Food Stamp Fraud
Bill Likely To Be Reintroduced Next Year

Senator Mitch McConnell (R-KY) introduced legislation, S. 3314, on Saturday, October 3, to identify and curtail fraud in the Food Stamp Program. According to Senator McConnell, "For every 1% of Food Stamp Program funds that are lost to fraud, there could be $200 million to give as benefits to the food stamp recipients...More than 25 million Americans are enrolled in this program, which hands out over $20 billion in benefits a year."
The 1990 Farm Bill required the submission of identification numbers by retailers and beefed up the penalties to assist USDA in targeting and punishing the violators. His bill, the "Food Stamp Anti-Fraud Act of 1992," will increase penalties to retailers and recipients and expand the use of the application information and identification numbers provided by retailers to the Food and Nutrition Service.

AFD Supported Congressmen Win

The AFD supported 40 candidates for seats in the House of Representatives in the November 3rd general elections. Of these, 35 won their seats, which translates to an 88 percent success rate.

Get Ready For Tobacco Floor Stocks Tax

Many of the nation's retailers and wholesalers must pay a one-time federal floor stocks tax on cigarettes held for sale on January 1, 1993. The Bureau of Alcohol, Tobacco and Firearms (ATF) is the agency responsible for collecting the Federal tobacco taxes.

As 1992 comes to a close, we ask you to reflect on your industry and the impact it has on our economy and the livelihood of all Americans. Because we all have to eat, no other industry affects U.S. citizens as much as the food industry.

The Supermarket Industry is One of the Most competitive and Efficient in the World.

Food retailers and wholesalers serve as the purchasing agents for our nation's consumers and the distribution agents for farmers and grocery suppliers. Intense competition has led to innovative distribution techniques and increased efficiencies that benefit consumers. Today, Americans spend a smaller amount of their disposable income on food than do consumers in any other major economy in the world. In 1991, consumers spent only 7.2 percent of disposable income on food-at-home, down from 9.1 percent in 1980. The extremely competitive nature of the industry is reflected in its after-tax profits, which frequently fall below a penny on a dollar. For the fiscal year ending March 1992, after-tax profit for the industry was only 0.77 percent, well below a penny on the dollar.

Food Marketing is One of the Largest Employers in the Nation.

Food retailers and wholesalers employ more than three million skilled workers in grocery stores and warehouses, supermarket company offices and wholesale food company facilities. From 1981 to 1991, the number of employees in grocery retailing increased by 33 percent, and the industry may add an estimated 600,000 more jobs by the next century. Labor is the largest expense for supermarket companies, about half of total operating expenses. (Operating expenses are the costs of running the businesses — everything but product cost.)

1992 Food Price Increases are Predicted to be the Smallest in 25 Years.

Based on the first 10 months of the year, U.S. Department of Agriculture economists believe food prices will increase only about one percent this year, the smallest increase since 1967. This is the second year in a row of very modest food price increases. The 1991 rise was the lowest in six years. In comparison, the overall Consumer Price Index (CPI) for all consumer products and services rose 4.2 percent in 1991.

Annual Meeting Notice

All AFD members are invited to attend our annual meeting. A review of the year will be presented, along with our direction for the future. The meeting will be held at the AFD offices on Monday, December 21, at 6:30 p.m. Dinner will be served and we ask you to call in advance so we can reserve a seat for you.

The AFD is located at 18470 West 10 Mile Road, just west of Southfield Road in Southfield. Call (313) 557-9600. We hope to see you there.
Happy Holidays
And Happy Shopping!

Stock Up Now On These Favorites ...

Peace & Good Will to you and yours, from all of us at Paul Inman Associates, Inc.
By Frank Arcori, AFD Chairman

As we come to the close of another year, it is a good time to reflect on what has been accomplished and then look forward to our plans for the future.

We have faced many problems over the years, and battles are constantly waged to further strengthen the retailer’s position.

Look at the legislatures and the agencies that regulate the retail food and alcohol beverage industries. Study our relations with local governments and our inter-trade relationships. In so many ways, trade associations, pleading the cause of their membership, have contributed towards the establishment of a better industry, business and regulatory environment for their membership.

It seems to me that this powerful story of achievement ought to be told and retold, not nearly so much for the credit it earns the associations, but for its value to the retailers they represent. Like the family doctor and the cop on the beat, we look to our trade associations in times of emergency. But all too often, we ignore them and the day-to-day leadership they give to protect and further the interests of their membership.

Every kind of business is stronger for the trade associations that hold it together and fight for its common aims. In every industry they are important. In the retail food industry, the trade association is a necessity. Almost alone in American business, we in the retail food industry are constantly subject to public approval. Laws and regulations define, limit and restrict every phase of our operation. We are at the mercy of legislative bodies. We are made scapegoats for “evils” that are ignored. We are made to bear the brunt of legislative action. We are at the mercy of every legislative body. We are made scapegoats for “evils” that are ignored. We are made to bear the brunt of legislative action.

Every kind of business is stronger for the trade associations that hold it together and fight for its common aims.

As individuals, we are a voice in the wilderness. Organized, we take on strength that grows in direct proportion to the numbers our association represents.

The AFD has helped us through some tough legislation and has spoken well on our behalf. But when I look back on the year and all that has been accomplished, I also see problems that have surfaced and future perils that we face.

Especially during difficult economic times, the temptation is there to make a little money under the table.” Before you give in to the urge, stop and think about the damage you could be doing to your business, your family and the food industry. You have worked hard and you have a great deal to lose. Don’t take chances. Make it a New Year’s resolution to review all your store policies to be sure you are complying with all of our laws and regulations. If you have questions, call the AFD. Remember, your association is here to help.
Big Business in Wine Helps Small Market Grow

Anthony Lufty has been welcoming customers to Cloverleaf Market since 1961.

Anthony Lufty started Cloverleaf Market on the southwest corner of Telegraph and 12 Mile Road in 1961. He had previously owned stores in Detroit and in Highland Park. In 1961, when Cloverleaf opened, Telegraph was a two lane road. Since then the store, like the area, has undergone unprecedented growth. Thirty years later Cloverleaf is located at a major intersection and the store is one of the highest-volume wine retailers in the Metro Detroit area.

Tony's legacy to his family is a thriving grocery business which supports all the Luftys and their many employees. Cloverleaf is unique among small markets. Appearances can be deceiving, which is certainly the case in regards to this store. Cloverleaf doesn't have a distinctive building or entrance and the interior appears crowded with produce cases spilling over into the aisles and cereal boxes that nearly brush the ceiling. The store is packed into a corner between a gas station and bank with a parking lot that is difficult to get into and frequently jammed with delivery trucks and the cars of customers.

These factors might spell trouble for some stores but not to Cloverleaf. In fact, due to Cloverleaf's highly specialized wine business, much of its merchandise isn't sold from a shelf or in a case in the store. The phone is ringing constantly, indicating that high-volume wine sales are being made without the customer ever entering the market. It seems sometimes that every employee is permanently attached to a phone.

In addition to keeping his purchases and sales straight, Jimmy is considered one of the foremost authorities on wine in the area.

When Jimmy was 17, his father was ill and he had to take responsibility for the wine. "I was sinking, not swimming," Jimmy recalls. He scrambled to become knowledgeable and soon wine was his passion. Ten years ago, when Jimmy was 22, there was only one employee in the wine department, now there are 11. The wine is sold individually from shelves on the first floor, from cases on the second floor and from a warehouse in Novi.

In the Detroit area, Cloverleaf Market frequently teams up with exclusive restaurants, like the Golden Mushroom, to offer their wines for tastings in lovely settings, with fine cuisine. These dinners bring wine purveyors together with wine aficionados. Most come for the chance to try fine wines they would like to taste before buying. Some order wines in quantity for investment purposes. Over the years Cloverleaf has compiled a mailing list of more than 5,000 names. In their newsletter dates for the tastings are given, along with specials on wines they want to move. Jimmy also shares wine discoveries with his customers.

Jimmy tests the wines he recommends. During the day he tastes and spits. It is important for him to stay sharp. Only in the evening does he enjoy a glass or two. Even then he is experimenting and usually discards partial glasses. He travels to France two times a year. Jimmy, like his dad and the rest of the Luftys, is constantly on the go. Work is their life blood. Still, in spite of the sometimes nearly frantic work load, the Luftys always manage a friendly greeting for their customers and take the time to offer excellent advice on wine purchases.

FOR INSURANCE WE ARE THE ONE

America One is the largest network of independent insurance agencies representing America's leading insurance companies. We provide Liability, Workers Compensation and Health Insurance Programs sponsored by Associated Food Dealers.

For more information call: 1-800-688-9772
Happy Holidays
Season Greetings

FROM

OF DETROIT

Naturally Sparkling Mineral Water
Senator Virgil Clark Smith
Welcomes Change in Attitude

by Virginia Bennett, contributing editor

Senator Virgil Clark Smith understands many of the problems of the small business owner in Detroit. His father has owned and run small businesses in Detroit for forty-five years. Senator Smith worked in his father's gas station from the time he was ten, which makes him sensitive to the problems of retailers. He understands the importance of keeping theft down, meeting payroll and hiring and keeping good employees.

These important issues are among the causes Virgil Smith indirectly pursues in the Senate. His current work focuses on improving education in his district and for the state because he thinks many of the problems faced by businesses stem from the fact that urban residents don't always receive a quality education. Without this, they are less employable.

Smith represents Michigan's Second Senatorial District of Highland Park, Hamtramck and a northeast portion of Detroit. He was elected to the Senate in March of 1988 and served on the Finance, Local Government and Veterans' Committees, the 21st Century Commission on the Courts, and the Law Revision Commission. Currently Senator Smith serves on the Standing committees on Finance, Reapportionment; Judiciary, and Family Law, Criminal Law, and Corrections. He continues to serve on the Law Revision Commission and is a member of the African American Legislative Caucus.

It is under the jurisdiction of the Taxation & Finance Committee that Senator Smith has put together a package of bills that, once passed, he feels will have a major impact on the quality of education in Michigan. Smith's school finance equity plan is under the Senate joint resolution G and Senate bills 180-195.

He is especially concerned with tax equalization to refinance kindergarten through 12th grade public education. He thinks the present system is inequitable and feels that the state should eliminate the funding of education by homeowners' property taxes. Smith believes education should be financed by statewide commercial businesses and industry. Under his plan, businesses would receive tax cuts of up to eight mills in his district and some high millage areas, such as Flint, would also receive reductions. Business taxes would go up in other areas but the Senator insists that higher taxes are not a disincentive to business in the state if the educational system provides a better-prepared employee. Smith's plan calls for:

• Equity by constitutional amendment: All 1,665,726 pupils in Michigan would have $5,000 appropriated to their educations per year, regardless of where they live.

• Property tax relief: Smith would like to relieve home owners by levying school taxes on the value of land and not the property. Land will be taxed at 35 mills for school operating. Many taxpayers will see up to an 85 percent savings on school operating taxes.

• Income Tax Increase: Income tax will increase by one half of one percent.

Smith correlates better education with the lowering of crime. Educated people with saleable skills are employable and less likely to commit crimes. Less crime also attracts business. Smith thinks education reform would address the disproportionate number of African-American males in jail.

Smith is also concerned with the faltering economy and he is confident that a Clinton presidency will turn things around. "A jump start for the economy is necessary after cutbacks that have hurt us for three to four years," says the Senator. Under Clinton he anticipates a new era where division isn't the watchword. He is hopeful that unifying people will change attitudes. Senator Smith believes that the new government will recognize cities can't continue to decline. He looks forward to new solutions for health-care delivery and programs to retain workers who have lost their jobs.

Regarding tensions between racial groups in the city, Smith is talking with Joanne Watson of the NAACP about ways to increase reciprocity between Arabs, Afro-Americans and other ethnic groups. He feels it is important to break down barriers between cultures and form alliances.

To lessen hostilities between Arab and Chaldean businesses and their clients, Smith suggests that storeowners hire more neighborhood young people and actively support church and community associations. Senator Smith is also very sensitive to the level of contamination, destruction and vandalism that he sees in the city. Eyeroses he finds particularly distressing are abandoned old cars and mounds of old tires that pile up illegally. He is committed to helping Detroit and its neighborhoods and believes that education, above all, is the key to the health and vitality of urban areas.
Can't Beat The Real Thing.
Dear AFD:

After reading your Executive Directors Report, Nov. '92 (Liquor Sales to Minors Must Not Be Tolerated), I felt compelled to write.

I was one of the store owners who was involved. I was one of 13. The employee who made the sale was fired the next day.

There is no excuse for what happened. That employee knew that he could refuse the sale. Store policy states if they don't look 40, card them.

I have benefitted from T.I.P. and T.A.M. training and that knowledge has been passed on to all employees.

I have that employee's signature on an employee handbook that explains store policy and M.L.C.C. rules for alcohol purchases.

I stress, among other things, that you can't get into trouble for refusing a sale; that when in doubt, no matter how slight, politely refuse the sale, and that if you're caught you're fired.

With that said, I have some thoughts to express:

1. That employee should have been arrested and thrown in jail right then! Now if that had happened and would have been included in the newspaper article, I bet a lot of retail clerks would be concerned and think twice about a doubtful sale.

2. I think we agree here that the minors who attempt a purchase and get caught have nothing to lose! What if their license to drive was suspended and maybe the minors be forced to lecture to other minors about what happened to them.

3. M.A.D.D. and S.A.D.D. are good organizations, why not take them a step further and organize students and store owners to an informal sting of their own. Then store owners could terminate an employee without a liquor violation. Then report the store and employee and any action taken to the M.L.C.C. or local police, so that if they felt the need, they could proceed with a formal sting. They could charge me for such a service and I would be happy to pay, take the profit and use that for education.

I could go on forever. I'm a responsible store owner and I resent articles that only show one side. Let's initiate some changes!

Sincerely,
Cliff Street Grocery

---

Tobacco Tax,
From page 1

The cigarette floor stock tax was imposed by the Omnibus Budget Reconciliation Act of 1990, which increased the federal excise tax on tobacco products in two steps — January 1, 1991 and January 1, 1993. The floor stocks tax rate for cigarettes is the difference between the old tax rate and the new tax rate. In order to comply with the law, wholesalers and retailers will have to inventory their cigarettes as of January 1, 1993. The tax on their inventory must be paid by June 30, 1993. A wholesaler or retailer may not owe any floor stocks tax if they hold in inventory not more than 30,000 cigarettes. The floor stocks tax rates for cigarettes are: Small Cigarettes (Class A) — $2.00 per thousand; Large Cigarettes (Class B) — $4.20 per thousand. A tax return must be filed by all cigarette wholesalers and retailers who hold tax-paid cigarettes in inventory for sale.

Don't miss the AFD ANNUAL MEETING, Monday, December 21, 6:30 p.m. at the AFD offices. Call (313) 557-9600. See you there.
From the first football tailgater of the year through the dying strains of Auld Lang Syne, your customers are in a festive mood. And when their holiday parties call for salty snacks, they’ll be stocking up on creamy, smooth chip dips from Berne’a Farms!

French Onion, French Onion Lite or Ranch Lite – we’ve got the dips that score big points for taste, bringing your customers back again and again all season long.

Stock up soon and take advantage of the rush created by our seasonal promotion kickoff Sunday, November 1, in newspapers across Michigan.

Berne’a Farms Dips. Your ticket to a winning food retailing season!
A Century of Waking Up to Cadillac Coffee

By Cristina Cleveland

For over 100 years and four generations, the Gehlert family has enjoyed the aroma and taste of the coffee bean. It was Richard Steven Gehlert who first became interested in the coffee business. A salesman, Gehlert peddled coffee beans along with pots and pans from his horse-drawn wagon on a route from Port Huron to Saginaw in the mid 1800s.

From the knowledge he gained, Gehlert soon became the local coffee expert and was asked to head the coffee division of a Detroit-based wholesale grocery company. Making use of his experience, Gehlert founded the R.S. Gehlert Co. in 1888, which became Michigan's first roaster of coffee beans. It produced such retail brands as “Cadillac,” “Coronet,” “DeSoto” and “LaSalle,” and was renamed Cadillac Coffee Co. in 1950, after one of its popular retail brands.

The company was originally located near the shores of the Detroit River on Jefferson Avenue, in an impressive six-story building, which fell by the wrecking ball to make room for Detroit’s Cobo Hall Convention Center in the late 1950s.

Today, the executive offices are located at 4740 E. Nevada Avenue, in Northwest Detroit, with its roasting plant and central warehouse located in Fort Wayne, Indiana.

Richard Steven Gehlert brought his son, Richard Sherman Gehlert, into the business, as each generation of Gehlert family has done since.

From 1951 to 1990, Richard Sherman Gehlert’s son, John “Jack” Richard Gehlert, served as the third president of the coffee company, but the road to the company’s top position took many years. At the age of twelve, Jack earned one cent per bottle for washing coffee jars, half of the two cent deposit the customer received for returning them. More importantly, he recalls his grandfather’s insistence on quality of product and honesty in all business dealings. Jack credits the company’s long history on these founding policies.

The mantle of leadership fell on Jack’s shoulders in 1951 at the age of 28, when his father died. Jack and son John R. Gehlert Jr., who serves as vice president of operations, personally taste or “cup” each batch of coffee roasted at the plant. The coffee “cupping” has a touch of family ceremony and tradition. Third and fourth generation Gehlerts sit around a 100-year-old wooden table designed especially to hold trays of roasted whole beans and cups of brewed coffee. Experienced from a lifetime of testing, the Gehlerts can tell which country and what area in that country the coffee is grown. They sniff the aroma as they slowly stir the rich brew with spoons bearing their grandfather’s and great grandfather’s initials. Tasting merely confirms the first impression.

The company supplies coffee in ground or whole bean to restaurants, hotels and institutions, and has a complete in-house service department for clients’ coffee brewing system. Quality “Cadillac” coffees are also packaged under private labels for office coffee service companies, vending companies, and wholesale grocery companies, and are supplied in whole bean and valve packs to specialty stores and retail establishments.

Cadillac Coffee Co.’s warehouse facility, the first building in Fort Wayne’s Summit Industrial Park, has allowed the company to “set the standard for development.” According to John R. Gehlert Jr. The 45,000 square-foot facility houses state-of-the-art equipment within a natural, earthtone, low-profile building.

The production area takes up a 100 x 200 foot space. The 75 x 200 foot warehouse storage area is completely computer run. Computer communication systems tie Fort Wayne directly to the Detroit home office, as well as the international coffee market.

Ken Gehlert, vice president of marketing in Detroit, stresses that “quality makes the difference,” which is the company’s slogan. Ken believes that quality doesn’t cost, it pays. He says that it only costs a couple of pennies more for a premium cup of coffee and that is what keeps the customers coming back for more.

Ken, who is brothers with John R. Gehlert Jr., and Guy Thomas Gehlert, president, enjoys a family business because he believes he talks to people who genuinely care about what he has to say.

Ken says that Cadillac Coffee Co. also treats their employees as extensive members of the family. Ken adds, “We have really good, loyal and hard-working employees.”

The coffee company mainly services the Ohio, Michigan, and Indiana areas with five percent of its business servicing other areas of the U.S. and Canada. Although they are not publicly reported, sales approximate $23 million annually.

According to Ken, Cadillac Coffee Co. is financially secure and ready for growth.

The history of Cadillac Coffee Co. and the quality of its business has resulted in record sales and an exciting future for the firm.
Celebrate Thanksgiving in style with Canada's finest whisky, in a special, designer canister.

Seagram's V.O., it's the spirit of Canada...for less, just in time for Thanksgiving.
750 ml
$11.49
There's more to business than profits. And sometimes, it's service that provides the edge. At Monitor Sugar Company, we make sure working with us is a piece of cake.

When you stock Big Chief brand products, you'll get outstanding service and support that can help cut through the dough:

- **Monitor Service Specialists** know sugar and care about your business. We take the time to hear your concerns and then work with you to develop strategies to meet both your and your customers' needs. Our goal is to help keep your Big Chief sugar sales on the rise.

- **In-Store Support** initiatives, including on-the-spot reimbursement for damages, reinforce our personal commitment to service. With several layers of service and support, Monitor Sugar Company makes it easier to satisfy your customers' appetites.

Monitor Sugar Company serves up a difference to your bottom line with quality Big Chief sugars.
Interesting events and important meetings attended by AFD members and staff

Charitable activities committee, chaired by Mark Karma, discusses Turkey Drive '92.

DAGMR Chairman Ed Frost with AFD's Ray Amyot at the DAGMR annual dinner held at the Southfield Manor.

Patrons enjoy the recent Harbortown Market Wine Collection night at the Whitney.

Seagram employee celebrates 25 years with company

John Newman receives plaque for his years of service.

From left to right: Joe Fisch, V.P. Atlantic/Pacific Region, John Wittig, state manager; John Newman, retail account manager and plaque recipient; Jim Elters, state manager; Frank Bodi, state general manager.
AFD Executive Director Joe Sarafa visited numerous stores in October.

Here are some shots:

Imad Naimi of Thrifty Scott poses with his sister, Attour, and Fred Dally of Medicine Chest.

Kevin Larsen of I & K talks to Ricky Farida as he unloads a Spartan truck for Greenfield Supermarket.

George Abbo of Fenkell Food Center.

Barney Kassab of Barney’s Shop Rite standing in his new storage area.

Majid Hanna of Mac’s Drugs.

Lindsay Food and Drugs on West Seven Mile.

Frank Youkhanna stands in front of his newly painted store.

Jonni Kouza works long hours behind the counter at Grand River Communities Market.

Sam Kammo of Tel-Koif Market on West Seven Mile.

State Party Store on Puritan sells a lot of toys and clothing to supplement their food and beverage line.
What's Happening At The Michigan Lottery?

Thank You Retailer!—You Did It!

By Michigan Lottery Commissioner,
Jerry Crandall

The Michigan Lottery’s 20th anniversary year was a huge success. Thanks to the hard work and dedication of you — our retailers — Lottery sales soared to nearly $1.22 billion in 1992 — the best ever in the Lottery’s 20-year history! This impressive sales record means that retailers made nearly $81 million in commissions (a 7.6 percent increase over last year)!

Preliminary unaudited figures for fiscal year 1991/92 which ended September 30, show total Lottery sales at $1,218,611,897 — the highest ever in the Lottery’s 20-year history. This sales figure reflects a seven percent increase over last year.

The previous record was set in fiscal 1987-88 with Lottery sales at $1,201,082,404. Not only did the Lottery set a new sales record, but we did it during a slow economic period and following a year in which sales had declined.

I couldn’t think of a better way to celebrate the Lottery’s 20th anniversary than to top it off with an all-time sales record. It could not have been accomplished without your enthusiasm, dedication, and support of you — our players.

As a result, net revenues of more than $474.3 million, 39 percent of the Lottery’s gross sales, will be transferred to the state School Aid Fund this year to help support K-12 public education. The money is a result of the Lottery’s relationship with retailers.

We launched several new sales and marketing initiatives this year to help support the Lottery’s relationship with retailers.

Overall in fiscal 1991, more than $44 million in prizes were won by Lottery players, totaling $615.4 million. In the Lotto game alone, there were 30 jackpot winners who shared more than $214.5 million in second- and third-tier prizes. Players won approximately $263.5 million in the Daily games, $140.5 million in the instant games, $20.1 million in “Cash 5,” and $18.9 million in the KENO game.

All of the Lottery’s retailers should feel exceedingly proud of their contribution to this year’s tremendous success of the Michigan Lottery.

Michigan Lottery Gets Into Holiday Spirit With New Instant Games

The Michigan Lottery gets players into the holiday spirit with two new instant games, “Win For Life” and “Slam Dunk!” this month.

Lottery players will get the chance of a lifetime with the new instant game “Win For Life.” The Lottery’s newest game, which goes on sale December 2, offers players the chance to win $1,000-A-Month for Life.

There are great cash prizes up for grabs in the new game, from $2 to the top prize of $1,000-A-Month for Life. If players match three like dollar amounts, they win that amount, or if they get three “LIFE” symbols, they win $1,000-A-Month for Life.

Michigan Lottery players will have a “ball” with the new instant game “Slam Dunk!” which goes on sale December 15. If your score beats “their score,” the player wins the prize shown for that game. There are three games on each ticket, which means three

See Lottery, page 19

Here Are Some Traffic Tickets You Won’t Mind Having.

The Michigan Lottery can increase your store traffic and increase your profits.

For any business, nothing is more important than creating store traffic. And nothing can help you do that more easily than carrying the games of the Michigan Lottery.

With thousands of people playing every day, the Michigan Lottery can attract a lot of people to your store — where they will not only play our different games, but they will also spend money on the other products you sell.

Plus, when you sell the games of the Michigan Lottery, you receive a 6% commission on every ticket you sell, and a 2% commission on every winning ticket you redeem up to $600.

So carry the games of the Michigan Lottery. You’re one kind of traffic ticket you’ll be glad to have.

See Lottery, page 19
Q. I'm trying to understand what female customers want in a convenience store that male customers don't. Can you help?

A. Both male and female customers want “convenience of location” as the number one consideration when deciding whether to frequent a convenience store. In descending order, the following attributes are important to customers:

- cleanliness
- feeling of safety while shopping
- employees’ attitudes
- quality of merchandise

However, female shoppers rated almost every attribute higher than did males. To attract female customers, operators must meet these expectations.

A study found that women had significantly different preference ratings on product categories. Fresh produce, an item not carried by many convenience stores, may be a key to attracting more women.

If you have questions you would like AFD to answer in this space, write to “Ask AFD,” Food & Beverage Report, 18470 W. 10 Mile Rd., Southfield, MI 48075.

Election Results:
Largest Freshman Class Since 1948

When the 103rd Congress convenes in January, 110 new House members will raise their hands and be sworn in, the largest class since 118 freshmen were elected in 1948. Of the new freshmen, 23 are women and 16 are minorities. The freshman class includes 64 Democrats and 46 Republicans. Of the 110 freshmen, just 19 defeated incumbents on Tuesday. An additional 19 incumbents were beaten at the polls during the primary elections. The primary defeats, along with redistricting, a post-war record number of retirements, two deaths, and five incumbent-incumbent matchups caused by redistricting, created 91 open districts heading into the elections. California will bring the greatest number of freshmen to the Hill with 17 new members; Florida will have 10 freshmen, making it the state delegation with the most turnover. The Senate will have 11 brand new faces and a handful of committee switches.

### Significant Differences,
**Men and Women's Product Preferences**

<table>
<thead>
<tr>
<th>Men Prefer</th>
<th>Women Prefer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Food Type Items</td>
<td>Milk</td>
</tr>
<tr>
<td>Automotive Supplies</td>
<td>Bread</td>
</tr>
<tr>
<td>Beer</td>
<td>Fresh Produce</td>
</tr>
<tr>
<td>Wine</td>
<td>Health &amp; Beauty Aids</td>
</tr>
</tbody>
</table>


### Mortgage Money
**AVAILABLE**

- **FINANCIAL PROBLEMS**

**We Have Solutions**

**RESIDENTIAL LOANS**
- REFINANCING/CONSOLIDATION
- HOME PURCHASES

**PROVIDING FINANCIAL ADVICE AND SERVICES, WITH FINANCING SOLUTIONS FOR:**
- PERSONS REJECTED BY TRADITIONAL SOURCES
- FORECLOSURE AND BANKRUPTCY
- SELF EMPLOYED
- MONTHLY CASH FLOW INCREASE
- WE BUY LAND CONTRACTS

**LIMTED DOCUMENTATION PROGRAMS AVAILABLE**

**MEMBERSHIPS:**
- MORTGAGE BANKERS ASSOCIATION OF AMERICA • NATIONAL ASSOCIATION OF MORTGAGE BROKERS
- MORTGAGE BANKERS ASSOCIATION OF MICHIGAN • MICHIGAN MORTGAGE BROKERS ASSOCIATION
- BETTER BUSINESS BUREAU

**GREENFIELD MORTGAGE COMPANY**
- 2031 Carlyle • Suite 1
- Dearborn, Michigan • 48124

**Available Anytime • Free of Charge to Review Your Financial Needs**

**Give Me A Call:**
- (313) 274-8555 • Fax (313) 274-1125
How to Handle a Shoplifter

Q. As a district manager, covering eight stores, I am periodically asked by my managers what they should do when they suspect a customer may be shoplifting. Some of them have already apprehended would-be shoplifters while other refuse to become involved. What do you recommend we adopt as a company policy?

Protect Your Profits

A. Unfortunately, this scenario, or something similar, occurs all too frequently. There are several guidelines store employees can follow when they witness a theft.

The first key is “witness a theft.” A basic rule of thumb must be: If you didn’t see it, it didn’t happen. In order to take any action at all, management or a trained loss-prevention specialist should have personally observed the actual theft. In the 1990s every retailer wears a large bull’s eye on their back. In other words, if any person, employee, or customer is falsely accused of theft the retailer may be held civilly liable for their actions.

I recommend six steps to follow before you or your employees take action:

• See the customer approach the item in question. This eliminates a later claim that the item belonged to him previously.
• See the actual selection of the article.
• See where the article is placed or concealed.
• Keep the subject(s) under constant surveillance. If the individual drops the item, don’t stop him.
• Let the subject pass the last point of sale, without paying, before stopping him. This eliminates the claim “I intended to pay for it.”
• Know where the articles are concealed when making the stop. Tell the person in a calm rational manner that you are aware of the situation.

When confronting the suspect(s) be firm and positive. Identify yourself by name and as a store employee. If possible, take one or more employees with you to make the stop. Avoid arguing with the suspect and attempt to address him in a low-key, polite manner.

You should consult with your attorney on this point, but basically, a store employee may use reasonable force to detain a shoplifter or protect himself from attack. Remember, no amount of merchandise is worth risking serious injury.

When escorting the detainee back to the office, make sure he doesn’t discard the stolen merchandise. If possible, recover the article(s) before moving back to the office.

The purpose of any detention is four-fold.

• To recover stolen merchandise
• To identify the suspect(s) for future reference
• To learn the reasons for their actions, if possible
• To take criminal and/or civil action

To remain profitable in today’s retail atmosphere a retailer must not only increase profits by improved sales, but also by protecting merchandise from theft. Company policies and procedures should be planned in advance and carried out routinely as a rule. Following reasonable guidelines and using the law to your advantage can help reduce and prevent the shrinkage that affects your bottom line.

Pointers On Handling Shoplifters:

√ If possible, have more than one person watching the potential shoplifter.
√ Be able to pick this person out in a crowd — make a mental note of appearance.
√ Don’t let the potential shoplifter out of your sight —

See Shoplifter, page 21
U.S. to Count Millions of Business Firms in the 1992 Economic Census

More than 3.5 million American businesses will receive 1992 Economic Census questionnaires from the U.S. Census Bureau in December.

The due date for returning the completed forms is February 15. Firms receiving census forms are required by law to respond.

This is the most comprehensive Economic Census ever undertaken. For the first time, activity in finance, insurance, real estate, communications and utilities will be measured, in addition to sectors traditionally covered: retail and wholesale trade, service industries, transportation, manufacturers, mining and construction industries. Censuses now measure nearly 98 percent of all economic activity in the nation. Taken every five years, the Economic Census identifies trends in business activity that are vital to measuring and encouraging growth in the American economy.

The Federal Government relies on census data to develop important measures of economic change, such as monthly retail sales and the gross domestic product. State and local agencies use the Economic Census in regional planning, economic development, and in efforts to attract and keep business activity in their areas.

While Economic Census data are used extensively by governments, associations, and news media, businesses receiving census forms should be aware that they too can benefit. Businesses use the data to develop business plans, calculate market share, and compare themselves to industry averages. The Economic Census also is important for business-to-business marketing; the locations of retail outlets and the design of distribution systems frequently are influenced by the results.

Information requested in the Economic census includes number of employees, annual payroll, and the value of goods and services provided during calendar year 1992.

To simplify reporting, the Census Bureau has designed over 500 versions of the basic census questionnaire, each tailored to a particular industry or size of firm. Many very small businesses will not receive a census form.

The information provided in the census is absolutely confidential. By law, only sworn Census Bureau employees may see individual responses, which are also exempt from the Freedom of Information Act.

Statistics from the 1992 Economic Census will be published in more than 500 printed reports and in formats for computers, including compact discs (CD-ROMs). Both printed reports and CD-ROMs will be available in hundreds of libraries across the nation, or may be purchased inexpensively from the Government Printing Office.

Lottery

From Page 16

ways to win up to $300 in cash prizes.

Michigan Lottery players could have their holiday shopping paid for if they win playing "Win for Life." Lottery instant tickets also make great gifts for the mailperson, friends, family and co-workers. They also make great stocking stuffers and package tags.

Lottery Offers New "Holiday Gift Giving Wrap"

I’d like to “wrap up” this column by mentioning the Lottery’s new “Holiday Gift Wrap” item designed to make gift giving a little bit easier this year. New as part of the Holiday Gift Giving Program is the “Ticket Wrap,” a simple device to make it easy for retailers to sell instant tickets in multiple groups to be given away as gifts.

The “wrap” is designed so that if a customer purchases 5, 10, 15 or 20 tickets, they just stack the tickets, put the ticket wrap around them, then address and present the “package” to its lucky recipient. It’s the perfect gift wrap for instant tickets.

On behalf of everyone at the Michigan Lottery, I’d like to wish everyone a safe and happy holiday season.
Isiah Thomas Creates His Own Stroh's Ice Cream Flavors

Michigan’s own “Ice Cream Dream Team,” Detroit Piston’s Isiah Thomas and Stroh’s Ice Cream, have teamed up to create and market a line of unique ice cream flavors.

I ice cream lover Thomas said it was a natural match with Stroh’s, and that the two have worked closely together to create “Isiah’s Favorite flavors.” The eight, new Kosher-approved flavors, formulated to “tickles kids’ (and adults’) palates,” are available in durable, plastic pint containers and conventional, round quart cartons. They are identified by the picture of Isiah on the package.

Although this marks the first time a sports celebrity has created and promoted a line of ice cream flavors, Isiah said he wasn’t interested in “just lending his name” to the promotion of a product. “I love ice cream” he said, “and always wanted to try to make flavors that would excite both kids and adults like me. I was elated when Stroh’s gave me the opportunity to formulate my own flavors.”

Isiah’s new flavors available in quart size are: Chocolate Chill & Chips; Honey Vanilla Twist; Double Clutch Vanilla/Chocolate Twist; and Twist & Shout Tropical Twist. The suggested retail price is $2.99.

His “Finest Flavors” available in the collectible, plastic pint containers are: Champion Chili Caramel Vanilla; Rim Rattlin’ Blue Moon Twist; Double Dare Raspberry Twist; and Orange Vanilla Twist. The suggested retail price is $1.89.

Heinz U.S.A. Introduces Ketchup Jug, Syrup, Honey, Popcorn Cakes

Heinz U.S.A. is behind three new products: a 78-ounce plastic jug for ketchup, single-serve syrup and honey; and three Chico-San popcorn cake varieties. The ketchup pack features a mail-in offer for a dispensing pump.

The suggested retail price for the 10-ounce limited edition box is $2.29.

Mini Oreo with Holiday Red Creme — The tiny sibling of America’s favorite cookie takes on a festive look for the holidays with red vanilla flavor creme filling. Each Mini Oreo is one inch in diameter and weighs a mere one-tenth of an ounce. The product will be sold in seven-ounce boxes, containing about 70 cookies, at the suggested retail price of $1.99.

Happy Holidays Five Ways From Nabisco

The Nabisco Biscuit Company is introducing a record lineup for holiday-themed versions of its most popular brands for the ‘92 season.

The company rolled out five holiday items, for a limited engagement. They include:

> White Fudge Covered Oreo — Back by popular demand, Oreo cookies covered in white fudge have sold out each year on the market. The product comes in a 14-ounce package at the suggested retail price of $3.29.

> 1992 Commemorative Oreo Holiday Tins — Two different tins depict how Santa and Oreo “Unlock the Magic” of Christmas. Both tins contain a Christmas story for children to read. Designed as a keepsake, the tins which contain a 16-ounce package of Oreo cookies, will be sold at the suggested retail price of $3.99.

> Holiday Sprinkled Chips Ahoy! — Chips Ahoy!, America’s leading chocolate chip cookie, gets sprinkled red, green and white for the holidays. These colorful cookies are available in 14.5-ounce packages at the suggested retail price of $2.99.

> Teddy Graham’s Holiday Bears — “Beary merry” cookies, in chocolate and vanilla flavors, will come in six seasonal shapes including Santa Bear, Little Drummer Bear, Bear-in-a-Stocking and Sleigh Bear. Suggested retail price for the 10...
Locked Exit Doors Lead To $3 Million Fine by OSHA

A fire that claimed the lives of two workers led OSHA to propose fines totaling $3 million against the McCrory Corp. The fatal fire occurred on May 16, 1991 at a Huntington Station, NY store. According to OSHA six of eight exit doors were locked when employees evacuated the store during the fire. OSHA proposed a fine of $49,000 per locked exit door for a total of $294,000.

The locked exit doors were considered alleged willful violations. Other alleged willful violations were failure to train the 58 employees at the Huntington facility in emergency evacuation procedures, including failure to conduct periodic fire drills. These citations carried proposed penalties of $49,000 per employee for a total of $2.8 million.

OSHA also cited McCrory for storing material in the basement of the store which blocked sprinkler heads. The agency proposed fines of $24,500. An additional $27,500 in fines were proposed for seven alleged serious violations, including failure to provide emergency illumination, failure to maintain fire alarm systems, failure to identify a door as "not an exit" and failure to guard live electrical parts.

In a recent statement, OSHA Administrator Gerard F. Scannell said the agency, "cannot stress often enough the need for employers to take the threat of fire seriously. Locked exits and inadequate emergency procedures are absolutely unconscionable — clearly they lead to mindless deaths."

Are You Ready for Nutrition Labeling Inspections?

In November, FDA began making unannounced inspections of Produce and Seafood Departments across the country. They are looking for visible posting of nutrition information for the top 20 fresh fruit, 20 fresh vegetables and 20 raw seafood items consumed around the United States.

Under current guidelines, you have a lot of flexibility in how you provide customers with nutrition information for perishables. As long as you visibly post the necessary nutrition information, you are in compliance with the regulations. If FDA determines that not enough retailers are voluntarily posting nutrition information, they will enact mandatory regulations.

Failure to comply with the mandatory regulations would result in steep fines and criminal penalties.

Avoid mandatory regulations. Post nutrition information today.

If you need more information, call the AFD at (313) 557-9600. We will send you an order form for Nutritional Guideline Posters.

Driver License and I.D. Guide Booklets

Order yours now.

This comprehensive booklet shows a picture of a valid drivers license from each and every state. All retail operators should have this booklet as a reference guide, near the cash register. You can accept out-of-state licenses for the purchase of alcohol. Using this guide will help you in making a positive identification. Order your booklets today.

Don't serve a minor with a tampered license.

Check it out with the Driver License Guide Booklet.

AFD is offering these 1992 booklets at substantial savings. The guide is only $10. Send checks to: Associated Food Dealers, 18470 W. Ten Mile Road, Southfield, MI 48075 or call (313) 557-9600.

Many thanks for your generous support for the last 74 years.

We're looking forward to a prosperous 1993, when we will be celebrating our 75th anniversary.

ASSOCIATED FOOD DEALERS OF MICHIGAN

We're looking forward to a prosperous 1993, when we will be celebrating our 75th anniversary.

Bussiness for Sale

Liquor store with grocery and lottery for sale. In good location with building included, also three adjacent stores. For additional information call Louis (313) 863-4620.

Mini-market with meat, produce, pharmacy, and frozen foods. The building and business for sale. For additional information call Louis (313) 863-4620.

Associated Food Dealers - 18470 W. Ten Mile Road - Southfield, MI 48075

AFD

ASSOCIATED FOOD DEALERS OF MICHIGAN

Holiday Greetings

Many thanks for your generous support for the last 74 years.

We're looking forward to a prosperous 1993, when we will be celebrating our 75th anniversary.

The Meister Company

DETOUH GRAND RAPIDS SAGINAW TOLEDO CINCINNATI COLUMBUS

Food & Beverage Report, December 1992... 21
Grocery Stores No Longer the Only Game In Town

“The wholesale distributor industry is going through tremendous change,” according to Dan Doherty of Arthur Andersen, Chicago. “There is tremendous pressure and in-fighting in the industry between suppliers, distributors and retailers. Distributors must look at their operations long term and change the way they do business.”

Based on an Arthur Andersen study conducted this year for the National Association of Wholesaler-Distributors (NAW), “Facing the Forces of Change - The Year 2000,” partnership will define the future of the wholesale distributor industry. “Distributors, suppliers and retailers must work together to improve cost structures,” said Doherty. “Partnership will help reach the customer/consumer through alternative channels of distribution—that which is most direct, most efficient, most economical.”

Doherty identifies four key developing issues: channel dynamics, quality process, technology, and mergers and acquisitions.

Channel Dynamics
According to the study, channel conflict exists. “The industry is a market-share game. Everyone is trying to grab niches,” Doherty said. “There is a debate over who will improve the market share, the manufacturer or the distributor, and who is the power in the customer’s eye. Value-added services must be continually emphasized. Information sharing will increase across the channel.”

Doherty pointed out that new segmentation is being driven by the fight for market share in a relatively flat market. Grocery stores are no longer the only game in town. New segments include traditionalists, progressive marketers, warehouse clubs and e-stores. Emerging trends require distributors to redefine customers and business, and re-engineer their organization. To redefine their business, distributors must be an information developer, provider and marketer. They must get closer to their market. To re-engineer their organization, distributors should conduct in-store demonstrations, arrange ad and promotional programs for customers, coordinate with media on promotions and create excitement in the customer’s location.

Quality Process
“Distributors must get back to basics — emphasize quality, track customer service and develop growth through better penetration of existing customers,” said Doherty. “The distributor must become the local/regional marketing expert. What’s delivered on the truck will be less important than the other marketing services distributors can provide. Distributors must learn how to sell again, by marketing services and their products. They must eliminate damage, out-of-stocks, delays and non-value added activities, while simplifying value added activities.

“Success in the ‘90s requires a new management philosophy. Ask customers what they want, listen and satisfy it,” added Doherty.

Technology
Regarding technology, Doherty pointed out that the wholesale distributors industry is historically low in expenditure and applications. “Distributors must upgrade,” he said. “Outside pressures from customers (50%), suppliers (25%), and retailers (25%) will call for implementation.

“We already operate with EDI, but it must be improved. The system must be error free. There will be less tolerance among the partners and the system for errors — quality will prevail. Technology will help reduce paperwork, eliminate errors and encourage partnering.

Information/technology improvements will continue to multiply geometrically. Point-of-sale data will be available. It must be shared and there must be a trust factor in the sharing between manufacturing/supplier and distributor and retailer/customer. Where it is feasible and economical for the product to go direct, it must do so. The distributor must learn to benefit from marketing services to supplier or customer, information services, and market uniqueness information. There must be just-in-time inventory at all levels in the channel,” said Doherty.

Mergers & Acquisitions
From 1990 to 2000 there will be an aggressive period of re-structuring, stated Doherty. Larger companies will greatly expand market share by 33 percent. The study also predicts a 20 percent decline in wholesale firms.

Globalization is also affecting our industry. Wholesale distributors are looking beyond the U.S. borders for products, services and customers. Key areas include Canada, Mexico, Eastern Europe, the Common Market—ECC and Asia.

“Define who your customers are. Look one step ahead,” said Doherty. “Get out of the middle, Help serve and rethink the customer’s mindset.”
COLGATE AND PFEISTER
NEW PARTNERS!!

TEAMING UP FOR TODAY'S SERVICE AND TOMORROW'S SUCCESSES!!

WE PROUDLY WELCOME THESE FINE PRODUCTS TO OUR PFEISTER FAMILY:

BEGINNING DEC 1, 1992

- AFTA PRODUCTS
- BABY MAGIC PRODUCTS
- CASHMERE BOUQUET BODY POWDER
- COLGATE SHAVING CREAMS
- MENNEN SKIN BRACER
- PROTEIN 29 PRODUCTS
- QUINZANA
- SESAME STREET
- SKIN BRACER PRE-ELECTRIC
- VILLAGE PRIVATE MOMENTS
- WILDROOT

BEGINNING JAN 1, 1993

- CASHMERE BOUQUET BAR SOAP
- HANDI-WIPES/HEAVY WIPES
- IRISH SPRING
- PALMOLIVE GOLD/GREEN
- SOFTSOAP/WORK SOAP
- VEL
- WASH'N DRI

THE PFEISTER COMPANY

DETROIT
36300 SCHOOLCRAFT
LIVONIA, MI 48150
(313) 591-1900

CINCINNATI
3660 HAUCK RD
CINCINNATI, OH 45251
(573) 563-4444

SAGINAW
3159 CHRISTY WAY
SAGINAW, MI 48603
(517) 793-8100

COLUMBUS
6264 SUNBURY RD
COLUMBUS, OH 43081
(614) 899-1331

GRAND RAPIDS
3663 BROADMOOR SE
GRAND RAPIDS MI 49512
(616) 948-7210

TOLEDO
8433 MONROE STREET
TOLEDO, OH 43560
(419) 682-1616