SCHOLARSHIP ISSUE

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THURSDAY, AUGUST 10, 1989

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Manufacturer/Distributor Relations in the 1990's

New Liquor Control Commissioners
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Governor's Reception
A pictorial of the June 3rd Governor's Reception sponsored by the Associated Food Dealers and The Paddington Corporation representing J & B Rare Scotch.

Scholarship Awards
The Associated Food Dealers of Michigan announces the recipients of the 1989 Scholarship Awards.

Food Stamps & Welfare
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EDITOR'S NOTE: Jim Bellanca, a personal friend and AFD Legal Counsel, recently shared the following letter with me. It was written by his daughter, Selia Bellanca, a high school senior, who gave me permission to share it with you. Her message is particularly appropriate at this time, as we honor our 1989 AFD Scholarship winners. I hope you enjoy reading it as much as I did.

J.D.S.

In my father's law office there is a plaque entitled "The Man From Alcamo." It is a dedication to my grandfather written at his death by Doc Green, a columnist for the Detroit News. It tells of an immigrant who passed through Ellis Island at the age of four and who became a well-respected attorney through the city of Detroit. Many of the values that I have are the ones he brought with him: work hard, try your best, do not settle for mediocrity, stay close to your family, and help the people around you. I put a lot of time into my studies. Getting good grades is very important to me and much is sacrificed to achieve them. I spend many hours alone in my room studying tediously, the floor strewn with library books, notes, texts, and xeroxed copies of magazine articles. I know that quality work does not come by accident. It demands time and effort, but it can be achieved.

My strong, close family makes me what I am. I have learned that family time is of the utmost importance. Every Sunday my aunts, uncles, cousins, and grandmother gather to share a meal and to spend the day together. Through this unique family commitment, with all its traditions, a sense of heritage and pride has been instilled in me. As role models, I see my father and his two brothers working together and supporting each other. I know my extended family intimately. They are not strangers I see on holidays. In this close environment, achievements are celebrated, true joy is taken in accomplishments, and one is supported in disappointments and setbacks as well as hopes and aspirations. I appreciate the valuable asset of family love and support and depend on it.

Just as my family helps me, I feel a responsibility to help my friends. I sometimes think that I have spent enough hours counseling my friends to fulfill an internship. Some of them have had serious problems arising from broken homes, step-parents, and half brothers and sisters. They have been depressed and have even considered suicide. Perhaps they come to me because I have something they do not. Though I cannot eliminate their troubles, I give the best advice that I can, and I promise that I am always there for them when they need me in the same way my family is there for me. I am sensitive to their feelings and deeply concerned about them. I feel this obligation must be extended to the community as well. My work as a volunteer at Casa Maria is an enriching experience. I go with a group from my Spanish class to a center for children of Hispanic descent from the Metropolitan Detroit area. I believe I get more fulfillment out of the day than the children themselves.

These values will help me in the future. I know I cannot fail as long as I have the will to work, as long as I stay close to my family, and as long as I remain true to myself. I possess a pride that will not allow me to settle for less than my best - whether in my studies, in family relationships, in serving my fellow man, or in attaining my future goals. Though my grandfather died before I was born, he passed on his values to me.

Selia Bellanca

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Manufacturer - Distributor Relations in the 1990's

Grocery Manufacturers of America Inc.

Changes in industry technology, as well as changes in consumers' eating and shopping habits, have led to the evolution of a wider variety than ever before of business formats utilized in the distribution of grocery and other products. Each business format seeks the optimal, but elusive, mix of price, quality, selection and convenience that the consumer desires. Over time, new business formats have blurred historic distinctions among traditional classes of trade. As a result, some classes of distributors within the same market area who formerly competed only indirectly or incidentally with traditional distributor formats now should be regarded as direct competitors.

In order to achieve broad and efficient distribution of their products and to serve the consumer most effectively, grocery manufacturers today are aware that these various distribution formats may have their own unique characteristics that lend increasing complexities to today's dynamic marketplace, but that they are competitors in the sale of grocery and other products. When historic distinctions among distributors begin to fade and become less certain, grocery manufacturers recognize the importance of dealing fairly, honestly, and consistently with all distributors.

In addition, the Robinson Patman Act lays out standards which must be used by manufacturers and distributors to guide the determination of their pricing and promotion policies. This law is based on concepts of fairness at all levels of the process in dealing with customers, which also makes good business sense. Manufacturers, food brokers, and distributors should observe the spirit and the letter of the Robinson Patman Act.

Therefore, in the pricing and promotion of products, manufacturers should not make distinctions among competing distributor customers within the same market area based on "class of trade" or types of format. If a manufacturer develops prices, terms, promotions, deals or packs designed to meet the marketing needs or desires of a particular class of trade or distributor format, the manufacturer should inform all competing distributor customers within the same market area, regardless of class of trade, of their availability and should grant these distributors an equal opportunity to qualify for these offerings. Distributors should not request special prices, allowances, or services from manufacturers or their agents if they know that to grant such prices, allowances or services would force the manufacturer to discriminate unlawfully against other customers within the same market area. This will promote fairness within the industry and benefit the consumer.


COOKING ELECTRICALLY IS LESS COSTLY.

SO UNLESS YOU HAVE MONEY TO BURN...

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A good part of your life.
The Very Best!  
The Michigan Premium Program

By E. C. Heffron, Director, Food Division
Michigan Department of Agriculture

Fostering the very best is the aim of the Michigan Premium Program. To succeed, to win, in today’s competitive environment, no one can settle for less than their best. A main goal of the Michigan Premium Program is to build higher standards of quality for Michigan food and agriculture products and businesses. Achieving this goal will produce higher economic return for everyone.

The Michigan Premium Program was officially launched by Governor Blanchard at the Governor’s Conference in February. The inaugural participants in the program included fresh asparagus, comminuted meats, and eggs. Unfortunately, the kick-off and appearance of the Michigan Premium label have snagged on a temporary delay. Legal questions were raised concerning the use of the 1961 Seal of Quality Act. These issues are currently being hammered out through the Attorney General’s Office. Every effort is being made. In fact, three parallel tracks of improvements and corrections are being pursued simultaneously.

Emerging from this delay will be a Michigan Premium Program that is improved, stronger, and better than before. At the same time we are moving ahead with new participants in the program. The program is not set to begin admission of retail establishments into the Michigan Premium Program. We look forward to retail food dealers being important participants.

Since the Michigan Premium Seal will be awarded to the very best Michigan agricultural, food and businesses, consumers will recognize the Premium Seal as representing only the very best. The value of the Premium Seal increases through this synergy. For example, consumers, pleased first with a purchase of the very best asparagus under the Premium Seal, will be inclined to support a retailer bearing the Michigan Premium Seal on his business.

The Michigan Premium Seal will also be supported by public service announcements, consumer and trade publicity. Extremely fine public service announcements feature Magic Johnson, discussing excellence and success. These will build awareness of the Premium Seal, its association of excellence, and what this means to the consumer.

Retailers awarded the Premium Seal will be allowed to use it as a decal on their store and in their advertisements and other promotional materials. The department is also producing point-of-sale materials for display in the retail stores to support their efforts.

To participate in the Michigan Premium Program, take the following steps:

1. Letter of Intent. A group representing an industry segment, such as the Associated Food Dealers, files a letter of intent. This letter of intent to pursue the Michigan Premium Seal is sent to the attention of Neal Fortin with the Department of Agriculture.

2. Development of Proposed Standards. After filing a letter of intent, the participating group develops a draft or proposal of standards for their group. Working as a group, one goal of the Premium Program is to bring the entire industry together to achieve long-range goals.

Keep in mind that these standards must exceed normal standards or performance levels in order to qualify as Michigan Premium. The sale of Michigan Premium Products is encouraged, but such sales may not necessarily have to be part of the standards for a retailer to obtain the Michigan Premium Seal. Quality assurance will be the responsibility of both the participant and the Department of Agriculture, and it may be addressed in your draft of standards. Identify any books, references, or other technical resources used to support your standards (these might include experts with the Department of Agriculture).

This draft of standards is then submitted and will be reviewed by the Department of Agriculture. We will offer suggestions and guidance if needed. The standards will be set cooperatively between your industry and the department, but final approval of Premium Standard rests with the Director of the Department of Agriculture.

3. Rule Making. Once standards are set these must be approved through the rule making process approved by the State Legislature.

4. Letters of Agreement. Once the Premium Standards become official rules, retail stores may apply individually to the department. Letters of agreement, which include the quality standards and responsibilities will then be signed. The formal letter of agreement will allow the retailer to use the Michigan Premium Seal on their store, advertisements, and other promotional efforts.

Users of the Premium Seal will be rewarded with recognition and honor for their participation. To strive, to achieve, and to succeed are the objectives of the Michigan Premium Program. These goals will produce higher economic return for everyone.

The Michigan Premium Program is an exciting venture, offering exceptional potential and rewards. We welcome everyone who wishes to participate.

If you are interested in participating, direct your letters of intent, draft of standards, and inquiries to:

Neal Fortin, Standards Coordinator  
Michigan Premium Program  
Food Division, Michigan Department of Agriculture  
4th Floor Ottawa North, P.O. Box 30017
Lansing, MI 48909
(517)373-9713 or 1-800-872-3555
Two New Commissioners Take Office

Jacquelyn A. Stewart of Huntington Woods and Betty E. Pulliam of Detroit have joined the Michigan Liquor Control Commission (MLCC) following their confirmation by the state Senate on May 18.

The new Commissioners were appointed by Michigan Governor James J. Blanchard to terms that end June 12, 1992 -- bringing the five-person bi-partisan Commission back to full membership. They join MLCC Chairwoman Patricia J. Knox and Commissioners Alex G. Laggis and Wallace Warner on the commission that controls the distribution and sale of alcoholic beverages in Michigan.

National Business League. She is a member of the Michigan Business Education Association, the Detroit Strategic Planning Council, and Detroit Mayor Coleman Young’s Private Industry Council. Pulliam succeeds Gary M. Vanek whose term also expired last year.

Stewart will join Knox and Warner as an administrative commissioner. In that capacity she will serve on the appeal board of the Commission and be extensively involved in the administrative and policy decisions of the Commission. Pulliam will join Laggis as a hearings Commissioner. As a hearings commissioner, she will conduct hearings across the state on violation cases.

The MLCC licenses all retailers, wholesalers, and others involved in the alcoholic beverage industry in the state. About 20,000 retail businesses are licensed to sell beer, wine, and spirits in Michigan.
June 4th, the Greater Detroit Chamber of Commerce sponsored its 9th Annual Legislative Conference at the Grand Hotel on Mackinac Island. The conference objectives are to encourage persons from both the public and private sectors to participate on issues dealing with the business climate.

One June 3rd, the Associated Food Dealers and J & B Rare Scotch co-sponsored the Governor’s Reception. Joe Sarafa, Executive Director, Sam Yono, Chairman and Nabby Yono, Board member, represented AFD. Rick Przebreda, District Manager and Barbara Manlove, State Manager of Paddington Corporation represented J & B Rare Scotch.

Many business and Government leaders were in attendance including: Governor James Blanchard, Senator Virgil C. Smith, Jr., Senator Art Miller, Ed McNamara, Wayne County Executive; State Representatives Teola P. Hunter, William R. Keith, Ted Wallace, Sal Rocca and wife Suzie; Mike George, Melody Farms; Richard Cergis, Drugland; Betty Pulliam, MLCC Commissioner; Jackie Rehm, 7-Eleven Food Stores; Ivan Ludington, Ludington News; Richard Kughn, Kughn Enterprises and wife Linda; Sam Katz, American Mailers; Councilman Clyde Cleveland; Paula Blanchard, Casey Communication; Hans Schuler, AAA Michigan; Sam Logan, Michigan Chronicle; Tarik Daoud, Al Long Ford; Joel Greenison, The Kroger Company; Frank Smith, GDCC and Mr. and Mrs. John Drudi, Convenient Food Marts just to name a few.
If you're thinking about replacing your old gas cooking equipment, think electric. It's clean. It's efficient. It's more profitable. And if you qualify, we'll give you a discount incentive of $50 to $500. To find the registered Detroit Edison food service dealer nearest you, call 237-9225. Or call and make an appointment to try out electric cooking in a dealer test kitchen. Once you've given it a try, you'll find that it's not only wise, but it pays to electricize.
Associated Food Dealers of Michigan is Proud to Announce the Recipients of...

'89 Scholarship Awards

ASSOCIATED FOOD DEALERS OF MICHIGAN is proud to announce the recipients of the 1989-90 Scholarship Awards. Two students will receive $1,000 and twelve will receive $500. Each presentation is a one year award. The winners will be honored at the Annual Scholarship Golf dinner on August 10, 1989. The competition is open to persons employed by an AFD member.

To ensure complete impartiality in the selection of the winners, Scholarship Program Administrators, Inc., directed by Dr. Nyles Ayers, administers the program. This Committee evaluates the applicants' high school records, college grades, test scores, extracurricular activities and recommendations.

Kathleen Danyo...
Kathleen will receive a $1,000 Scholarship Award. While Kathleen was attending Riverview Community High School, she ranked first in her class, was Valedictorian, and received several other academic honors. Now, she is attending the University of Michigan, Dearborn and is majoring in Physics and is involved in the Society of Physics Students, Phi Mu Fraternity, and Intramural Sports. Last year, Kathleen won a $500 AFD Scholarship. Her eligibility is based on her mother's employment at MMI Distributing.

Jamie Hall...
Jamie will receive a $1,000 Scholarship Award for his outstanding academic achievements in high school and college. He is majoring in biology at Wayne State Medical School where he is involved in Pi Kappa Alpha Fraternity and the Ecology and Conservation Club. His eligibility is based on his mother's employment at Pepsi Cola.

Mark Binelli was an outstanding student at Notre Dame High School. He will be awarded a $500 Scholarship just before he enters the University of Michigan in Ann Arbor as a sophomore this fall. Mark is a two time winner of a $500 AFD scholarship. He is majoring in English and Communications and writes for the U of M newspaper. Mark's eligibility is based on his father's employment at DCI Food Equipment in Detroit.

Christopher Cahill...
Christopher is the recipient of a $500 AFD Scholarship for the second year in a row. He will be attending Western Michigan University in the fall where he will major in Accounting. He participates in Hall Council, Intramural Sports, Pre-Law Society, and is in the Honors College and on the Dean's List. His eligibility is based on his own employment at Discount Pop and Beer.

Curtis Weidler...
Curtis will receive a $500 Scholarship to be applied to his Political Science and Economics classes at the University of Michigan. He ranked first in a class of 65 while in the Senior Class at East Jordan High School. His eligibility is based on his employment at the Trading Post Party Store in East Jordan.

Eric Carlington...
Eric was an outstanding student while attending the Adlai Stevenson High School in Livonia. He participated in National Honor Society, Outstanding High School Students of America, Quiz Bowl Club and other extracurricular activities. In the fall, Eric will attend The University of Michigan in Ann Arbor, majoring in Aeronautical Engineering. His eligibility is based on his father's employment at Meadowdale Foods in Detroit.

Coleen Richards...
Coleen will receive a $500 Scholarship; she will major in Pre-Med at Wayne State University in Detroit. While attending Cranbrook Kingswood High School, she was ac-
Scholarships

Brenda Karrick...

Brenda is a member of the Honors Society, softball, basketball, and graduated Cum Laude. Her eligibility is based on her stepmother’s employment at Home Style Foods, Inc. in Hamtramck.

Anne Marie Scheid...

Anne will receive a $500 Scholarship which will be applied to her Marketing Degree while she is attending Central Michigan University. Ann graduated from Bishop Foley High School, Madison Heights, where she played volleyball and basketball, and was Freshman of the Year nominee. Her eligibility is based on her father’s employment at Meadowdale Foods, Inc. in Detroit.

John Lyman...

John is the winner of a $500 Scholarship and will apply it towards her Accounting classes at Michigan State University in East Lansing. While attending Mt. Pleasant High School, she was very active in Varsity Track, Student Council, S.A.D.D., and other activities. Since attending college, she is involved in Alpha Phi Omega, Golden Key NHS, Phi Kappa Phi, and the Accounting Club. Her eligibility is based on her father’s employment at Old Mission Party Store in Mt. Pleasant.

Shane Kraus...

Shane will receive a $500 Scholarship to be applied to his Engineering studies at Michigan State University. His eligibility is based on his own employment at Easy Waverly Mobile in Lansing. Shane attended Eaton Rapids High School where he was active in GVS Computer Tournaments, golf, swimming, and was their dance D.J., and the newspaper editor.

Susan Kisielewski...

Susan is the recipient of a $500 Scholarship based on her father’s employment at Foodland Warehouse in Livonia. Susan graduated from Crestwood High School in 1986, Dearborn Heights, where she was a member of the National Honor Society, Spanish Club and Student Council. She is attending the University of Michigan in Ann Arbor where she is majoring in Spanish and where she tutors students in Spanish.

Vicki Socall...

Vicki is the recipient of a $500 Scholarship because of her outstanding performance at Lake City High School, Lake City and her scholastic achievements at Central Michigan University. Vicki is majoring in Mathematics in the Elementary grades. Her eligibility is based on her own employment at Whipple and Co. in Morristown.

Christie Szymanski...

Christie, who will receive a $500 Scholarship, graduated from John F. Kennedy High School in Taylor with awards in English, Social Studies, Math and Science. She also participated in National Honor Society, Youth in Government, and S.A.D.D. Christie will be attending the University of Detroit, majoring in Journalism. Her eligibility is based on her father’s employment at Melody Distributing.

“...To ensure complete impartiality in the selection of the winners, Scholarship Program Administrators, Inc., directed by Dr. Nyles Ayers, administers the program. This Committee evaluates the applicants’ high school records, college grades, test scores, extracurricular activities and recommendations.”
Nine out of ten shoppers select their grocery store by the quality of its produce section. And nine out of ten Michiganders believe Michigan produce is fresher than any other. So if you want to cash in on your cash crop, display our point-of-sale materials that promote the freshness and seasonality of our state.
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Fruits and vegetables. And sell even more fresh Michigan produce in your store. However, only a limited number of Michigan Produce Sales Kits are available. To receive yours, call 313/557-9600. Because nothing’s as good as homegrown for you and your customers.
Unresolved Issues in Electronic Transfer of Food Stamp and Welfare Benefits

by William S. Kies
Senior V.P., Food Marketing Institute

Efforts to change the dispensing of food stamps benefits, and other welfare and cash-benefit assistance programs, to a more efficient and better controlled system, are focusing on the use of electronic transfer. A test program has been conducted in Pennsylvania, and new demonstration projects have been approved for St. Paul, Minn.; Albuquerque, N.M.; Phoenix, Ariz.; and Tacoma/Olympia, Wash., where state associations have already taken the lead in protecting the interests of retailers. Plans are being made for a similar, but somewhat different, project in the Baltimore, Maryland area.

These moves by the Food and Nutrition Service of the U.S. Department of Agriculture can eventually lead to greater efficiency and reduce the chances of fraud in such programs. However, a great many problems still have to be resolved.

The first pilot project, dealing with food stamps only, took place in the Reading, Penn. area. All Food stamp recipients in four zip-code areas received debit cards, similar to bank cards used for obtaining cash from automatic teller machines. Every checkout lane in the stores in the area, which accepted food stamps were equipped with card swipes, pin pads, printers and associated telecommunications equipment. The Pennsylvania Food Merchants Association put a great deal of effort into helping work out the Reading test. The state associations in the areas where the new projects will be taking place are helping to indoctrinate retailers who will be involved as well.

It is important to note that all checkout lanes in the stores were included, in order to comply with a government regulation which states that "No retail food store may single out coupon users for special treatment in any way."

It was determined that equipping only certain lanes in the stores for food stamp recipients, and thus reducing equipment and personnel training costs, would have violated the regulation. No matter how artfully worded, signs identifying special lanes for food stamp transactions would "single out" food stamp customers. This would happen regardless of the amount of food stamps business done in a particular retail store. It will take an act of Congress to change this situation.

An evaluation of the results of the Pennsylvania project done for the USDA showed overwhelming approval of the demonstration program in that state, from users, retailers, banks and state and federal government. The negative factors were the prohibitive cost and the fact that the equipment worked too slowly. The report recommended that further projects be expanded to include the transfer of other government benefits besides food stamps, and where possible, piggyback on existing electronic funds transfer (EFT/POS) systems. Incidentally, the state of Pennsylvania has taken over the project in the Reading area and is still running it.

USDA decided to undertake additional programs, implementing the recommendations in the evaluation report, and entered into contracts with the states of Arizona, Minnesota, New Mexico and Washington. A slightly different agreement was reached with Maryland. Each of the states has hired a contractor to run the program.

In all five projects, food stamp benefits and other cash benefit programs, including Aid to Families with Dependent Children (AFDC), general welfare, refuge assistance and unemployment insurance, will be made available at checkstands. The cash benefits may also be obtained from ATMs in stores and elsewhere.

Food Marketing Institute established a special committee of retailers to study the issues involved in these projects, which are bound to have far-reaching consequences. The committee made a decision not to impose the retail food store participation in the demonstration programs. Following are some of the most serious of these issues.

(1) Are retailer costs covered? The law authorizing USDA to undertake the study of an electronic delivery system provides that, "The cost of documents or systems that may be required may not be imposed on a retail food store participating in the food stamp program."

However, questions still need to be answered.

Each state contractor is to provide training for store personnel at no cost to the retailer, but it is not clear whether this directive covers transportation costs and labor costs during training. In addition, the continuous training of new personnel needs to be provided for. This could be an area where retailers may have significant ongoing training costs.

(2) What will be the maximum response time dispensing benefits once the necessary information has been entered and the clerk has pushed the "send" button? FMI's committee determined that a maximum response time of ten seconds is reasonable in today's retail environment. Longer response time will negatively impact the efficiency of a store's front end operations.

(3) If retailers dispense sizable amounts of money to welfare recipients, will the government or contractor provide a cash advance to the retailer to cover extra temporary cash needs?

(4) How will reconciliation take place and when will retailers actually receive payment?

(5) What will be the effect on front-end productivity, and how will this be measured? If productivity suffers, what steps can be taken to change the design of the project?

(6) How will retailers who already have EFT/POS systems be compensated?

Continued
(7) What back-up provisions will be in place for times when the system goes down?

These issues are being raised now because, in the discussions between the state governments and contractors, no retailer input was asked, nor were retailers involved. Had retailers been included, many of these matters might have already been settled.

It is only logical that retailers have input into designing a system that is meant to operate in their stores. They should not be asked to improve government efficiency at the expense of their own. The interests of benefit recipients also need to be protected.

Retailers in the localities involved are being urged to resolve the questions before signing an agreement to participate in the demonstration project, rather than hoping to "work it out" afterward.

Correctly designed and implemented systems now will result in positive benefits for all concerned in the future.

DAGMR's Annual Inaugural Ball held on April 29, 1989 was a complete success! Embassy Suites did a fabulous job with the food, the music was entertaining and the guests thoroughly enjoyed themselves.

The 1989 officers were announced at the ball.

1989 Officers
President: Clayton E. Middleton
General Biscuits of America
1st Vice President: Ed Frost Hills
Brothers Coffee
2nd Vice President: Susan Player
WOMC
Secretary-Treasurer: Michael P.
Elenbaas - Carnation Company
Sergeant at Arms: Barbara Kennedy
American Media Counselors
Board of Directors
Fred W. Bailey - Pfeister Company
Ray Amyot - Detroit Free Press
Bill DeCrick - Kahn's and Company
Ben Mandell - Merrit Sales Corporation
Jerry Musetti - Morton Salt Company
DAGMR is looking forward to an exciting year, their Spring Golf Outing drew nearly 200 golfers! As usual, the Links at Pinewood did a fantastic job.

DAGMR's "Operation Food Basket" accepts food all year long, including perishables. Detroit Warehouse accepts donations daily for "Operation Food Basket" so please feel free to donate what you can to the needy any time Monday - Friday.

7 UP OF DETROIT, INC.
EXTENDS A SINCERE THANK YOU TO ALL THE RETAILERS IN THE METROPOLITAN DETROIT AREA FOR YOUR SUPPORT
(313) 937-3500

The Food Dealer — 1989 /15
Michigan Legislature Concludes Session; Some Measures Await Fall Action

As this article goes to press the Michigan Legislature is ending what has been a very busy session for bills dealing with issues of importance to the Commission and its licensees.

One bill that has passed the Legislature and at press time is before the Governor for signature deals with the distribution of what have come to be known as mixed spirit drinks. These are products which are less than 10% alcohol, but because they contain some type of spirits they are presently distributed by the Commission. Should Governor Blanchard sign Senate Bill 263, mixed spirit drinks would no longer be handled by the Commission but instead would be distributed by private wholesalers, in much the same manner as beer and wine. While there are several types of products which fall within the mixed spirit drink category, perhaps the easiest way to identify which specific products will be transferred to the private sector is related to deposits. Some readers may recall that when the bottle bill was amended to require deposits on wine cooler containers, a provision was also included to require deposits on mixed spirit drinks. It is these spirit products, which since June 1 have been subject to container deposits, which will now be distributed by private wholesalers. One of the results of this change will be that the price of these products will no longer be regulated by the Commission. That is, wholesalers will be free to charge whatever price they desire and the retailer can set the consumer price at whatever level he or she may wish to charge.

For the retailers there are a couple of things to keep in mind in regard to the distribution changeover. One is that an SDD license will still be required in order to sell mixed spirit drinks, even though these products may in some cases be distributed by a beer or wine wholesaler. Also, during the changeover period SDD licensees may find that some mixed spirit drink products are available from both the Commission and wholesalers, as Senate Bill 263 allows the Commission to continue to sell the products until existing inventory is depleted. On the other hand it may be that some temporary shortages of certain mixed spirit drink products will occur while the transition takes place. In order to minimize disruption in distribution the Commission will be working with product manufacturers and wholesalers to put the new system in place as quickly as possible.

On the subject of wine cooler container deposits, June 1 has come and gone with what appears to have been a minimal amount of confusion during the transition to deposit containers. Although the Commission did receive some inquiries from the industry and consumers the number of problems appeared quite small. All segments of the industry deserve credit for the relative ease with which wine cooler container deposits were implemented.

One issue on which the Legislature did not complete action before the summer recess was that of increasing the Commission markup and licensee discount on liquor. Under the terms of Senate Bill 37 the Commission's markup on liquor would be increased from 51% to 56% while the licensee discount would be raised from 17% to 19%. Under the formula used for setting liquor prices, the proposed change would increase licensee's profits on liquor by some $10 million per year, while the Commission's profits would go up just over $3 million. Senate Bill 37 has passed the Senate and it is expected that the bill will be considered by the House when the Legislature reconvenes in the fall.

The Commission recently held its Semi-Annual Public Hearing on Tuesday, July 11 at the Bay Valley Resort near Bay City. This meeting, along with a companion meeting in December, is held expressly for the purpose of allowing licensees, the general public, or any person caring to do so to appear before the Commission to discuss any matter related to the alcoholic beverage industry in Michigan. The Commission is required by law to hold two such hearings each year. Traditionally, the July hearing is held in an area other than Detroit or Lansing to provide an opportunity for licensees in other parts of the state to inform the Commission of any problems or concerns they may have with any part of the Commission's operations. The Commission would like to thank all those licensees and other interested people who attended the hearing and expressed their views.
SCHOLARSHIP GOLF DAY

Links of Pinewood

THURSDAY, AUGUST 10, 1989

GO WITH THE "PROS"?

AFD's Scholarship Golf Committee Cordially Invites You To Attend

(Registration on reverse side)
AHD’s Annual Scholarship Golf Outing
Links At Pinewood
Walled Lake • Thursday, August 10th

The cost for ALL DAY & EVENING is $100 per person. For the RECEPTION & DINNER ONLY it’s $50 per person. Please make your check payable to AFD and return it with the registration form below. Be sure to indicate your tee time preference - we'll assign on a first come basis.

SCHEDULE

7:52 a.m. - 1:30 p.m. — First Play
7:45 a.m. - 10:00 a.m. — Continental Breakfast
11:00 a.m. - 2:00 p.m. — Buffet Luncheon
9:30 a.m. - 4:00 p.m. — Snack and Beverage Stations on the course
5:00 p.m. - 9:00 p.m. — Open bar
5:30 p.m. - 6:30 p.m. — Golf Exhibition & Putting Contest
5:00 p.m. - 9:00 p.m. — Dinner-Door prizes — Drawings for a Golf Week-end — the PAC Drawing for $9,000 — Recognize the Scholarship Winners

Enclosed is our check for $___________ covering the registrations checked:

________ $100 pp. for All Day Golf & Evening
________ $50 pp. for Reception and Dinner

PLEASE PRINT Names of Golfers:

_________________________________________  __________

_________________________________________  __________

_________________________________________  __________

_________________________________________  __________

DINNER ONLY

_________________________________________

Please Send Tickets To:

______________________________  __________

Name

Company

Address  __________

Signed

Phone

Zip
Have Wine Coolers Gone The Way of Designer Jeans? Lempert Reports

EDITORS NOTE: In light of impending cooler deposit and the lack of space for empties, read the following!

After five years of "bubbling" growth, the wine cooler market is beginning to "fizzle". Last year, shipments of the "yuppie soda" registered drops of 25 to 30 percent from the previous year. Analysts hastily revised annual growth estimates...downward...reflecting gains of less than 5 percent during key summer months...compared to their original estimates of 30 to 35 percent.

According to "The Lempert Report", the slump has continued, and the industry is being marked by consolidation. In the 12 months ending in July, sales dropped 16 percent to 51.7 million cases, or $1 billion—compared with sales of 61 million cases, or $1.2 billion in sales for the previous year. At the industry's peak in 1986, approximately 100 companies were making coolers. Today, the leaders---Seagram Co. and Bartles & Jaymes---dominate as much as 65 percent of the market.

The top five cooler companies, which account for 95 percent of all U.S. sales, are brutally competing for market share...ferociously introducing new products and packaging. California Cooler Co., one of the market's pioneers, watched its share slip from 50 percent in 1985 to 13 percent today. The company tried "spicing up" its line by introducing new flavors...one being Spiced Apple. The new flavor offers a less seasonal appeal...an autumn-into-winter beverage, which can be warmed in the microwave. Canandaigua's Sun Country coolers introduced new packaging---its "cooler ball" can be used to pack coolers in ice, and Miller Brewing Co. is offering its Matilda Bay brand in keg-style packaging.

TLR believes it will take more than new packaging or more flavors to reverse the slump. The introduction of low calorie coolers may provide that much needed boost. Since the Food and Drug Administration consented to the use of Nutrasweet in Sun Country coolers, other companies are looking to the Nutrasweet Co. to incorporate the low calorie sweetener into their products.

Those trendy customers who helped popularize coolers some five years ago may now be ready for the next sensation...possibly liquor and fruit juice combinations. Over the past couple of years, products such as flavored schnapps have been booming. However, studies indicate shipments of the flavored schnapps have already declined compared to last year. TLR notes, despite the odds, some companies still believe the fruit-and-alcohol category will prove "fruitful"...they just have to find the right "magical" combination.

"The Lempert Report" is published by the Lempert Company and is provided as an information resource. For interviews or further information call (201) 759-2900.
MooTown Snackers
Executive Summary

Cheese Snacks Have Broad Appeal
- Over 70% of all U.S. households purchase natural cheese.
- 30% of those households purchase 65% of the volume. These heavy users are younger families with two parents and 2 or more children living at home.
- Natural cheese users have higher income than processed cheese users.

MooTown Snackers® Are Unique
- MooTown Snackers® are available in five varieties. Most other cheese marketers only offer string cheese.
- 71% of all natural cheese eaten is cheddar, colby, monterey jack and mozzarella. All the varieties offered by MooTown Snackers®!

MooTown Snackers® is New Business
- Research indicates that cheese snacking will be a new addition to the family snack menu of sweet snacks, salty snacks and granola bars.
- MCRA MENUFACTS (July, 85 - June, 86) reports that 52% of panel households are willing to snack on cheese more often!

Campbell Soup Company Introduces Swanson 3-Ounce Single-Serve Chunk Chicken in Flip-Top Can

Campbell Soup Company’s Swanson line of Premium Chunk White Chicken is now available in a 3-ounce, flip-top can. The new single-serve cans, which offer the first flip-top feature in the canned poultry category, will make their debut on store shelves this summer. And Swanson is counting on strong consumer response to the added convenience of the new package.

“Convenience and quality have always driven the Swanson canned poultry business,” said Brad Wexler, canned poultry marketing manager. “With this new addition to the line, we’ve significantly raised that convenience factor. Now Swanson Chunk Chicken can go anywhere and be enjoyed anytime.”

The new flip-top cans will be packaged in a three-can sleeve and priced at $2.99. As a special introduction, the pull top cans will be sold individually at $0.79 each and offered to retailers in a 140-can display shipper.

Swanson will support the new package with an aggressive year-long advertising campaign. “We’re planning the biggest campaign canned poultry has ever put behind a new product introduction,” Wexler said. The campaign will include two national free-standing inserts as well as several product tie-ins to showcase the versatility of Swanson Premium Chunk Chicken in a 3-ounce flip-top can.

Swanson conducted extensive consumer research prior to introducing the new single-serve, flip-top can and found the concept had wide consumer appeal. “Consumers told us the flip-top in a single-serve portion would be the perfect package to take to work, school, a picnic virtually anywhere. No refrigeration, no can-opener and no unused portions - it couldn’t be more convenient. We saw a real opportunity to expand our user base with this package,” Wexler said.

Swanson’s skinless, boneless Premium Chunk Chicken is ready-to-eat in salads, sandwiches or straight from the can. The water-packed chicken breast meat contains no preservatives or additives and is naturally lower in fat and calories. Each 3-ounce serving has only 100 calories.

Swanson currently holds a 70 percent share of the canned poultry category with its 5-ounce chunk chick-

MooTown Snackers® Make Good Trade Sense
- Snack cheeses sell for a higher price per pound than most domestic chunk natural cheeses. That means better potential for higher profits for you!
- MooTown Snackers® are supported by an aggressive introductory trade program as well as ongoing trade promotions during the year.

Aggressive Consumer Support
- MooTown Snackers® will have over 1700 GRPs of impactful television advertising that will create category interest, brand awareness, trial and repeat purchase.
- Three full-page four color free standing inserts with coupons will further support MooTown Snackers®.
- Ongoing public relations efforts, including press releases and consumer events will generate more interest in cheese snacking and specifically, MooTown Snackers®!
EQUIPMENT FOR SALE
Super Systems Electric Bread Oven and Proofer Combo. Excellent condition 18 loaf capacity. Call (313) 977-8240

PARTY STORE FOR
Beer and Wine Store For Sale — Downriver area, 3800 square foot business and building. Call: (313) 382-4972.

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