenses declined from 1.32 percent to 1.20 percent of sales.

6—Net operating profit increased from 0.19 to 0.24 percent of sales.

7—Net earnings after taxes for all firms declined from 0.86 to 0.83 percent of sales.

8—Net earnings for all firms increased slightly from 8.88 percent of net worth to 8.93 percent.

Appointments at Allied

C. Dale Warman has joined Allied Supermarkets, Detroit, as senior vice-president of sales, merchandising and corporate procurement, it was announced recently by Arnold Foster. Warman was formerly with Fred Meyer, Inc., an Oregon-based food chain.

Foster also announced that Anthony Carrillo, Jr., joined Allied as user systems specialist. He will be responsible for establishing and maintaining user support for data processing systems in the firm's divisions outside of Michigan.

At the same time, Howard A. Ferguson was appointed to the post of assistant general manager of the Michigan division of Allied (Wrigley Super Markets), it was announced by William Sample, division general manager.

United Brokerage Appointments

United Brokerage Company, an AFD broker member, has announced the appointments of Roger C. McBride as sales manager for frozen foods, Robert J. Theisen an account executive for grocery, and John J. Riley to its direct sales staff from its retail staff, according to Louis B. Piscopo, vice-president and general manager of United's Detroit division.

Also, Piscopo announced the following appointments to United's retail sales force: Lewis Butler, Gerald Brown, Gary Falle, Richard Zechmeister, Pete Burkhardt, and Richard Eisenlord.
Battle For The Buck

Instead of improving, the sickly profit picture of food retailers is getting worse all the time.

And although we of the AFD are opposed to expanded all-night store opening hours, it is not difficult to understand why the move to expand hours. In a nutshell, it’s a quest for more sales volume in an effort to capture badly needed profits, in this, the lowest profit industry of all.

Take for example the following:

1—The fast foods restaurants, as McDonald’s, Burger King, Col. Sanders Kentucky Fried Chicken, and a whole host of others, are cutting into food sales of the supermarkets. Every dollar the consumer spends at a fast foods restaurant, is a dollar spent away from the food store.

2—Many drug stores are starting to carry items normally found in the food store, as milk, bread, soft drink, beer, snack foods, etc. It’s really not surprising though, since the supermarket has been flourishing of late in the sale of health and beauty aids.

3—Many gas stations are also beginning to stock items traditionally found in food stores: milk, bread, soft drinks, snack foods, etc. This is not surprising either, since several years ago supermarkets began offering anti-freeze at far more competitive prices than offered at gas stations.

4—More convenience stores, the modern version of the old Mom and Pop stores, are popping up all over the place, and are known for keeping longer hours than supermarkets. And thus, another slice of food dollar is being spent elsewhere.

5—Add to the above, the 41% increase of supermarket employees’ wages over the past couple of years, and the restrictions of President Nixon’s wage-price freeze, and the problem becomes even greater.

All this should be taken as a warning that unless the sales and profit picture improves so far as the food retailer is concerned, several businessmen and food chains may soon be placing “going out of business” signs on their doors.

As someone once said, profit is not a dirty word. And without it, our industry, and even our nation, may be in trouble.
YEAR IN REVIEW
(Continued from Page 3)
board May 9 on media and the role of radio
AFD’s Deeb served as a panelist at the
consumer and government inspection session
of the annual convention of Michigan State
Health Association, in Traverse City
AFD met with officials of the Michigan
State Fair to discuss ways of fostering grea­
ter participation and attendance.
AFD’s Ray Martyniak and Ed Deeb met
with officials of the Security Bank to discuss
possible solutions to the bad check problem.
On May 18, Ed Deeb addressed the
lecture session of the Food Distribution
Classes at Michigan State University; his
subject: the role of a trade association in our
competitive food industry
An editorial in the May issue of The Food Dealer
related how consumer writers were using the
food field as a “scapegoat” in their attempts
to dramatize inflation.

JUNE
The expanded store opening “hours war”
erupted in Michigan, with many food chains
and independents beginning to open 24 hours
daily, with some expanding hours to mid­
night, from 9 p.m. June 6, Abner A. Wolf, Inc., held its first annual golf outing
The Associated Food Dealers launched its
Scholarship Fund for sons and daughters
of anyone employed in the food industry,
June 20.
The AFD called for a “return to norm­
ality” regarding expanded store hours, fol­
lowing hundreds of calls to the AFD office
from members and consumers
Also in this month, the AFD asked the Price Com­
misson to waive the food stamp rule pro­
hibiting food stamp users from purchasing
imported meats, especially during the relax­
ing of meat import quotas by President Nix­
on.
The AFD honored Dr. Adrian Trimpe,
founder and director of Western Michigan
University’s food distribution program, at a
testimonial dinner in Kalamazoo; AFD’s
Tom Violante, chairman of our scholarship
fund, presented Trimpe with a Distinguished
Service Citation
The AFD and its mem­
bers participated in the Annual Freedom
Festival between the cities of Detroit and
Windsor, Canada, this year chaired by Peter
Strob, head of Strob Brewery Company.

AUGUST
The AFD kicked off this month by asking
Gov. Miliken and State Lottery Commissi­
sioner Gus Harrison to have supermarkets
and grocery stores serve as lottery ticket
sales centers, saying it “was a natural,” since
food stores already cash checks, redeem
manufacturers coupons, process federal food
stamps, etc.
The AFD also protested the new ruling of the Michigan Liquor Con­
trol Commission which prohibits refunds or
exchanges on damaged or spoiled beer and
wine products.
Ed Deeb appeared on WXYZ-TV to dis­
cuss the problem of expanding store hours,
and their affect on consumers
AFD par­
ticipated in the 87th annual convention of
NAFR in Nassau, the Bahamas
AFD met with students from the University
do Michigan to discuss the food industry and
expressed lack of stores and services in in­
er-city areas
The AFD Bowling League
kicked off its 1972-73 season at Bronco
Lanes, Warren.

SEPTEMBER
Executive director Ed Deeb appeared on
WWJ-TV’s “Country Living” program for
a half hour to discuss the food industry to­
day, with Kirk Knight and Kathy Bufton
The AFD’s 8th Annual Awards Banquet was
held at Imperial Hall, Fraser.

(Continued on Page 14)
Wayne Wilcox New Spartan Vice-President

Wayne R. Wilcox was recently elected vice-president of retail operations for Spartan Stores, Inc., an AFD member, it was announced by Raymond M. Dutmers, executive vice-president of the Grand Rapids-based firm.

Wilcox joined Spartan in 1956 to establish a retail store accounting service, which later expanded to include store engineering, site selection, financing, tax and corporate planning, research and education. He will also continue as president of Market Development Corporation, a wholly-owned Spartan subsidiary.

Who Has the Money?

The wealthiest 1% of the U.S. adult population own 25% or more of all personal property and financial assets, or about $1 trillion in the hands of 11/2 million people. The top 5% of the U.S. families hold about 40% of the wealth. The richest 20%, many of whom do not consider themselves wealthy, have three times the net worth of the bottom 80%.
Quality Dairy Products
Milk and Ice Cream
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Expanding Store Hours Stands Out in 1972

By ALLEN VERBRUGGE

This is my final column of the year, and as president of the Associated Food Dealers, all I can say is, boy did the year go by quickly!

Usually, the presidents review the year's activities in their final message. But since there is a comprehensive review of the AFD projects, involvement and activities on Page 8 of this issue of The Food Dealer, this will not be necessary.

Probably the biggest thing to affect our industry this year was the move to midnight and all-night store openings. I do not believe this is healthy for food retailers especially, but until a move begins away from all-night openings, we retailers will have to live with it and devise new ways of competing against this.

In closing, I wish to say it was a real pleasure and honor to serve as president of the AFD. The office and responsibilities of president, has brought to me a far greater understanding of our industry and the operations of the AFD. I wonder how many of you are truly aware of the the vast assortment of problems we are confronted with? Believe me, they are magnanimous in scope.

I will be happy to turn over the presidential gavel to Ray Martyniak, whom, I am confident, will do an excellent job in assuring that the AFD will continue a successful course, and remain “the voice of the industry”.

At this time, I wish to thank all the officers, directors, members and friends who assisted me during this year. Especially the supplier companies who supported our events and activities. Without your help, our many successes could not have been possible.

Thank you and Happy New Year!

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It makes sense to offer good products at a profit. That's why Oven-Fresh is proud to offer Golden Indian bread you can be too, as an affiliate of Grocers Baking Company, and an Oven-Fresh Foods Dealer.

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MAIN PLANT:
210—28th St., S.E., Grand Rapids, Michigan
If you think American city is a morning newspaper town, ask Simmons.

(While you're at it you can ask Simmons about suburban shopping areas, the air travel study, Market Detroit II, and the Simmons Local Index.)

SIMMONS: This is the city of Detroit, Michigan. Over four million people live, play and work here. My name's Simmons. I'm a research study, the Simmons Local Index. It was Tuesday, December 5th. Me and three local research studies, the Suburban Shopping Survey, The Air Travel Study and Market Detroit II, were covering the ADI and SMSA (10-county Area of Dominant Influence and 3-county Standard Metropolitan Statistical Area).

11:30 A.M., we got a call from "YOU":

YOU: I think every major American city is a morning newspaper town. They told me to ask you about Detroit.

SIMMONS: That's what we're here for.

YOU: Well, is Detroit a morning or evening newspaper town?

SIMMONS: Evening. Of those who read a major Detroit paper daily, 71% read The News, the evening newspaper.

AIR TRAVEL STUDY: That's right. And people who fly out of Detroit's Metropolitan Airport prefer The News significantly over the morning paper. Particularly those of greater affluence.

YOU: What do you mean by "greater affluence"?

SIMMONS: Just this. Of the adults in the ADI with incomes of $15,000 and over, The News reaches 50% more daily than the morning paper. 82% more on Sundays. And that's a fact.

YOU: How about coverage in shopping areas?

* 1970 Simmons Local Index
very major
ing newspaper town,
about Detroit.

(Simmons local studies, too)

SIMMONS: One more thing. Just routine. Of those who do read the morning paper, 4 out of 10 also read The News.
YOU: Well, I guess they were right.
SIMMONS: About what?
YOU: If you think every major American city is a morning newspaper town, you should ask Simmons about Detroit.
SIMMONS: Yup.

The Detroit News
it pulls

The story you have just read is true. The names have not been changed so that credit can be given where credit is due.
YEAR IN REVIEW
(Continued from Page 7)
was named by AFD as Michigan Food Industry’s Man of the Year; special citations for distinguished service were presented to B. Dale Ball, Mrs. Edith Allen, John Orlando, Meyer Berman, Lee Reeside, Thomas Lewis, Harvey L. Jones and Dominic Cusumano received Distinguished Service Award plaques. The Flint Journal newspaper received a DSA citation for fair and accurate reporting of food industry news and events.

AFD officials met with officials of the Detroit Health Department to discuss rules and policies. President Al Verbrugge and Ed Deeb addressed a special sales staff meeting of the Ralston Purina Company, discussing food industry trends in Michigan.

OCTOBER
Chatham Super Markets unveiled its computerized checkout in Warren. Wrigley launched its unit pricing program. U.S. Court overrules the Michigan meat standards, stating that the state law conflict with federal laws regarding comminuted meats, in an appeal by three federal meat packers. Great Scott Super Markets took the initiative in reducing store hours from 12 midnight to 10:30 p.m. Farmer Jack and Wrigley Super Markets began open-dating meats in their stores. Ed Deeb again appeared on WWJ-TV’s “Country Living” program in behalf of the industry.

AFD attended and participated in a hearing called by the City of Ann Arbor to discuss three proposed laws on unit-pricing, nutritional labeling, and product dating, Oct. Lottery Commissioner Gus Harrison informs the AFD that food stores indeed will be an important aspect regarding lottery ticket sales. Chatham Super Markets announced a major expansion and addition to its Warren warehouse.

AFD officials met with representatives from various beer and wine companies regarding the new policy of the Liquor Control Commission prohibiting exchange of damaged products. Wrigley begins new check program; will cash checks for anyone up to $50 without needing to buy anything. AFD’s Jerry Yono and Ed Deeb met with Lottery Commission officials Gus Harrison and David Hanson to review lottery procedures, details.

NOVEMBER
AFD prepared and issued to bankers a position on the growing problem of bad check losses in Michigan, calling on bankers to screen more carefully checking account applicants, issue ID cards with photos, among other things. AFD issued statement supporting Michigan’s meat standards “so long as there was a choice”: executive director Deeb appeared on Detroit TV stations WWJ-TV and WXYZ-TV giving the reasons why. State and federal officials launched an investigation into abuses of the Wayne County food stamp program.

The AFD established a Youth Committee, permitting young adults a voice in our industry. Neil Bell of Village Food Market, Grosse Pointe, was named chairman.
Wayne County Prosecutor’s office announced the establishment of a new consumer protection agency. Lou Brown was elected DAGMR president for 1973 at the annual meeting. AFD officials Dick Przybylski, Phil Savrans, Al Verbrugge and Ed Deeb met with the Michigan Department of Agriculture to review the revised Michigan meat laws. Ed Deeb addressed the Trenton Rotary Club, Nov. 28.

DECEMBER
The nine-month-old strike by drivers and bottlers at the Detroit Coca-Cola Bottling Company finally ended early this month. Koepplinger’s Bakeries, Inc. this month celebrated its 40th anniversary. AFD’s Tom Violante, Bill Welch, Gene Matti and Ed Deeb met with officials of the Michigan Bankers Association regarding united action to resolve the bad check program. Michigan Department of Agriculture met with a citizens group which is mapping out legislative strategy to maintain the state’s higher meat standards. Helen Milliken, wife of the Governor, agreed to chair the group.

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Around the Town

Joseph Gadon, has been promoted to vice-president and director of human resources for Chatham Super Markets, it was recently announced by president Bernard Weisberg.

Mary Begzos, formerly with the sales staff of the Detroit Free Press, has joined A. I. Morrison & Company as a sales representative. Morrison specializes in programs involving sales promotions and incentives, and advertising specialties.

Gerald Wolberg has been elected the new president of Home Juice Co. of Detroit, an AFD member, replacing Albert A. Allen, who has become president of the Chicago Home Juice Co. Also, Michael Allen was elected executive vice-president of the Detroit operation.

The Pepsi-Cola Company, an AFD member, recently received a 1972 Keep America Beautiful special merit award for their environmental programs. Pepsi president Victor Bonamo accepted the award from KAB head James Bowling.

William Rodgers, well-known sales and promotion man in the world of professional basketball, has joined the Detroit city sales division of The Stroh Brewery Company it was announced by president Peter Stroh. Rodgers was formerly sales promotion director for The Detroit Pistons team.

Peterson & Vaughan, Inc., an AFD broker member, announces the promotion of Donald Finnigan to assistant sales manager, from retail supervision, and Larry Ratz from retail specialist to retail supervisor.

K. V. “Vic” Mason of Pontiac, has been named district sales manager of Michigan for John Morrell & Company, according to an announcement by general sales manager Gene Varvel.

Grand Rapids GMR Elects Bedwell

Wes Bedwell, of the R. T. French Co., has been elected president of the Grocery Manufacturer’s Representatives of Grand Rapids for 1973. He succeeds John Kearney of Bob Jones & Company, who was elected chairman of the board.

Others elected were: Charles Briehof of WOTV, vice-president; Tom Lillie of Paul Inman Associates, secretary; and Dick Church of Nabisco, treasurer.

SEASON'S GREETINGS

From These Fine

1972 Advertisers in THE FOOD DEALER Magazine

Action Advertisers & Mls.
American Bakeries, Inc.
Archerway Cookies
Associated Brewing Co.
Atlantic Saw Service Co.
Awrey Bakeries, Inc.
Better Made Potato Chips
Blue Cross-Blue Shield
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Camden Basket Company
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Carling Brewing Co.
Clabber Girl
Comp-U-Check, Inc.
Steve Conn Associates
Continental Baking Co.
Continental Food Brokerage
Darling & Company
Del Monte Foods
Detroit Bank & Trust Co.
Detroit Coca-Cola Bottling Co.
Detroit Food Brokers Assn.
Detroit Free Press
Detroit News
Detroit Rendering Co.
Double Check Distg. Co.
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Economy Linen Co.
Farm Crest Bakeries
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 Faygo Beverages, Inc.
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Glacier Frozen Foods
Gohs Inventory Service
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Guzzardo Wholesale Meats
Hamilton Fish Co.
Hamm’s Beer
Hamtown Foods
H. J. Heinz Co.
Hobart Manufacturing Co.
Home Juice Company
Hussmann Refrigeration
Identiseal of Detroit
Paul Inman Associates
Interstate Brands, Inc.
Interstate Marketing Corp.
International Detection Pdts.
Kaplan’s Whistle, Food Serv.
Kar-Nut Products Co.
Keene Corporation
George Keil Associates
The Kellogg Company
Kirby Packing Co.
Koepplinger’s Bakeries, Inc.
Kowalski Sausage Co.
Land O’Lakes Creamery
Leone & Sons Wine Co.
Liberty Paper & Bag
Magnuson Food Products
Mario’s Food Products
Marks & Goergens
Master Butcher Supply Co.
McDonald’s Diary Co.
McMahon & McDonald
Melody Foods Co.
Metro Detroit Soft Drink Assn.
Michelob Beer
Michigan Wineries (Cask)
Midwest Refrigeration
Mutual of Omaha
Nabisco
National Brewing Co.
Oakland Press
Pappas Cutlery & Grindng
Peet Packing Co.

Pepsi-Cola Co.
Peter’s Sausage Co.
Peterson & Vaughan, Inc.
The Pfeister Company
Pitts Packing Co.
Prince Macaroni of Michigan
Procter & Gamble
Rafal Spice Co.
The Raleigh House
Red Pelican Food Pdts.
Reynolds Metals Co.
RGIS Inventory Service
Carl Rosman & Co.
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Schafer Bakeries, Inc.
Schmidt Noodle Co.
Specialty Foods Co.
Sperry & Hutchinson
Squirt-Detroit Bottling Co.
Stroh Brewery Co.
Sunshine Biscuits, Inc.
Superior Potato Chips Co.
James K. Tamakian Co.
Tayste Bread
Tip Top Bread
Tom’s Toasted Products
Tuborg Beer
United Dairies, Inc.
WPON Radio
WWJ-AM-FM-TV
Ward Foods
Washington Inventory Service
Wayne Poultry Co.
Wayne Soap Co.
Wesley’s Quarker Maid
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Wilson Certified Foods
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And all AFD Member Firms

Associated Food Dealers — The Food Dealer

“Michigan’s Largest and Leading Food Association”

“Michigan’s Award-Winning Food Trade Publication”
Memo from Faygo

by

MORTON FEIGENSON
President

SMI's O'Connor Tells Brokers: 'Computer Will Force Hands'

The yellow stream of taxi traffic is still the same. The steel and concrete buildings have not changed. But for thousands of food brokers and manufacturers, the National Food Brokers Association convention has filled them with exciting fresh business ideas for the new year.

Meeting in December, the 69th Annual NFBA Convention and National Food Sales Conference in New York brought together food brokers and manufacturers from around the nation, as well as many foreign countries, for educational workshops, general business sessions with featured speakers, and for thousands of private meetings throughout the six-day period.

This year, for the first time, a Principals' Forum was developed and presented as a vehicle for manufacturers to air their views on broker-principal relations. Acclaimed an outstanding success by both groups, the Forum discussed divergent views on better relations in an atmosphere of candor.

Donald R. Keough, President—Foods division, the Coca-Cola Company, keynoted the Forum with a call for educating the consumer about today's efficient food industry.

Only manufacturers spoke at the crowded meeting—though points raised were answered the following day by a panel of knowledgeable brokers during the Saturday Morning Business Session.

The Saturday session also heard NFBA President Mark Singer call for down-to-earth cooperation between manufacturers and food brokers in what was regaled as a "plain talk" speech.

Singer, who was congratulated for his frankness, told the groups "we are not here to take pot shots at each other. But rather to openly work together, completely for our mutual benefit." He received a standing ovation from the full-house audience.

The Saturday session also included the election of officers, an address by NFBA National Chairman Firmin C. Deibel, and a question-raising, interesting talk by Super Market Institute executive director Michael J. O'Connor.

The NFBA national chairman, who completed his one year term in office as of the convention, spoke on resolving problem situations through the services of the broker's national association—the NFBA.

In his talk, SMI's O'Connor urged food brokers to continue to prepare for tomorrow, today. He added that computer-projected long-term ordering of up to six months or a year through brokers may lead to extended security for food brokers.

O'Connor also spoke on the status of the future automated supermarket. He worded a picture of the completely automated checkout stand that will compute prices, re-order stock and inform management of projected stock needs...both automatically and instantaneously. "Our hand is being forced by the computer," he said.

O'Connor's talk closed the Saturday business session and the large audience divided themselves into five different and concurrent workshops.
New Books Featured
On Employee Safety

New books on supermarket safety and basic training for employees are among the new offerings in the revised NARGUS Catalog of Publications and Visual Aids just released by the National Association of Retail Grocers.

The "Handbook of Supermarket Safety" shows the retailer how to comply with the standards of the Occupational Safety and Health Act; how to establish workable procedures on safety, accident prevention and fire prevention, and how to motivate employees toward responsible, safe work habits.

The NARGUS Basic Skills Series is a group of self-instructional employee training courses which require no special equipment, classrooms or formal meetings. Courses now available include Bagging, Checkout Security, Customer Courtesy, Grocery Safety, Grocery Stocking, Price Marking and Reducing Checker Errors.

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1973 Bakery Expo

A display of everything the baker needs will be exhibited at the 1973 Baking Industry Exposition, to be held Oct. 13-18, 1973 at the expanded convention hall in Atlantic City, New Jersey. Chairman E. Archer Turner said the hall will be transformed into a massive colorful idea-filled Parade of Progress under one roof. The event is sponsored by the American Bakers Association, and the Bakery Equipment Manufacturers Association.

It's like opening the door to a bakery.

TIP TOP DIVISION OF WARD FOODS, INC.
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Merchandising

Noel Maxam, formerly of Maxam Food Specialties, has joined Peterson & Vaughan, Inc., an AFD member, it was recently announced by Eugene Peterson. At the same time, the firm announced the addition of the following food service accounts: Brokay Products, Mitchell Foods, Purveyor Meat Supply, and Rinna Bros. Bakery.

The Pfeister Company, an AFD member, was the recipient recently of the Broker Merit Award from Campbell Soup Company for “the highest sales honor for outstanding performance” for the firm. The award was for having the best selling, distribution and marketing achievement for Recipe Brand Pet Food in the Central division.

Liberty Paper & Bag Company, an AFD member, has announced the promotion of Gene Balice, former AFD award-winner, to assistant sales manager.

Gene Nielens & Associates has been appointed institutional food broker for Hygrade Canned Meats, it was recently announced.

Apollo Brokerage Company, an AFD member, has announced the relocation of its offices. The firm’s new address is 595 Forest Ave., Plymouth, Mich. 48170; phone 453-5300.

Mrs. R. S. Woodard, a Grand Rapids housewife, was selected as one of the grand prize winners in the John Morrell & Co. Eat Hearty Contest. Her prize, a year’s supply of groceries at the Meijer’s Thrifty Acres, where she shops.

Marks & Goergens, Inc., an AFD member, was recently selected Midwest Broker of the Year in both sales achievement and merchandising by Hunt-Wesson frozen products.

Mamselle’s, producers of tart, pie and hors d’oeuvres shells, has announced the appointment of Harry E. Mayers Associates as its institutional food broker.

Peter Eckrich and Sons, an AFD member, has announced its intention to continue to provide Michigan consumers with frankfurts, sausage and luncheon meat products of the highest quality, according to president Donald Eckrich. He said his firm’s standards have always matched or exceeded Michigan and federal requirements.

For the first time in its history, Stroh Brewery Company, an AFD member, produced and shipped over 4-million barrels of beer in a calendar year. This means nearly 55 million cases of 12-ounce bottles and cans of beer.

Squirt-Detroit Botling Company, an AFD member, has announced that under a special franchise agreement with Uptown Beverage Corporation of New York, it will produce and distribute Uptown, the lemon-lime soft drink formerly produced in this area by Faygo Beverages, Inc.

Detroit Food Brokers Host Borman, Kroger Executives

In two recent and successive meetings, the Detroit Food Brokers Association (DFBA) hosted executives from Kroger Super Markets’ Detroit division, and Farmer Jack Super Market executives.

Attending the meeting from Kroger were R. Larkin, assistant grocery merchandiser, and M. Thompson, grocery merchandiser.

On hand from Farmer Jack’s, a division of Borman’s, Inc., were president Dave Wallington, Robert Garbarino and Joseph Genovesi, Wallington spoke of the “past evils” of some of the supermarket operations in the metro Detroit area, and how Farmer Jack hoped to alleviate some of them.
Job Development Tax Credit
Added Bonus for Businessmen

American businessmen are leaving largely untouched a federal income tax "bonus" with which they could have saved as much as $20 million last year, had it been in effect.

This is the Job Development Tax Credit. It was added to the law by the Revenue Act of 1971 and may be claimed by private employers who hire workers under the Work Incentive—or "WIN"—program.

The credit is applied directly against taxes and is equal to 20 percent of the wages paid such employees during their first 12 months on the job, consecutive or not. (Persons employed under WIN last year were paid almost $100 million in salary and wages—and 20 percent of this is the $20 million referred to above.)

The credit does not affect an employer's deduction of the wages as a business expense—making the new tax credit even more of a bonus.

There are relatively few strings attached.
Credit is claimable for tax years beginning after December 31, 1971.
It cannot be claimed on any portion of the wages for which the employer is reimbursed.
The Labor Department must certify that the employees are hired under the WIN program and do not displace other workers. Also, the employee cannot be close relatives, of an employer, nor be hired as household workers.

The credit is lost if the employee is terminated during the first 12 months or the following 12 months. But this is not as restrictive as it sounds. Because the credit is not lost if the employee is fired for misconduct, quits voluntarily, or becomes disabled and unable to work.

The amount of credit that employers can take is limited to their income tax liability, up to $25,000. But in any year, if tax liability exceeds $25,000 credit can be claimed on 50 percent of the tax liability in excess of the $25,000. Amounts of credit not allowable because of this limitation may be carried back three years and forward seven years, exactly as in the investment tax credit, with which businessmen are familiar. No unused credit may be carried back to a tax year beginning before 1972.

Everett Forms Multi-Refrigeration

The formation of Multi-Refrigeration, Inc. has been announced by William Everett, president of the new firm. Multi-Refrigeration will specialize in sales, service and installation of Hill refrigeration equipment for food and beverage stores.

In addition, Everett said the firm will also specialize in store layout design and quality interior decor. Everett was formerly connected with Midwest Refrigeration as a sales representative.
TAX TOPICS

Know Advantages of Irrevocable Living Trusts

By MOE R. MILLER
Accountant and Tax Attorney

Irrevocable trusts created during life serve a wide variety of purposes. They are useful to persons relatively modest means as well as to the wealthy. They provide many important practical advantages; and in many cases, federal tax considerations are also strong incentives for creating such trusts.

Just as its name implies, an irrevocable living trust is created during life, and it cannot be revoked by the grantor—the person creating the trust. It may last for a specified number of years or for a period measured by a life or lives. At termination, the trust property may return to the grantor.

An irrevocable living trust is often used to provide financial assistance to a family member. Mr. A helps support a widowed aunt, and he knows that she will need his help for the rest of her life. A created an irrevocable trust that produces $1,200 of net income annually. This is paid directly to the aunt. The trust will continue for the rest of her life; and at the aunt's death, its principal will return to Mr. A. Prior to creating the trust, Mr. A made annual gifts to his aunt using after-tax income. In his 60% federal income tax bracket, it took $3,000 of pre-tax income to provide the aunt with $1,200. Now, however, the aunt receives her $1,200 directly from the trust, and this income is not taxed to A. It is taxed to the aunt, but she will pay little or no income tax on it.

Irrevocable living trusts are also used in a wide variety of situations for gifts to children. For instance, a gift is often made in trust to provide special protection for the property and to make sure that it will be used for its intended purpose. There are many practical reasons why gifts to children are made in trust. Consider the following examples:

Mr. and Mrs. C want to give their children several valuable pieces of income producing real estate. Of course, the gifts could be made outright. However, if they give one piece of property to one child and another property to another child, they run the risk of inadvertently treating the children equally—particularly if one property increases in value more rapidly than another. Consequently, at their attorney's suggestion, Mr. and Mrs. C have placed the properties in an irrevocable trust for the benefit of the children. The trustee will hold title to the properties, will manage them and will distribute the income equally to the children.

Sometimes a trust is used to accumulate income for later distribution to a child. Under present law, the income that is accumulated in a trust is still taxed to the trust as it is accumulated. However, when it is later distributed to the beneficiary, it is then taxed to the beneficiary as though he had received the income in the year it was earned by the trust. Against his tax, the beneficiary receives a credit for the taxes that were paid by the trust.

The uses of irrevocable living trusts are numerous and varied. It should be borne in mind, however, that such a trust involves the irrevocable parting with property. Consequently, an irrevocable living trust should only be created where it provides a practical solution for a basic problem.

Such trusts are frequently vital in providing financial assistance to the grantor's family or friends or in making a gift to charity. Generally speaking, the tax savings should be of secondary significance in creating an irrevocable trust. However, once the primary purpose for creating a trust has been established, there is no reason why tax incentives should not help in determining how the trust should be framed.

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AFD MEMBER
Do You Have A Bad Check Problem?

The Associated Food Dealers has a solution that will help you reduce bad check losses. Pictured above is Ed Acho, right, of J-A Market, going over the timely and useful monthly directory of bad checks with Tom Durack, Jr., left, of Comp-U-Check. In his first month alone, Acho saved $700 by using the AFD Check Verification Service, and hundreds more since.

Please send someone out to my store to explain the AFD's Check Verification Service. I understand I am under no obligation.

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AFD Coming Events

Feb. 18-24, 1973 — “Grocers Week in Michigan,” AFD’s highly successful statewide promotion in behalf of Michigan’s food merchants and food industry. Mark your calendar so your store or company will plan to tie-in with this big event.

Feb. 20, 1973 — AFD’s Annual Food Trade Dinner and installation of officers to be held at the Raleigh House, Southfield. This is the highlight of Grocers Week and the industry’s big social event of the year. (Companies interested in sponsoring portions of the banquet, or placing an advertisement in the program issue of The Food Dealer magazine, or banquet tickets, are invited to contact the association.)

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