America gobbles snacks at record rates

The study of consumer snacking behavior from the Consumer Snacking Behavior Report reveals — above all — a paradox, which is this: in an era of heightened health consciousness, consumption of snack foods is at record levels and rising.

This phenomenon is explained, in part, by the growth in reduced-fat, low-fat, and no-fat snacks. (Industry sources say the market for these products grew at a rate of 20 percent in 1994, and is now the fastest-growing segment of the snack category.) However, reduced-fat, low-fat, and no-fat snacks (excluding pretzels and popcorn, which are inherently low in fat) still only represent approximately five percent of snack category sales.

What this suggests is that growth in the snack category is coming both from new low-fat and no-fat products and from traditional favorites. However, the former have not cannibalized the latter; rather, "better for you" snacks are bringing the incremental growth to the category because they’re being purchased largely by consumers who may not have previously bought snacks. Traditional snackers still want their regular snacks, although there is some substitution of low-fat for full-fat occurring.

This trend is supported by data collected for this study which indicate that the low-fat snack segments are not well developed. (Only pretzels and popcorn are perceived as "okay" or "good for you"). Rather, growth in the snack industry relies more on constant new product innovations — both in reduced-fat and full-fat snacks — that offer variety and excitement and at the same time appeal to consumer expectation for taste and overall satisfaction.

That’s not to say that the lower-fat snack trend isn’t here to stay, especially as manufacturers improve on taste.

See Snacks, page 32

Michigan moves closer to EBT implementation

Recently representatives of the State of Michigan met with the retail community to discuss plans for implementation of an electronic benefits transfer (EBT) system for several state assistance programs including cash assistance, food stamp and WIC programs. Invitations to bid on the implementation project were sent to qualified EBT service providers with an April 18 due date for return of proposals. The organization whose bid is accepted will provide a minimum three month demonstration of the system, beginning January 1, 1998, within Jackson County. Upon successful implementation of the county-wide test, the program will be expanded state-wide under a seven years contract. Currently, Maryland, New Mexico, South Carolina, Texas and Utah are the only states operating state-wide programs.

More Legislative Updates
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So get ready to Collect the Points. Get the Stuff. Live the Fantasy.
Move over YUPPIES and DINKS, make way for OPALS

by Joe Sarafa
AFD Executive Editor

You remember the YUPPIES, (Young Urban Professionals) and the DINKS, (Double Income, No Kids). Both groups have had their fair share of the economic spotlight in the recent past.

Now it appears the spotlight, especially where the marketplace is concerned, has shifted to the OPALS; Older People with Active Lifestyles, whose buying power is something to consider.

This shift should certainly come as no surprise. As the baby boomers age, we must begin to look at the 'graying of America.' Today, the U.S. population lives longer, stays working longer, is more mobile and spends more money in their golden years than any other age group.

Estimates tell us that the average discretionary income of the 65+ set is $6,000, twice that of the 25 to 29-year-old bracket. Today, the U.S. population lives longer, stays working longer, is more mobile and spends more money in their golden years than any other age group.

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Estimates tell us that the average discretionary income of the 65+ set is $6,000, twice that of the 25 to 29-year-old bracket. Since OPALS easily represent the fastest growing segment in the marketplace, you, as a business owner or manager, should be asking these questions: What is my business doing to attract this important consumer? What am I doing to make my business senior-friendly? Here are a few guidelines:

Reputation - OPALS are very likely to use the services of any organization such as the Better Business Bureau to check the history or reputation of a company before they decide to do business. They also steer clear of businesses that do not have a good reputation.

Service after the sale - It behooves you to review your post-sale procedures to ensure that contact is made with your senior customers. Recognize them when they come through your door. Ask how they liked the products they purchased during their last visit and offer your help and suggestions.

Guarantee or warranty of the product or workmanship - You should offer to stand behind your products, and DO IT!

Being made comfortable in the shopping environment - Are your younger sales people trained to work with seniors? If not, get them trained! Is your store handicapped accessible? Do you provide motorized shopping carts for those who may need them to get around?

Overall thoughtfulness - Is your signage easy for older eyes to read? Is the store easy to navigate through? Is there a place to sit and rest? These are all important concerns.

Advertising that appeals to seniors - You should consider using older models in your advertising or placing your ads in media that appeal to older readers, listeners and viewers.

OPALS also resent any form of deception and make no mistake, they can spot it in an instant. They know you can’t guarantee lowest prices. And don’t be afraid to ask directly for their business. Above all, remember we’re all getting older. Common, old-fashioned courtesy and respect goes a long way with all customers, especially the ever-increasing group of OPALS.

NEW AREA CODE

Those of you who are not within the metropolitan Detroit area may not know that most of Oakland county now has a new area code: 248. For the next few months, both 810 and 248 will work when calling Oakland county phone numbers. Then, in September only 248 will work. For a list of telephone number prefixes that are affected, call Ameritech at 1-800-831-8999. It’s a good idea to change your personal phone books, phone and fax programs to avoid confusion later.

AFD’s number is now (248) 557-9600.

Your opinions are important to us! Call AFD at (248) 557-9600 or (800) 666-6AFD.
Or write to us at 18470 West Ten Mile Road, Southfield, MI 48075.
A message of caution to retailers

Operation NicNet aims to prevent underage smoking

By Robert A. Ficano, Wayne County Sheriff

Retail merchants of Wayne County who sell cigarettes to underage customers could face a misdemeanor charge and a fine of up to $250. Repeat convictions could result in the revocation of permits to sell tobacco.

Under my leadership, Operation NicNet was created. It is a preventative law enforcement effort between the Wayne County Sheriffs Department, the Wayne County Health Department, the Michigan Department of Community Health, the City of Detroit Health Department and others.

Operation NicNet is designed to utilize decoys in randomly selected areas. Many merchants realize the responsibility that accompanies the selling of tobacco products, and ask for identification from customers. The irresponsible retailers choose to do otherwise.

Clearly, merchants selling tobacco products to minors are breaking the law. The criminal justice system does not take violations of the youth tobacco laws lightly. In March, a 36th District Court judge sentenced three Detroit retail clerks to a jail work-release program for selling cigarettes to minors.

Our major effort through NicNet is supported by several responsible tobacco retailing organizations and I am especially grateful to the Associated Food Dealers of Michigan for co-sponsoring an awareness campaign through Public Service Announcements. Joe Sarafa, AFD Executive Director, was most helpful in coordinating this effort.

Presently, each precinct in the City of Detroit has been checked at least once, and enforcement has expanded to the Downriver communities of Wayne County. We intend to conduct compliance checks throughout the County.

Teenage smoking is not viewed by police as a "rite of passage." Buying cigarettes is not a consumer option for anyone younger than 18.

State sets up sanitation conflict resolution program

The Michigan Department of Agriculture has recently developed a method of conflict resolution. Owners, operators and managers of food service establishments should feel free to call the MDA food service sanitation program to discuss any issue at anytime.

The MDA will contact the local health department having jurisdiction to inform them of any discussions relative to the conflict. The local health department will then investigate the matter and report their findings to the MDA.

If the conflict cannot be resolved, the MDA will initiate a third party investigation, either on-site or verbally. The MDA will decide the issue through proper interpretation and inform the local health department and the complainant of the decision in writing.

Both parties will agree in advance to accept the final decision by the MDA.
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Snack Foods

Stroh’s and Sanders present gourmet ice cream

Two of Detroit’s favorites, Stroh’s and Sanders, have teamed up to present a unique line of premium ice cream flavors. After a year and a half of development, Sanders and Stroh’s have together created the all new “Homemade Ice Cream” line, which will replace the Stroh’s 1919 Brand line. The new flavors will debut in stores later this month in half gallons. “We were looking for a co-branding partner to create a brand new line,” said Gary Giller, president of Stroh’s Ice Cream Company. “Teaming up with Sanders, another popular Detroit Company, made a lot of sense.”

Stroh’s is currently sampling three of the new co-branded products at ice cream parlors throughout the metro Detroit area and the response has been great according to Giller who added “This is probably the most unique product we’ve ever developed.”

The Stroh’s Homemade Ice Cream flavors include: Sanders Milk Chocolate “Hot Fudge Sundae” (made with real Sanders Hot Fudge), Butterscotch Caramel Sundae, (again with Sanders own topping), BUMPY Cake N’ Cream, (buttercream flavor ice cream with fudge and cake), Sanders Old Fashioned Golden Vanilla (made the original Sanders way), Sanders Old Fashioned Butter Pecan (the Sanders way loaded with pecan halves), plus a new Cookies N’ Cream, Double Fudge Brownie and Pralines N’ Cream.

The Stroh’s Homemade flavors will also include Philadelphia Vanilla, Cherry Cordial, Moose Tracks and Raspberry Chocolate Torte, all favorites from the 1919 Brand.

Detroit Popcorn creates new flavors

For the espresso lovers, Detroit Popcorn has introduced six different coffee flavored popcorn varieties under the Dreamy Corn label: French vanilla, Chocolate Capuccino, Chocolate Grand Marnier, Chocolate Irish Cream, Chocolate Amaretto and Chocolate Mocha.

And for the candy lovers, Detroit Popcorn has Dreamy Corn fruity flavored popcorn packaged in clear, round tubs. Made with white chocolate, the creamy textured popcorn comes in Strawberry Banana, Chocolate Cherry, Blue Raspberry, etc...

“We experiment daily with the flavors. The possibilities are endless, the flavors are marvelous,” says Bob Jasgur, Detroit Popcorn. For more information, call Detroit Popcorn at (313) 835-3600.

Rocky Peanut Company introduces new Express packaging

Under the CityFarm™ label, Rocky Peanut Company of Detroit has introduced a new collection of roasted nuts, snack mixes, dried fruit and candy, ideally priced and sized for impulse buying. Packaged in a laminated, clear stand-up bag, the products are packed by volume, not by weight, so all bags are the same size and look great on the shelf or counter. Since they stand up by themselves, they are great for space-conscious retailers. In addition to the new Express line, Rocky also carries their traditional products in two lines: Essentials, packaged in stackable, hinged lids and Basics, packed in four sizes of polypropylene bags. For more information, call Rocky Peanut Company at (313) 871-5100.

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More new snacks, pages 14 and 16
McMahon & McDonald joins PMI-Eisenhart

McMahon & McDonald, a leading Michigan food broker with offices in Detroit, Grand Rapid and Toledo and The Sandbo Company, with offices in Columbus, Cincinnati, Dayton, Fort Wayne and Louisville, will join PMI-Eisenhart. In addition, PMI-Eisenhart will open an office in Indianapolis to provide complete coverage in the Michigan, Ohio, Kentucky and Indiana region. The company's coverage now stretches as far west as Kansas, Oklahoma and Utah and includes Wisconsin as well. This activity represents a true merger with owners of Sandbo and McMahon & McDonald becoming stockholders in the total PMI-Eisenhart company.

The merger makes PMI-Eisenhart the largest food broker serving the Midwest exclusively. In anticipation of this expansion, PMI-Eisenhart made a major investment in leading-edge technology to add maximum value to their customers and principals.

Serving retail food stores throughout the Midwest, PMI-Eisenhart has 21 offices and 1400 employees.

FMI hosts electric restructuring conference in Chicago

The Food Marketing Institute (FMI) is hosting a conference at the Hyatt Regency O'Hare in Chicago, June 26-27, on the subject of electricity restructuring in the Middle and Midwestern United States.

The issues surrounding utility deregulation in the Middle and Midwestern United States are numerous and diverse. Some states see tremendous potential savings and are quickly moving to a competitive electric market; others are taking a more cautious approach and still others are interested in preventing competition in electricity because they fear that electric rates may go up.

Retailers and other members of the commercial class have much to gain from a competitive electric market. In addition to providing educational material, the conference will provide an exciting opportunity to learn more about competition and to unite the members of the commercial class.

For more information, call AFD at (248) 557-9600. We will provide you with a brochure and registration material.

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FOOD & BEVERAGE REPORT, JUNE 1997...7
Livonia store markets for the future

Anthony’s Old World Market provides freshly prepared meals to busy customers

by Ginny Bennett

Between the Merry Bowl and Merriman Road on Five Mile Road in Livonia, Anthony’s Old World Market opened in March. Shoppers will be merry indeed when they try this store for the first time. Upon entering one can tell that the shopper is about to discover a pleasant new way to perform a necessary task. At the entrance, self-serve complementary coffee is offered. Then the customer is steered past the fresh flowers right smack dab in front of the beautiful array of prepared foods.

This long, shiny counter with its display of chef-prepared ready-to-serve meals may be the way grocers begin to do business in the future. In order to compete against restaurant, take-out meals and fast food for the dinner-time dollar, store owners are looking for non-traditional ways to provide that meal. The owners of Anthony’s Old World Market are in the forefront of a new trend of providing home-meal replacement. The product is fresh, appealing, chef-made and it is the first thing the shopper sees and smells when the door opens. If shoppers at Anthony’s want cereal or canned soup they can find it but it won’t be close to the front door or the check-out counter. Although other stores have offered gourmet dishes and prepared foods, perhaps none have committed the space and location that Anthony’s does.

The new look begins at the front door. The entire mall has undergone a major renovation and the new facade is bright and welcoming. Fresh flowering plants are set out on the sidewalk in front of Anthony’s. Once inside, past the aforementioned counter, is the vegetable and fruit tables. With the shopper’s comfort in mind, the entire area is carpeted. The shopper has probably worked all day and now he or she can buy something that needs no preparation and do it in a well lit, comfortable surrounding.

Livonia resident Steve Caramagno along with Ron Kohler and Raleigh Wilburn are co-owners of the store. Kohler and Wilburn also own Oakridge Markets in Detroit’s eastern suburbs. The store has over 100 full and part-time employees including Chef Richard Wroblewski.

Chef Wroblewski, also a Livonia resident, says, “We are a little different than other gourmet markets. My goal is to be viewed similar to the chef in your favorite restaurant. I plan to continually maintain contact with my customers and learn what I can provide for them.” Wroblewski is even willing to prepare meals with special dietary requirements.

Armed with over six years of experience, Wroblewski took this position at Anthony’s because it gives him an opportunity to be in on the wave of the future. He agrees that the shopper of the future will want a ready-made home-cooked meal and will want to buy it in an environment which provides superior service and the freshest products in delightful surroundings.

“Two working parents in a household have very little time to provide their families with a quality home cooked meal,” said Wroblewski. “We, at Anthony’s want to provide a healthier option to fast foods. The customer can order from our menu of gourmet pizzas, fresh soups and a full menu with daily specials for carry out.”

The market will also stock international wines, breads, pastries, the freshest USDA meats, offering special cuts, as well as fish and seafood brought in daily. Also on the shelves, shoppers can buy hard-to-find cheeses, fresh salads prepared daily and over 30 different gourmet coffees.

Anthony’s Old World Market celebrated their grand opening with a ribbon cutting ceremony and a four-week-long grand opening celebration. Featured throughout the month were special discount promotions, food sampling, entertainment and special mascot appearances by suppliers and drawings for prizes which included a big screen television, mountain bike and five gift certificates to the store. There was also a 5 percent discount offered to city employees.

Anthony’s Old World Market philosophy is to provide quality, service and convenience to shoppers. The management has made the commitment to provide a beautiful store and shoppers in Livonia can be assured that the shopping experience will be pleasurable at Anthony’s Old World Market.
It's a party
and your taste buds are invited.
Earl Ishbia wins national award

by Danielle MacDonald

The National Poultry and Food Distributors Association (NPFDA) honored Earl Ishbia, Partner of Sherwood Food Distributors, as the 1996 Member of the Year for his dedicated service to the industry. “I am very proud of this award,” said Ishbia who has been in the meat industry for over 25 years.

Ishbia’s first job out of high school was with a meat packing company. Today he is one of the most respected people in the industry. “No one has ever challenged the integrity of Sherwood Foods,” explained Ishbia. “Our word is a bond we have never broken so our customers are very loyal.”

In 1969, Ishbia with Partner Alex Karp formed Regal Packing Company which specialized in distributing pork and eventually branched out to poultry, beef and processed meat. Starting with a small van and six employees, they went on to form one of the largest meat distribution companies in Michigan. Ishbia wore many different hats during the early years in business, including purchasing and selling product, loading trucks and keeping the books. The six employees that helped launch Regal Packing Company in 1969, still work with Ishbia today at Sherwood Foods which is a tribute to his character.

In 1987, Orleans International, owned by Larry Tushman, merged with Regal Packing to form Sherwood Foods Distributors. “We realized that in order to survive in this industry, we needed to become a larger entity with more buying clout, and lower operating costs,” explained Ishbia. With Tushman handling the administrative side of the business and Ishbia in charge of sales and marketing, Sherwood Foods holds reign as the largest independent meat distributor in the country today.

Over the last 10 years, Sherwood Foods has expanded dramatically, opening warehouses in Michigan, Ohio and Indiana. Today Sherwood distributes over 12 million pounds of meat every week, utilizing a network of over 100 trucks and 500 employees. The Detroit office alone distributes 1 million pounds of meat every day.

“We offer our customers one-stop shopping, providing fresh and frozen meats along with processed and deli meats,” explained Ishbia. “We also have a 98 percent fill rate which means if a customer wants a product, it will be available.” Sherwood Foods distributes pork, beef, poultry, deli and processed meats, seafood and frozen foods.

Sherwoods’ success can be attributed to many things including Ishbia’s business philosophy. “Integrity is the most important thing in business. I treat people fairly and I expect to be treated fairly.” Treating customers fairly according to Ishbia involves being available. “I pride myself on trying to return all calls the day they are received. On occasion it might take till 9:00 p.m., I feel if it’s important enough to call me, it is important to return the call.”

When you are at the top of your field, anything is possible for the future. Ishbia and Tushman do not have any current plans for expansion but they are always looking for opportunities.

“Although I am not ready yet, my personal plan for the future is to work less and rely on the younger generation to carry on the tradition of providing quality products and services to our customers,” said Ishbia. He may not be ready, but Ishbia and Tushman are well positioned to hand over the reins to the younger generation. Ishbia has five sons of which three work in management positions at Sherwood. Tushman and Karp also both have sons in upper management at Sherwood. Both Ishbia and Tushman will remain at the helm of Sherwood Foods well into the foreseeable future.
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Turning unsaleables into positive opportunity

Unsaleable products have grown into a $2.6 billion industry problem because both manufacturers and distributors have been willing to accept it as a cost of doing business, according to Ad Hoc interviews with experts on both the buyer's and seller's side of the desk and third parties.

"The problem is that no one takes ownership of the problem. It should be used as an opportunity for doing positive kinds of things," a third party operator of reclamation centers told us.

One distributor who is turning the unsaleables problem into a positive opportunity is Spartan Stores, Inc. Spartan operates its own 30,000 square foot reclamation center in Charlotte, Michigan. Esther Trondle, manager of the center and its 35 full-time employees, is proud of what's being accomplished. She travels widely and has become recognized in the industry as a kind of apostle of good reclamation practices.

"We brought the first can crushing machine to the U.S.,” Esther says. The Kan Kruncher, manufactured by Enviro Care Kruncher Corp. of Waterloo, Ontario, Canada, takes dented cans that used to go into a landfill, crushes out their contents, and compresses the remaining metal into six-inch cubes. The Kruncher pumps the contents of these cans into 55-gallon drums, which Esther sells as livestock feed. The steel bricks are recycled by a local scrap processor.

A couple of million pounds of food are donated out of our center annually—to Second Harvest and other food banks,“ Esther adds, “and every time there's a disaster somewhere, we send a truckload.”

A company wide review of best ways to reduce unsaleables is under way at SUPERVALU, Inc., Eden Prairie, MN, led by Bruce Trippet, Operations Manager. "Everybody wants unsaleables to go down. Each of our over 35 distribution centers takes a different approach. We recognize the need to do a better job, and we are looking at how to change the way we're doing business," Bruce told us.

Many manufacturers, according to a third-party reclamation center operator who asked not to be identified by name, “look back to the 1970s when they had field people handling unsaleables in store backrooms and corners of warehouses. They don't realize that they are much better off today. They are getting a better return on the dollar for unsaleable products. It's a much better system. What's going to happen is that unsaleables will be squarely on the table for negotiation between buyer and seller. The issue will get more and more attention.”

Two manufacturers we talked with agree: “An unsaleables industry has been created because manufacturers turned their back on the problem. Most of us now realize it's not going to go away. Costs continue to increase. The only way to lower these costs is to accept responsibility for digging into the issue, gather information about reclamation, and analyze where the problems lie,” says Randy DeKeuster, reverse logistics manager for SC Johnson Wax, Racine, Wisconsin.

Randy believes manufacturers can take many actions on their own to reduce exposure to unsaleables risks, even before

**Factors contributing to rise in unsaleable costs**

- Introduction of reclamation centers improves tracking.
- Number of discontinued SKUs grows as retailers embrace category management.
- Package changes that improve efficiency sometimes increase vulnerability to damage.
- Cross-docking cuts storage costs but may raise risk of handling damage.
- Overselling leads to rise in out-of-date inventory.

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See Unsaleables Page 28
Many people ask me: "How did you come up with the graphic design idea for the Miller Time logo?" My answer is always the same: "I did it like this," I say. Then I show them!

Step 1. I figured the can ought to be somewhere in the middle of the logo.

Step 2. Then I realized the words ought to be someplace in the middle, too.

Step 3. Background color was the hardest part. First I wanted the background to be red. Then kind of yellow. But later I found that a mix of red and yellow would be O.K. Why? Because that looks like the color of a good-tasting beer!

"When you see my ads it's Miller Time for you!"

This is what three "close" friends say about my Miller Time logo:

Tommy: "It looks great."
Jeff: "It's very good."
Mike: "I like it very much."

Dick
This is how it turned out (it sure looks O.K. to me!).

Watch out for Dick and his Miller LITE campaign.
**Country Preacher adds new line of prepared meat**

Country Preacher Foods, Inc. has added prepared meats to its product line. The not-for-profit company started out selling cookies and potato chips three years ago. It was founded by Reverend Jim Holley, pastor of The Historic Little Rock Baptist Church in Detroit who saw it as an opportunity to raise money for his various charities including Chips, (Children in Progress), which is a program that helps students stay in college after they've been accepted, and his annual drive to get new shoes for welfare children.

The new meat line includes:
- Classic Trimmed Hams
- Spiral Sliced Glazed Ham
- Spiral Sliced Mesquite Turkey
- Smoked Breast of Turkey
- Jumbo Beef Franks
- Jumbo Red Hots
- All Beef Bologna
- All Beef Salami
- Smoked Sausage
- All Beef Knockwurst.

The three Country Preacher cookie varieties (Peanut Butter, Oatmeal Raisin, and Chocolate Chip), are baked and packaged at Baker's Choice in Southfield and Awrey Bakers in Livonia. The potato chips are produced at Better Made Potato Chip company and come in three varieties of Old Fashioned Potato Chips: Original Country Style, BBQ Flavored and Ripple Style. For more information call Country Preacher in Detroit at (313) 963-2200.

Country Preacher Foods, Inc. is dedicated to providing impoverished children of urban America with the leadership and financial resources to get the education they will need to rise above their current economic status, becoming a successful and contributing member to society.

100% of all profits generated by Country Preacher Foods, Inc., goes to support the children of the CHIP Foundation, "Children In Progress."

**Greenfield Healthy Foods introduces new reduced-fat snacks**

Greenfield Healthy Foods, the Connecticut company that introduced the first nationally distributed fat-free brownie, is out in front again with three new reduced-fat products: Fudge Dipped Raspberry Brownie, Fudge Dipped Devil's Food Brownie and Fudge Nut Cookie. The suggested retail price for each product is $2.69 per box.

"There has been a great deal of change in the better-for-you snack category—our distributors and retailers look to Greenfield for high-demand products. These new products bring innovation to the reduced-fat category," said Greenfield's Executive Vice President Eric Klar. "Our two new fudge dipped brownies taste as if you bought them in a fine gourmet bakery. The Reduced Fat Fudge Nut Cookie is also one-of-a-kind—and will help bring new users to the category."

Greenfield's snack line includes seven fat-free products and the three new reduced-fat products. The fat-free products include: Chocolate Brownies, Apple Spice Blondies, Chocolate Chip Blondies, Seed Oatmeal Raisin Cookies, Dutch Apple Cookies, Double Chocolate Lace Cookies and Caramel Popcorn. The company's products are available nationally at more than 65,000 locations. Greenfield was acquired by Campbell Soup Company in November 1994. For more information, contact Greenfield at 1-800-544-2670.
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Lays WOW Chips fry without fat

Frito-Lay, Inc. is test marketing chips in Indiana that are made with Olean®, the brand name for olestra, the new fat-free, calorie-free fat replacer. But don’t hold your breath; it will be at least a year before the chips become available in Michigan.

Frito-Lay is test marketing Lay’s®, Ruffles®, and Doritos® containing Olean under the WOW™ brand name.

Olean is made by Proctor & Gamble, starting with natural ingredients. It looks like fat, cooks like fat and gives foods great taste and texture like fat—but adds no fat or calories.

So how does Olean work? When foods that contain ordinary fat are eaten, the fat is broken down by the digestive system and absorbed into the body. Olean is made in such a way that it is not absorbed into the body (similar to fiber, for example). Because Olean is not absorbed, WOW! chips are fat-free (except for the small amount of fat found naturally in the corn of tortilla chips).

According to Frito-Lay, Olean is one of the most thoroughly tested food ingredients ever approved by the U.S. Food and Drug Administration (FDA). Leading organizations such as the American Medical Association, the American Heart Association and the American Academy of Pediatrics support the FDA’s approval process on Olean. More than nine years of research, including 150 studies involving 8,000 men, women and children, supports Olean’s safety. The FDA’s conclusion: Olean is safe for everyone to eat regardless of age or physical condition.

When foods made with Olean are eaten around the same time as foods that contain vitamins A, D, E and K, the Olean alone could decrease the absorption of these vitamins. To offset this effect, these vitamins have been added to all WOW! snacks.

Most people will enjoy WOW! snacks without any problem. However, a few people may experience temporary, common digestive changes (about 2 percent of the population as reported in a recent study). These changes are similar to those that many people experience from eating raw vegetables, milk, or high-fiber foods such as bran or beans.

The Olean trademark will be on the front of the packages containing it.

For more information, call Frito-Lay at 1-800-24FRITO.
The Great Taste We Put In Our Lay's® ...
Is equaled only by our Fritos®,

our
Tostitos®,
BRAND TORTILLA CHIPS

our
Ruffles®,
BRAND POTATO CHIPS

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BRAND PRETZELS

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Doritos®,
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our
SunChips®,
BRAND ORIGINAL FLAVOR MULTIGRAIN SNACKS

& our
Cheetos®,
BRAND CHEESE FLAVORED SNACKS

One Great Taste Deserves Another!
Summer's coming ... and with it a season of warm weather snackin'! Be prepared with Melody Farms' complete line of frozen novelty items. There's a rainbow of colors and tastes to choose from, with many lowfat varieties included!

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Call our sales representatives at 1-800-686-6866
Place a contour barrel in your store and you will help raise monies for the AFD Scholarship Fund as well as for the Alternating Hemiplegia Association.

See your local Coca-Cola Account Manager for details.
Regional offices now cash winning tickets up to $50,000

by Commissioner Bill Martin

Great news for your Lottery customers! Now it's faster and easier to claim Michigan Lottery prizes up to and including $50,000. Effective May 1, players can redeem winning tickets—online or in-store—worth $50,000 or less at any Lottery regional office.

Previously, prizes of $10,000 or more had to be claimed at Lottery's Lansing offices. In an effort to make the claim procedure easier and more efficient for our players, the regional office redemption procedures were put into effect.

The same prize redemption requirements must be met at the Lottery regional offices. Winners must produce picture identification and proof of their Social Security number. (If a lottery club is claiming a prize, the club must provide proof of its Federal Employer Identification Number.) Only players who win more than $50,000 need to call the Lottery Public Relations office in Lansing to arrange to claim their prize. Lottery retailers will continue to cash winning tickets up to and including $600.

So give your customers the good news. Claiming prizes is easier than ever!

Some of the prizes your customers are claiming could very well be from the Daily 3 and 4 games. Since the launch of “double draws” last December the Daily Games have enjoyed a steady climb in total sales, with 1997 weekly sales averaging nearly a 10 percent increase over 1996 sales.

The “Fat Pockets” second-chance sweepstakes is sure to attract interest in the Daily Games, as $160,000 in cash prizes will be awarded during the four-week promotion (May 24-June 21). Daily 3 and Daily 4 midday and evening tickets for drawings between May 24 and June 21 are eligible for the “Fat Pockets” promotion.

Your customers aren't the only ones who can win with “Fat Pockets.” Retailers who sell the tickets in a winning “Fat Pockets” entry will receive the following bonuses: $100 for a winning $15,000 or $5,000 entry; $50 for a winning $1,000 entry.

As “Fat Pockets” wraps up this month with winners on both sides of the ticket counter, June also marks the start of three new instant games with lots of great prizes.

Beginning June 9 your instant game players can really get more bang for their buck with the new $1 “Big Bang Bucks.” The new game offers a top prize of $6,000 and will be available at Michigan Lottery retailers June 9.

“Card Shark,” a new $1 instant game, has three chances to win the top prize of $3,000. “Card Shark” can be spotted at ticket counters June 16.

Rounding out the month, the Lottery introduces a new $3 instant game, “Cash For Life.” Certain to stir up excitement, “Cash For Life” boasts a top prize of $1,000 a week for life, and other cash prizes ranging from $3 to $1,000, instantly! “Cash For Life” is available starting June 30.

The best dental plan in Michigan is still available to you for as low as $8.99 a month. For the highest dental benefits and lowest out-of-pocket costs.

Golden Dental Plans
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Warren, Michigan 48093
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Money in your Pockets

The Smart Lighting Choice: Quantity versus Quality

Practical energy advice from Detroit Edison

To create and maintain well-lighted surroundings, businesses need to achieve a balance of quantity and quality exterior lighting.

Quantity
There needs to be enough light to see parking lot entrances and exits, cars in the parking lot, the front door of the building and approaching people who may or may not pose a threat to personal safety–while welcoming incoming customers.

Exterior lighting should be uniform, creating a consistently bright illumination level around the property’s perimeter. The Illuminating Engineering Society (IES) of North America recommends minimum light levels of one-foot-candle for self-park and perimeter areas. The IES also recommends lighting parking lot entrances with at least five-foot-candles–brighter than ambient or background lighting–to welcome incoming traffic to the facility.

Quality
Simply maintaining the proper light levels for your business’ surroundings isn’t always enough. If the wrong types of lighting are used, or the correct kinds are used improperly, the lights actually can increase security and safety hazards.

Proper lighting can be accomplished by lighting an object or area directly or aesthetically, creating silhouette lighting. Lighting fixtures should be placed so as not to create glare, which can make it difficult for pedestrians and motorists to distinguish approaching people. Such glare can temporarily inhibit drivers’ vision, create driving hazards, and prevent people walking to and from the building from avoiding possibly dangerous strangers.

To avoid glare, choose fixtures that cut the angle of light distribution from the field of vision. For guard shacks, lighting should be placed behind the guard and directed toward incoming cars to avoid interfering with the guard’s security duties, but at an angle that will not disturb drivers approaching the check point.

Effective lighting also should have good color-rendering properties, enabling people to identify faces, differentiate between clothing colors and avoid a potentially threatening person. Also, lighting should be uniform to eliminate dark spots and adjustment periods when moving between overly bright and poorly lighted areas. Light both vertical (building facades and landscaping) and horizontal (roadways and walkways) surfaces, creating distinguishing contrasts between people and backgrounds.

How did Ronald save his company
14.5 working hours, $120 in late payment charges, $48 in interest?

Automatic Payment Plan from Detroit Edison.

Save time getting approvals, cutting checks, most importantly, save money. With Automatic Payment Plan, there’s no risk of late payment charges. And since payment is withdrawn from a designated bank account on the exact day your bill is due, your money still earns the maximum interest possible.

To guarantee there’s no confusion about what you’re paying, you’ll still receive a billing statement 21 days before payment is due. Detroit Edison offers The Automatic Payment Plan free of charge.

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FOOD & BEVERAGE REPORT, JUNE 1997... 21
Meet Pan Godchaux
a Freshman legislator with fresh ideas

by Michele MacWilliams

Patricia (Pan) Godchaux is a firm believer that less is best. A freshman legislator from the 40th district, (which includes Bloomfield Hills, Bloomfield Township, Birmingham, Franklin, Bingham Farms, Beverly Hills and Sylvan Lake) Representative Godchaux would like to see less government interference so free enterprise is allowed to flourish.

"It is frightful to me to see the number of laws introduced each year," says Godchaux. "It is mind boggling for businesses just to keep track of all the legislation." She adds that the legislature passes approximately 300 new laws annually and jokingly says that legislators should have to get a fee of $1,000 for each new bill.

She believes her less-is-more philosophy can also be applied to our educational system, where individual school boards should have more control and government less.

"We must find ways to deregulate. To me, government's role is to set standards and then leave it up to the individual school systems to meet those standards in the way that is best suited for their students," says Godchaux, who is on the House Appropriations Committee for K-12 Department of Education.

She says that currently our government regulates the number of hours each student goes to school. "Instead of regulating time in class, we should pay schools by their success - like pay for diplomas. Of course we must define what must be accomplished for a diploma, but then leave it up to the schools. Our goal is to graduate students.

Representative Godchaux believes charter schools are a step in the right direction because they compete with our public schools and will make them better in the long run.

Her views on education come from years of experience. She served on the Birmingham Board of Education for 10 years, as their president, vice president, secretary and treasurer. She also has three children who have attended or are attending Michigan's public schools. She is a teacher herself and taught third grade in the Detroit public school system in 1995 and 1996. Her experiences, both in Birmingham and in Detroit, have given her a clear picture of the full spectrum of our public school system. She has learned what works and what doesn't.

Providing opportunities for parents to become involved with their child's education is not a Michigan native. She spent her childhood years with her parents and four brothers and sisters mainly in New Jersey and then high school in El Paso, Texas. Politics was always a keen interest of hers so for college it was off to the American University in Washington, DC, where she received her bachelor's degree in American government and met her husband, Justin.

After their wedding, the two newlyweds were off to Bolivia as Peace Corps volunteers. She wanted to join the Peace Corps ever since President Kennedy announced its formation on the steps of the University of Michigan. Representative Godchaux feels the years spent in South America were a wonderful learning experience, and something that benefited the volunteers as much as the people they came to help.

"Taking young, energetic people who haven't lost their idealism and putting them in a foreign culture is a great way to transfer our technology to aid other societies in a non-threatening manner," she adds.

After the Peace Corps the couple returned to Washington where Pan took a job as an aid on the Metro Desk at the Washington Post. "This was during the Watergate investigation, a very exciting time to be in journalism," Pan managed the coverage of local DC elections.

Next, the pair moved to Savannah, Georgia, where two of their three children were born. Also during this time Pan began a new career as a broadcast journalist. A local AM station hired her as their "news department." There is a laugh in Representative Godchaux's voice as she recalls those days on the radio; a job she enjoyed.

A career opportunity for Justin brought the Godchaux family to Michigan. They settled in Birmingham mainly because of the good reputation of the schools. From the beginning, Pan Godchaux was involved with their children's education and the school system in Birmingham. Throughout the 10 years on the Birmingham school board she directed the search for a superintendent, was a member of the Central Committee for the school's strategic plan, was on the board of three different school PTAs and was recognized by the Michigan Association of School Boards for outstanding service.

Education is obviously something that she promotes strongly. In fact, Representative Godchaux is once again going to school herself. As she puts it she is "stuck on the third chapter" of her master's thesis at Wayne State University. She will graduate with a Masters of Arts in Teaching - someday.

For now, her primary goal is to represent her district in Lansing and do her part to reduce government bureaucracy, allowing free enterprise and competition to continue to keep our state's economy strong and healthy.
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How sweet it is to get the power of...

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Roamin’ around the 1997 AFD Buying Trade Show

The deals were hot on April 28 and 29 at Burton Manor!
AFD on the Scene

Trade Show '97

A World of Savings

Glacial Coffee

CABANA
QUALITY VARIETY SERVICE
Faygo Beverages holds a press luncheon as part of 90th Anniversary Celebration

By Ginny Bennett

The press was recently invited to a luncheon at the Five Lakes Grill in Milford as part of the Faygo Beverage 90th Anniversary Celebration. The luncheon theme was nostalgia for the popular flavors and promotions from the past but the menu and the presentation were looking toward a bright future for the Faygo Company.

Lunch was served after a brief announcement from Matthew Rosenthal, Faygo Beverage marketing director and a grandson of the founding family. Rosenthal presented a sneak preview of a not-yet-released anniversary television commercial that incorporated award winning spots such as The Faygo Kid and the Faygo Boat Song.

The menu was created by renowned local chef Brian Polcyn, owner of Five Lakes Grill, and featured the fruity, fizzy flavors of Faygo paired with food to create unique and delicious taste sensations. The first course was Gingered Gulf Shrimp with Faygo Ginger Ale, Faygo Root Beer Glazed Smoked Loin of Pork with Michigan apples, cherries and a Faygo Redpop compote, and a dessert made from Faygo Creme Soda and Praline Bavarian with Faygo Orange and vanilla sauces. The specially made feast tantalized taste buds while not overpowering the flavors of the food. According to Chef Polcyn the two-liter bottle of soda was reduced to one half cup and used judiciously to flavor the sauces.

Great chefs prepared Great Lakes dishes for the 2nd Annual Great Lakes-Great Wine Walk Around Tasting at Oakland Community College, Orchard Ridge Campus.

Guests sipped, swirled and savored gold, silver and bronze medal-winning wines. Proceeds benefitted scholarships for culinary arts and management students.

Gingered Gulf Shrimp with Faygo Ginger Ale

Brian Polcyn of Five Lakes Grill in Milford prepared a Faygo-flavored gourmet feast to celebrate Faygo's 90th anniversary. Matt Rosenthal, marketing director of Faygo, hosted the affair.

Stevie's 130^33 /i
col}i 1
Thanks for making our 1997 “World of Savings” Trade Show a success!

The Associated Food Dealers would like to thank the 1997 Trade Show Committee for their hard work and dedication over the last year:

Co-Chairman 1997
Thom Welch
Hollywood Supermarkets

Co-Chairman 1997
Charlie Parrish
Awrey Bakeries, Inc.

Alaa Naimi
Thrifty Scot Supermarket

Gary Davis
Tom Davis & Sons Dairy

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Joe O’Bryan
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Mark Sarafa
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Special Thank You to:
Union Ice for donating the ice during the trade show. Thank you also for walking the show floor to personally deliver ice; we really appreciate your professionalism!
Kraft Foods for supplying Maxwell House coffee during the trade show.

Thank you to the breakfast seminar panelist speakers:
Alaa Naimi from Thrifty Scot Supermarket
Ed Jonna from the Merchant of Vino Marketplace
Thom Welch from Hollywood Supermarkets
Tom Violante from Holiday Food Center
Jeff Rumachik from the Food Marketing Institute (moderator)

Thank you to the experts who hosted free seminars during the Trade Show:
Shirley Myles from USDA
Charlene Gardner from Transactive
Lottery Commissioner Bill Martin
Karen Butler from Michigan Department of Agriculture
James Connely from Detroit Edison

Who is Michigan's Best Bagger?
There's only one way to find out—enter the 1997 Michigan Best Bagger Contest.
You'll make your store (and your mother) proud!
Monday, June 30, 1997
Tel/Twelve Mall • Southfield

Who Can Enter?
The competition is limited to the first 36 entries received; only one contestant per company. Your company must be a member of the Associated Food Dealers of Michigan or the Michigan Grocers Association to be eligible.
You can enter if you are a regular full- or part-time employee whose normal job duties include bagging (i.e. cashier or service clerk).

Win A Trip to Las Vegas, Nevada
To compete in the National Best Bagger Contest next February and $800 ($500 Scholarship + a $300 shopping spree at the Tel/Twelve Mall)

Special Thank You to:
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Unsaleables continued from page 12

“Seventy percent of product coming through the reclamation channel has value. We have an opportunity to recover costs by selling it in the secondary market or donating it,” he adds.

Cases that overhang or underhang the pallet increase risk of damage, according to another major product manufacturer. “Now we try to start with the pallet size and work backwards in developing packaging for a product,” he told us.

Reasons for increased costs

A number of industry developments have contributed to increases in unsaleables costs, according to Gene Bodenheimer, vice president and general manager of Damage Track®, Winston-Salem, North Carolina, a leading third party consultant. The first distributor reclamation centers opened in the early 1980s.

“Seemingly overnight, costs of unsaleables nearly doubled as distributors began to seek reimbursement for unsaleable goods that had once been tossed out. By 1991-92, about 175 to 180 reclamation centers were operating. In 1996, we counted 450 locations in operation,” Gene reports.

Other significant developments include:

- The push to rationalize store assortments that is part of the category management initiative under ECR (Efficient Consumer Response) has increased the number of discontinued items that have to be removed from the distribution channel.
- Efforts to reduce packaging for efficiency—using sleeves instead of full corrugated containers or corrugated containers or shrink wrap tray packs, for example—have sometimes led to increased damage.
- Increased use of cross-docking, another ECR initiative, reduces costs by eliminating the warehouse putaway and storage function but may add to risks of handling damage. Damage Track is currently conducting a study of cross-docking and unsaleables.
- Competitive pressures, especially at year-end, may lead to “overselling” or “overstocking,” forcing too much product into the pipeline at one time. Out-of-date product accounts for a large share of unsaleables.

What are some of the best practices that distributors and manufacturers follow to control unsaleables?

“The key to rate reduction is to control the cost instead of budgeting it,” says Daniel J. Raftery, president of Prime Consulting, Inc., Bannockburn, Illinois, and author of a major industry report on unsaleables.

He suggests that retailers take the industry’s average unsaleables rate, .89 percent of sales, and measure store performance against it.

Best Practice: measure store performance level

“Some retailers use a sliding scale. Stores below the average receive a credit. Those above the average carry additional charges. It is critical that retailers do store-specific monitoring. The reclamation center should identify the sending location as they process the products,” Raftery says.

“Manufacturers who don’t have their own data can use the study data—multiply annual dollars shipped to each customer by .89 percent. The result is the ‘dynamic average’ that can be expected for a customer at that sales level. If a company experiences an annual cost higher than this dynamic average, further investigation can determine the cause of the situation and what can be done to improve it,” says Raftery.

“One retailer has a neat approach for products that shouldn’t have been sent back to the reclamation center (DSD

For more information on any of these excellent programs, call:
ASSOCIATED FOOD DEALERS OF MICHIGAN
18470 West Ten Mile Road • Southfield, Michigan 48075
1-800-66-66-AFD
or (810) 557-9600
Liquor Control Commission changes emergency order fees

At its April 30 meeting, the Michigan Liquor Control Commission adopted a new rule regarding emergency liquor orders. Now the distributor agents will no longer charge retailers a fee for special emergency orders when the order is picked up by the retailer at the warehouse.

The maximum $20.00 fee which may be charged by an authorized distribution agent to a retail licensee for a special emergency order of spirits authorized by the provisions of Public Act 440 of 1996 shall not be charged in those instances where the special emergency order is picked up by the licensee or on behalf of the licensee at the warehouse facility of the authorized distribution agent.

Failure to comply with the above directive will be considered a violation of Section 436.3a (4) of the Michigan Liquor Control Act and will be subject to the penalty provisions of the Act.

If you have questions, please call the Liquor Control Commission at (517) 322-1345. Specify that you are calling regarding Bulletin number 2899-17.

Welfare cases drop to 25-year low

The number of welfare cases—and the number of people on welfare—declined to the lowest it has been in 25 years, Governor John Engler announced recently. The caseload for March declined to the lowest it has been since April, 1972. And the number of individual recipients on welfare cases dropped to 449,771. The last time the number of recipients was below 450,000 was in August, 1971.

Judge rules that FDA can regulate tobacco but not tobacco advertising

Q. What does it mean to say that FDA has jurisdiction over tobacco products but not the advertising of tobacco products?

Under the ruling, FDA will be able to regulate the sale and distribution, but not the advertising and promotion, of tobacco products. In other words, FDA can impose access restrictions on tobacco, such as requiring retailers to card all tobacco purchasers under the age of 27 and banning self-service displays. FDA also can impose label requirements on tobacco manufacturers, such as requiring a statement of intended use on packages. FDA, however, cannot require that advertisements for tobacco be black-on-white or restrict the location of tobacco advertisements.

Q. What does the ruling mean for retailers?

The ruling means that retailers can continue to advertise and promote tobacco products as they have in the past. Point-of-sale advertising materials such as signs and posters can continue to have color and pictures. Stores located within 1000 feet of public schools and playgrounds can continue to display advertising materials outside.

Under Judge Osteen’s ruling, FDA cannot regulate any of these advertising and promotional materials and, therefore, store operators need not alter or take down any of these materials.

Q. Will stores have to take down self-service displays?

No. Although Judge Osteen ruled that FDA can regulate access to tobacco products and that the ban on self-service displays is an access restriction, he also issued a stay of the access restrictions that were to take effect on August 28, 1997. In other words, the judge ordered the FDA not to implement any of its August 28 provisions, including the self-service display ban, unless he (or the court of appeals) says otherwise. However, unless Judge Osteen’s ruling is overruled on appeal, the ban on self-service displays will go into effect at some point in the future. (A stay means that whatever was going to happen, like the self-serve display ban, has been frozen in place until further notice.)

Q. When will the self-service display ban become effective?

There is no way to provide an accurate time frame at this point. What we can tell you is that you should NOT make any changes to your stores at this time. This case will be appealed and may go all the way to the Supreme Court in which case there is a possibility that the self-serve display ban may be overruled.

Q. What about the carding provision?

The requirement that retailers verify the age of all tobacco purchasers under the age of 27, as well as the establishment of a national minimum sales age, are access restrictions that Judge Osteen ruled will remain in effect pending an appeal of his decision that FDA has jurisdiction to regulate tobacco products. Judge Osteen did not stay these access restrictions. Therefore, retailers must continue to follow these requirements or risk enforcement by FDA.

July 1 deadline for alcohol Special Occupational Taxes

All retailers and wholesalers of alcohol beverages must make their annual Special Occupational Tax (SOT) payments by July 1. Every year, retailers must pay $250 and wholesalers must pay $500 for each place of business (e.g., a 12-store chain selling beer must pay $2,500). The tax applies to all types of sales, such as: retail; wholesale; package sales; by-the-drink sales; and both on-site, and off-site consumption sales. Taxes are paid to the Bureau of Alcohol, Tobacco and Firearms (ATF). ATF began sending the tax forms in May. If you do not receive your SOT tax form by mid-June, you should call the nearest ATF office. ATF does assess interest and penalties to late payments. The tax form and additional information on the SOT are also available on NACSFax by dialing 1-800-555-4633 and requesting document #143.

The fight against SOT continues

The alcohol retailing and wholesaling and manufacturing industries are supporting legislation introduced by Rep. George Radanovich (R-CA) to eliminate the SOT (Special Occupational Tax). In a letter to Congress seeking co-sponsors for Mr. Radanovich’s legislation, the anti-SOT coalition wrote, “We believe the tax is without purpose; is not uniformly enforced and merely flows into the Federal General Fund without any returned service to the alcohol beverage industry. Businesses subject to the SOT already contribute, in a significant way, to both state and federal revenues through other established tax requirements.”

To support efforts to repeal the SOT, call your Member of Congress at (202) 224-3121 and ask him/her to co-sponsor Rep. Radanovich’s “Occupational Tax Equity Act.”

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In defense of WIC

The following letter is from Stanley Garnett, Director of Supplemental Food Program Division for the United States Department of Agriculture. It is in response to an article published in the Food & Beverage Report and the Food Marketing Institute’s (FMI) Issues bulletin by FMI President and Chief Executive Officer, Tim Hammonds.

Dear Mr. Hammonds:

I am writing to express my personal disappointment in an article published in the March, 1997 issue of the AFD Food & Beverage Report entitled, “WIC Should Feed Babies Not Bureaucrats.” First, I must say that the title of the article was quite offensive. I was also disappointed by the fact that the article was filled with misinformation regarding WIC, a program which is clearly misrepresented in the article.

I would like to correct your misunderstanding of several facts presented in the article.

First, relatively recent analysis of WIC expenditures in Federal food and nutrition services and administration funds indicated that only nine percent of total dollars were used for program management (which includes vendor management among other duties). Obviously, this demonstrates only a marginal difference between administrative expenditures between the WIC and Food Stamp Programs, which are significantly different in program size and function. The balance of the 26 percent you cite is for program benefits including client services, nutrition education and breastfeeding, and immunization promotion.

Second, in the article you described the WIC program as being “hampered by excessive paperwork, overzealous store inspections and the micromanagement of licensing, product lists, food prices and reimbursement.” Quite the contrary, we consider that WIC requirements ensure only basic oversight activities. With regard to your description of WIC as overzealous in its inspection of stores, you should know that federal WIC regulations require states to conduct on-site monitoring visits to at least 10 percent of their authorized food vendors per year, selected on a representative basis. In order to ensure the levels of abuse and errors among participating food vendors and to take corrective action, a rigorous monitoring strategy is conducted on-site. Given that every state monitors the programs, performing this role on-site requires a level of resources that is significant, both in terms of human capital and financial support.

In that regard, we were pleased to read mention of the Task Force’s meeting with WIC Program leadership and the National Association of WIC Directors (NAWD) to discuss food retailers’ concerns with the program. We would be receptive to, among other Task Force suggestions, working together to develop a best practices manual for retailers and WIC officials. Mr. Hammonds, we are committed to ensuring integrity and accountability in the WIC Program. And, we have genuinely tried to foster good relationships and cooperation with FMI, but your recent inflammatory language does little to further these efforts. WIC has always valued the role food retailers play in its food delivery system, and is committed to working with the vendor community and FMI and its WIC Task Force to achieve these goals. We need the help and assistance of our State and local cooperators and the vendor community, all working together. We believe a retraction and correction of the misinformation contained in the aforementioned article is in order, and would appreciate your prompt attention to this request.

Stanley C. Garnett
Director
Supplemental Food Program Division
United States Department of Agriculture

Dear Colleague:

The following letter is from Stanley Garnett, Director of Supplemental Food Program Division for the United States Department of Agriculture.

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I would like to correct your misunderstanding of several facts presented in the article.

First, relatively recent analysis of WIC expenditures in Federal food and nutrition services and administration funds indicated that only nine percent of total dollars were used for program management (which includes vendor management among other duties). Obviously, this demonstrates only a marginal difference between administrative expenditures between the WIC and Food Stamp Programs, which are significantly different in program size and function. The balance of the 26 percent you cite is for program benefits including client services, nutrition education and breastfeeding, and immunization promotion.

Second, in the article you described the WIC program as being “hampered by excessive paperwork, overzealous store inspections and the micromanagement of licensing, product lists, food prices and reimbursement.” Quite the contrary, we consider that WIC requirements ensure only basic oversight activities. With regard to your description of WIC as overzealous in its inspection of stores, you should know that federal WIC regulations require states to conduct on-site monitoring visits to at least 10 percent of their authorized food vendors per year, selected on a representative basis. In order to ensure the levels of abuse and errors among participating food vendors and to take corrective action, a rigorous monitoring strategy is conducted on-site. Given that every state monitors the programs, performing this role on-site requires a level of resources that is significant, both in terms of human capital and financial support.

In that regard, we were pleased to read mention of the Task Force’s meeting with WIC Program leadership and the National Association of WIC Directors (NAWD) to discuss food retailers’ concerns with the program. We would be receptive to, among other Task Force suggestions, working together to develop a best practices manual for retailers and WIC officials. Mr. Hammonds, we are committed to ensuring integrity and accountability in the WIC Program. And, we have genuinely tried to foster good relationships and cooperation with FMI, but your recent inflammatory language does little to further these efforts. WIC has always valued the role food retailers play in its food delivery system, and is committed to working with the vendor community and FMI and its WIC Task Force to achieve these goals. We need the help and assistance of our State and local cooperators and the vendor community, all working together. We believe a retraction and correction of the misinformation contained in the aforementioned article is in order, and would appreciate your prompt attention to this request.

Stanley C. Garnett
Director
Supplemental Food Program Division
United States Department of Agriculture

Dear Colleague:

We would like to call to your attention to the Food and Drug Administration’s regulation requiring all retail stores to verify a person’s age by requesting photographic identification, which also must include date-of-birth, for every customer who is under 27 years of age wanting to purchase tobacco products. If you are as concerned as we are over this “overreaching” by the FDA, please join us in cosponsoring H.R. 768, bipartisan legislation that allows the assessment of fines and penalties on retail stores that are engaged in face-to-face legal sales of tobacco products.

To date there are 21 cosponsors including: Reps. Spencer Bachus, R-AL, Roy Blunt (R-MO), Jim Bunning (R-KY), Dave Camp (R-MI), Helen Chenoweth (R-ID), Howard Coble (R-NC), Vernon Ehlers (R-MI), Robert Ehrlich (R-MD), Bob Etheridge (D-NC), Paul Gillmor (R-OH), William Goodling (R-PA), Tim Holden (D-PA), Donald Manzullo (R-IL), Matthew Martinez (D-CA), Mike McIntyre (D-NC), Buck McKeon (R-CA), Ron Paul (R-TX), Charles Pickering (R-MS), Nick Smith (R-MI), Charles Stenholm (D-TX) and Roger Wicker (R-MS). We urge you to contact your representative and ask them to support this legislation.

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Unsaleables
Continued from page 28

products, for example. The reclamation center charges stores a flat $75 per banana box of incorrect product,” Raftery says.

Esther tells Spartan retailers how to reduce time and valuable space devoted to unsaleable products at store level and improve their cash flow by following the company’s detailed guidelines for returns.

“We bill back for legitimate damage within six months of expiration date. We don’t credit razor cut tops. They are automatically donated,” Esther explains. No grocery items are credited if returned without package contents. On the other hand, frozen or dairy packages must be emptied before they are returned. Spartan does not usually charge vendors back for discontinued items.

“We are not out to make money off manufacturers. We are operating to service our retailers,” Esther told us.

Manufacturers told us their number-one best practice is to develop a comprehensive unsaleables policy, communicate it clearly to all customers, and treat everyone fairly.

“We have learned a lot by working with GMA, FMI and third party partners,” says SC Johnson’s Randy DeKeuster. “Reverse logistics is a matter of improving processes in bringing product back to the company, so it’s more efficient. Good data on product mixes flowing through the reclamation centers help us open up constructive dialogue with our trading partners.

“The big thing for us is proper disposition of the product. We don’t want our insecticides or drain cleaners sent to a landfill. We can do a better job of disposing of it. It’s an extra expense for us, but we want to be good product stewards. Our trading partners respect that, and they’re very agreeable.”

Bad practices persist
Some bad practices persist. Dan Raftery still hears complaints about reclamation centers that deny manufacturers access to products once they have been scanned and invoiced. Some distributors are still using old fashioned handling techniques that increase damage risks—moving product by hand instead of by pallet, for example, he adds. Use of broken pallets still contributes to damage in some distribution centers, according to Raftery.

One of the most promising new ideas in unsaleables management is the operation of a reclamation center by a third party to serve the joint interest of distributor and manufacturer.

After operating its own reclamation center in San Antonio since 1982, H-E-B Grocery Co. decided in 1995 to send all unsaleables to a new center operated by Damage Track’s parent, Supermarket Information Systems, Inc., for both H-E-B and its suppliers. They tell us that the single scan system is achieving significant cost savings. They need no third party auditor, and both sides report satisfaction after more than a year’s operation. It is a new idea to watch.

-Reprinted with permission - ad hoc, April 1997.

David Lighthall Company, Inc.

More Food for Thought from David Lighthall

• If nothing sticks to Teflon, how do they stick Teflon to the pan?

• Why is abbreviation such a long word?

• How do a fool and his money get together?

• What was the best thing before sliced bread?

For AFD members:
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Even with the new, lower rates, you can choose from several benefit options with various levels of co-pays and deductibles. Select what best meets your needs and your budget.

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For information on AFD’s Blue health coverage options, call Judy Mansur at 1-800-66-66-AFD
Continued from front page

Industry leaders like Nabisco and Frito-Lay have made a commitment to the low-fat snacks movement. Furthermore, the approval of olestra by the Food and Drug Administration (FDA) for use as a substitute frying oil in snack foods has the potential to significantly grow the snack category.

While there is no question that the 1990s have brought a new sense of health consciousness, the reality — as observed in Time magazine — is that Americans want to eat whatever they feel like, in whatever quantities they want.

What this means is that what consumers say they’re eating is often different from actual consumption. This certainly explains why, despite the national obsession with fat, people are not turning to carrot sticks and celery when they snack.

America goes for reduced-fat cookies and bakery products

Twinkies, Little Debbie, Entenmann’s. Sales of bakery snacks in the U.S. topped $4.7 billion in 1996, according to The Market for Bakery Snacks, a new report from the New York City-based consulting and research firm, FIND/SVP. One of the most important trends in recent years has been the rapid growth of reduced-fat products. Nearly all the major bakeries are now involved in the low-fat market — even those that originally resisted the trend. In-store bakeries are growing too. In 1996 they raked in $6.5 billion in sales.

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Food industry increases recycling effort

A new Grocery Marketing Association report reveals 30 percent growth in grocery packaging recovered for recycling. The total amount of grocery packaging recovered for recycling doubled between the 1980s and 1990s, and grew an additional 30 percent between 1990 and 1993, according to a recent update to GMA’s “Grocery Packaging in Municipal Solid Waste.”

The report also shows that the amount of grocery packaging disposed of in landfills and incinerators decreased 34 percent on a per capita basis since 1980, and that total grocery packaging is 10.5 percent of all discarded municipal solid waste.

“This report will be instrumental in our advocacy efforts at the state level,” said Elizabeth Seiler, GMA Director, Environmental Affairs. The report, which tracks the amount of grocery packaging generated, recovered and discarded from 1970, and makes projections to the year 2000, was unveiled at the recent New York Department of Environmental Conservation’s 7th Annual Recycling Conference.

—GMA
Borden introduces Classic Italian Corner Home Meal Replacement concept

Consumers are choosing take-out meals 61 percent more often than they did 10 years ago, according to Chicago-based food research firm NPD. They are voicing, through spending patterns and lifestyle changes, a desire for complete home-style meal solutions that are quick, wholesome, convenient, preparation-free and cost effective.

In response to this growing consumer need, Borden Italian Foods has introduced Classic Italian Corner™, a revolutionary branded home-meal-replacement concept developed especially for the retail grocery industry.

The Borden concept features a kiosk/module design that allows supermarket foodservice operators to create either a free-standing Italian carry-out kiosk or a module which can be incorporated into an existing deli area. With Classic Italian Corner, retailers can provide customers with high-quality, made-to-order Italian entrees, salads and side dishes using Borden’s popular Classic® Pasta Sauces and the revolutionary Novita™ shelf-stable pastas.

Any of the Classic Italian entrees can be prepared (either by supermarket staff or in self-serve applications) in less than a minute—an enticing prospect for consumers on the run. Not only that, dishes can be easily reheated without changing containers. Should a patron choose to eat part of a Classic Italian meal one day and save the rest for later, it’s not a problem. They can reheat and enjoy without losing texture or flavor.

The first-of-its-kind authentic Italian concept, Classic Italian Corner provides retailers with several module options. This allows them to create a customized Italian carryout area within their stores based on individual space and labor needs.

• With the Hot Food module, staff prepare and make to order pasta and sauce items from children’s portions through sizes for a family of four.

• Pasta entrees are accompanied by fresh breadsticks and Caesar salad.

• The self-service module is an easy addition to the hot food program and is ideal for self-service delis.

• Pasta and sauce combinations are simply portioned, packaged and sold from a refrigerated self-service case.

This offers retailers a way to enhance service levels and capture sales of food for later consumption.

New packaging for Molson Canadian

Molson Canadian continues its strong marketing push this month, rolling out in key markets dressed for even greater success in new packaging, and backed by its first-ever U.S. television ad campaign.

"Molson Canadian sales are already up 13 percent over last year in the U.S. and more than 30 percent in bars and restaurants," notes Jeff Kellar, senior brand manager for Molson. "The new packaging and advertising should boost those numbers even more in the months ahead."

The new U.S. packaging will be introduced into key Molson Canadian markets in May, including up-state New York, Michigan and Vermont. The 11.5 ounce brown bottle will have a bright white label prominently displaying a red maple leaf and dark blue and red lettering with gold accents. The cans and cases will reflect the same graphics.

There are no plans, however, to change the packaging for Molson Golden or Molson Ice.

On December 19, 1995, representatives of every major retail organization in America announced the largest effort ever to reduce youth smoking. More than 150,000 retailers nationwide have joined forces through the Coalition for Responsible Tobacco Retailing to prevent the sale of tobacco products to kids.

R.J. Reynolds Tobacco Company is proud to support this unprecedented effort. Youth should not smoke. That is our position.

And since 1992, we have provided more than 70,000 retailers a training program we developed called "Support the Law" to teach sales personnel how to avoid underage sales of tobacco products.

Providing a wide range of retail signage and teaching tools, "We Card" does even more. That’s why R.J.R is discontinuing "Support the Law" and endorsing these outstanding materials.

America’s retailers have taken a leadership position on the issue of youth access. R.J. Reynolds is proud to help them make it happen.

COALITION FOR RESPONSIBLE TOBACCO RETAILING

National Association of Convenience Stores • National Grocers Association • American Wholesale Marketers Association • International Mass Retail Association • National American Wholesale Grocers Association • Food Marketing Institute • National Retail Federation • National Association of Chain Drug Stores • National Association of Beverage Retailers • National Association of Truckstop Operators • Tobacco Institute • Smokeless Tobacco Council

For more information call 1-800-934-3968

The television ad will feature a 30-second television spot featuring the popular McKenzie Brothers portrayed by Rick Moranis and Dave Thomas. The brothers trick a truck driver into leaving behind his trailer of Molson Canadian at the border because Canadians enjoy the beer so much, they want to keep it for themselves.

Molson Canadian, along with Molson Golden and Molson Ice, is brewed in Canada and imported to the U.S. by Munirco Importing, a division of Molson Breweries, U.S.A., Inc., the nation’s second largest importer.
Summertime . . .
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7 Up has the taste, the variety and the value to make every summer day a breeze! Stock up now for a season of thirst-quenching adventures!

Best wishes for a safe, relaxing summer, from all your friends at 7 Up Detroit.

See your 7 Up Representative for product information.
June Is Dairy Month

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Enjoy These Premium Dairy Products Represented by SALES MARK - Michigan

✓ Better ‘n Eggs Refrigerated Egg Substitute
✓ Blue Bonnet Margarine
✓ Chiquita Chilled Juices
✓ Egg Beaters Refrigerated Egg Substitutes
✓ Fleischmann’s Margarine
✓ Florida’s Natural Grower’s Pride Concentrated Orange Juice (Detroit Only)
✓ Florida’s Natural Pure Premium Orange Juice (Detroit Only)
✓ Horizon Organic Dairy Milk
✓ Kaukauna Cold Pack Cheese Cups
✓ Land O Lakes Butter, Margarine, Cheese, & Sour Cream
✓ Land O Lakes Country Morning Blend
✓ Land O Lakes Sweet Cream Spread
✓ Miceli Ricotta, String, & Italian Cheeses
✓ Move Over Butter Margarine
✓ Parkay Margarine
✓ Simply Potatoes (Detroit Only)
✓ Smartbeat Margarine & Cheese Singles
✓ Smilk Flavored Milk
✓ Snackwell Yogurts
✓ Touch Of Butter Margarine
✓ Tyson Refrigerated Mexican Burritos & Tortillas (Detroit Only)
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