Pictures Galore!
Maybe there’s one of you. Look inside

How will the new tax laws affect you?

by Michael J. LoGrasso,CLU, ChFC
In conjunction with CIGNA
Financial Advisors, Inc.
On August 5, 1997
President Clinton signed
into law a long-awaited
budget and tax package
designed to balance the
federal budget by 2002
and trim taxes by $152
billion over five years.
How will this new tax
package affect food
retailers and other small
businesses? Following are
brief summaries of several
key elements of that
legislation.

**Estate tax relief**
An increase in the
$600,000 unified credit
equivalent to $1,000,000
will be phased in by 2006.
The tax reduction noted in
the schedule at right is
relative to today’s tax.

One word of caution:
The schedule is “back-
loaded”—there is little
relief for six years. The
changes to the credit for
many taxpayers will not
keep pace with inflation.
Wills, trusts and other
documents should be
reviewed to maximize the
use of the credit.

Starting in 1998, the
owners of certain qualified
family-owned business
interests may exclude up to
$1.3 million of business or
farm value from their
estates. This exclusion is
integrated with the new
uniform credit schedule
(meaning the exclusion is
limited to $675,000 in 1998
with a related phase-down
to $300,000 in 2006). The
qualification requirements
are strict. The business
must be a “family-owned
business interest” and it
also must be at least one-
half of the decedent’s
adjusted gross estate and
to an heir who
“materially participates”
in the business. Benefits of
the exclusion can be
“recaptured” by the IRS if
the rules are not met for
ten years after the decedent
dies.

Starting in 1998, the
installment payment rules
for taxes attributable to
businesses will change. The
tax attributed up to $1 million
in taxable value of the
business (above the unified
credit and any exclusion) is
subject to interest at a rate
of 2 percent (the old law
used a 4 percent rate). The
remainder of such taxes is
subject to interest at a rate
equal to 45 percent of the
underpayment rate. The
interest paid isn’t
deductible for estate or
income tax purposes.

Retroactive to the start
of 1997, the 15 percent
excise tax on excess
distributions and excess
accumulations related to
qualified plans and IRA’s
is repealed. This is good
news for taxpayers with
large IRAs and qualified
plans. But this does not
change the fact that these
plans are still subject to
estate and income tax. If
benefits paid are paid in a single
lump sum to an heir in the
highest tax bracket, taxes could
be

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See Taxes, page 33
AFD Workers’ Compensation program keeps getting better

by Mark Karmo
Chairman of the Board

I am pleased to announce that CoreSource, AFD’s Workers’ Compensation insurance company, was recently purchased by Presidium, Inc., a company with more than 20 offices in the U.S. and corporate offices headquartered in San Francisco. It is a large company, capable of handling all AFD’s workers’ compensation needs. Presidium is a fully integrated supplier of disability management services, including workers’ compensation/TPA, vocational rehabilitation, bill review and medical necessity determination programs.

CoreSource has been an excellent provider of workers’ compensation insurance for AFD members, paying out over two million dollars in dividends over the past 14 years. In 1996 alone, AFD’s workers’ compensation plan paid back $200,000 to its members. This program is a great value to AFD members.

The purchase of CoreSource, by Presidium doesn’t change that. CoreSource’s 240 employees will now remain at their jobs. Your representatives at the company will remain the same. The only difference will be that CoreSource’s new parent company, Presidium, Inc., will now enable the company to provide additional services and programs for its subscribers.

The addition of the CoreSource workers’ compensation division to Presidium will bring the combined companies annualized revenue to $52 million. Adding CoreSource to Presidium’s growing list of companies will help AFD members rein in their workers’ compensation costs. Presidium’s goal is to bring the proven managed care strategies that large, Fortune 500 companies use, to smaller companies, like yours and mine.

If you haven’t investigated AFD’s workers’ compensation program, now is the time to do it. We believe you won’t find a better program anywhere. For more information call Judy Shaba at the AFD offices (248) 557-9600.

Congratulations Judy!

You may have noticed that I didn’t say to call Judy Mansur for information regarding AFD’s insurance programs in the article above. No, Judy didn’t leave AFD; she got married! Judy has been an AFD staff member for many years and the AFD Board of Directors congratulates Judy on her recent marriage to Mazen Shaba. We wish them a lifetime of happiness together.

Thanks to all who helped

I want to give my personal thank you to all the wonderful volunteers who made the Senior Citizen Appreciation Day Picnic on Belle Isle a huge success. Over 3,000 senior citizens enjoyed a day outside, eating picnic lunches. This year they even learned to square dance! John Iussia and his group do a wonderful job helping the city’s seniors have come to look forward to. It is great to see Michigan’s grocery industry pulling together to give our senior citizens their day in the sun.

See photos on page 24.

Your opinions are important to us! Call AFD at (248) 557-9600 or (800) 66-66AFD. Or write to us at 18470 West Ten Mile Road Southfield, MI 48075.
Food safety remains MDA’s primary focus

by Dan Wyant, Director
Michigan Department of Agriculture

Wholesome food supply has always been the Michigan Department of Agriculture’s top priority. Due to this loss of staff, the department has restructured around its major priorities, with food safety remaining our most important concern.

As part of the reorganization, the department’s dairy and food division were combined into the new MDA Food and Dairy Division, headed by Katherine Feudder. This merger combines resources to maintain a strong presence inspecting the state’s grocery stores, dairies and restaurants, while retaining the unique working relationships with the industries the two separate divisions served. As part of the merger, and in an effort to increase the focus on food safety, all non-food safety programs, mainly weights and measures and motor fuels quality, were moved from the former Food Division to the department’s Laboratory Division. These changes have helped to enhance MDA’s role as a public guardian of food safety in Michigan and have strengthened our front-line efforts to address current and future issues in the food and agriculture industry.

Strengthening industry/government partnerships

As many of our customers know, the department’s regulatory responsibilities have been refocused to emphasize compliance assistance, working with our industry partners to ensure quality control at the critical points in the food production process. MDA inspectors now base their inspection and enforcement activities on the Hazard Analysis Critical Control Points (HACCP) principles, working closely with farms, processors, grocers and restaurateurs to identify specific points in the growing, harvesting, processing and preparation stages where contamination could occur, then developing steps to reduce the risk. The HACCP program also emphasizes the importance of government/industry partnerships, because our private sector partners must monitor, test and record temperatures and other process controls that have been identified as key steps in the process. By using HACCP methods, we have a whole year’s worth of data rather than one inspection, to demonstrate quality control. Under the HACCP approach, we are able to do more with less, continue to provide a safe, wholesome food supply, and are truly partners with industry in assuring food safety.

The consumer’s role in assuring food safety

Just as government and industry each play an important role in assuring the food we grow and sell is safe, consumers have a responsibility for making sure the food stays safe. As we in the food and agriculture industry continue to improve handling methods and technologies for assuring a safe food supply, all our efforts mean little when the food is not stored, handled or prepared properly once it leaves the point of purchase.

With less than half of all meals being eaten at home, statistics show that consumers have a declining information bias, and are not being taught proper food preparation and storage. Consumers need some basic information about handling food to do their part. For this reason, the MDA has joined U.S. Senator Spencer Abraham, Governor John Engler and partners from the food and agriculture industry to create a Food Safety Consumer Awareness Campaign. The goal of the campaign is to reduce the incidence of food-borne illness by informing consumers about the role they can play in protecting the safety of the food they serve. The campaign is designed to complement industry and federal efforts to help consumers better understand the basics of food handling in the home. It will also strengthen the partnerships MDA has formed over the years to promote food safety from the farm gate to the consumer’s plate.

Food safety alliance and food safety month

To discuss ways to work cooperatively to improve consumer food safety awareness, I have convened a Michigan Food Safety Alliance of producers, processors, grocers, educators and others, including the Associated Food Dealers. The Alliance will also serve as a forum for sharing food safety information and concerns.

As part of this effort, Governor Engler has declared September as Michigan Food Safety Month. The MDA and Food Safety Alliance members will focus on four basic themes, one per each week of September, to improve handling methods and reduce the incidence of food-borne illness by assuring food safety.

The opinions expressed in this magazine are not necessarily those of the AFD, its Board of Directors, staff or members. Bylined articles reflect the opinions of the writer.
What you don’t know

“What you don’t know can hurt you,” is the title of a seminar offered by the City of Detroit to educate small, retail businesses about the issues of consumer law. The Business/Consumer seminar begins with registration at 8:30 a.m. and runs till 1 p.m. Oct. 21 in room D-208 of the Cobo Conference and Exhibition Center.

Many merchants have been unable to keep up with a growing body of consumer laws and regulations which may require changes in the way in which business is conducted. A guest speaker will address the audience on frauds aimed at them.

Registration for the conference is $10. For more information, contact William Healy of the Consumer Affairs Department (313) 224-1812.

$14.2 billion in potential savings for grocery industry

According to the most recent Efficient Consumer Response (ECR) report, called Store-Level ECR, the U.S. supermarket industry could save $14.2 billion, or 4.6 percent of annual industry sales, by implementing initiatives in four areas: ordering, receiving, merchandising and labor scheduling and incentives.

The single largest piece of the $14.2 billion in potential savings is derived from reducing store labor cost, which represents a $37 billion expense, or 12 percent of sales. More than half of the labor savings would come from three merchandising opportunities: reengineering store fixtures; using efficient shelf stocking; and efficient packaging. Almost 75 percent of the potential savings would come from improvements in store fixtures ($3.79 billion), efficient shelf stocking ($1.73 billion), efficient packaging ($2.07 billion), sophisticated labor scheduling ($1.74 billion), and optimizing store inventory ($1.41 billion).

Milton Merl & Associates was responsible for the majority of the research and the report writing and was assisted by John Phipps, principal of Deloitte & Touche in San Francisco. For more information, visit the official ECR website at www.ecr-central.com.

Spartan brand products supports anti-cancer campaign

Spartan Stores Inc., supermarket private label Spartan Brand Products is partnering with the American Cancer Society (ACS) and the Florida Department of Citrus in a year-long “Fight Cancer. Fight Harder,” anti-cancer campaign. Each time consumers purchase Spartan brand Premium Chilled Orange Juice, a portion of the proceeds will be donated to the American Cancer Society.

Spartan brand Premium Chilled Orange Juice is available in over 500 Spartan retail stores in Michigan, Indiana and Ohio. Nationally, the campaign is expected to raise $1 million in support of the ACS, a nonprofit, community-based, voluntary health organization dedicated to the elimination of cancer as a major health problem.

In addition to raising funds to combat cancer nationwide, the “Fight Cancer. Fight Harder” campaign is promoting eating habits that can help consumers maintain good health within their own families.

According to the American Cancer Society, about one-third of the 500,000 cancer deaths in America this year may be related to diet; and a growing body of evidence suggests diets high in fruits, vegetables and fiber, and low in fat may help reduce the incidence of some types of cancer.
FDA survey of posting of nutrition information
The Food and Drug Administration (FDA) released results of its most recent survey and reports that more than 70 percent of stores are posting point-of-purchase nutrition information for the most commonly consumed fresh produce and seafood items. A minimum of 60 percent of stores surveyed need to post this information in order for the program to remain in compliance.

Spartan Store enjoys increase in net earnings
Spartan Stores, Inc. announced record net earnings of $9.7 million for the fiscal year ending March 29, 1997. Spartan reported a net loss of $21.7 million in the previous fiscal year due to restructuring, reorganization and other charges of $46.4 million. Net sales for the fiscal year were $2.475 billion, a decrease of $79.7 million, or 3.1 percent, from the previous fiscal year.

Gold Medal for Grandma Shearer’s
The American Tasting Institute awarded Shearer’s Foods, Inc., the gold medal for the best potato chips in America for the second consecutive year, for these Grandma Shearer’s products: Grandpa’s Choice Potato Chips, Kettle Style Potato Chips, Premium Select Potato Chips, Classic Gold Potato Chips, Extra Thin Potato Chips, Ripple Style Potato Chips and Salt and Vinegar Potato Chips.

Savannah Foods to merge with Florida Crystals
Savannah Foods & Industries, Inc., a sugar refiner and distributor based in Savannah, Georgia and parent company of Michigan Sugar Company in Saginaw, Michigan, has announced an agreement to merge with Florida Crystals, Inc., which will comprise the Florida based sugar and related operations of Flo-Sun Incorporated.

Winning with a tradition older than Old Glory
“Mustard With Authority!”® from Bech’s was recently honored with the highest number of placements in Food Distribution Magazine’s Annual Superior Product Awards Competition: BBQ & Wine Sauce Showdown Hoedown. The national contest, held in mid June in Tampa, Florida, was a blind taste test by a panel of more than 100 judges. Over 375 products from 81 different manufacturers vied for top prizes in 14 specific categories. Bech’s HoneyComb Glaze & Dip was awarded first place in the Mild Mustard-based BBQ Sauce and first in the Mild Wing Sauce category. Their Sweet Jalapeno Barbeque Glaze was also among the top winners in the Hot Mustard-based BBQ Sauce category in the competition.

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London’s Farm Dairy introduces new product line

London’s Farm Dairy, a familiar name in dairy products throughout Michigan, has burst on the scene with a new ten-unit beverage line. Packaged in 16-ounce lightweight plastic bottles, the new line includes both juice flavors and milk products including Cranberry Raspberry, Island Punch, Orange Cranberry, Wildberry Breeze, Raspberry Passion, Kiwi-Strawberry and homogenized 2 percent regular, chocolate, strawberry and orange milk.

Said Earle Holsapple, president of London’s Farm Dairy, “This is an exciting new project for us. With a refreshing, quality product, attractive packaging and consumer demand for beverage variety, this line is sure to be a big hit.”

The new line is being introduced throughout London’s Farm market area, supported by point of sale materials which encourage customers to “Burst Your Thirst!”

Ziploc introduces new color seal

DowBrands brings together clicking and color to create the new Ziploc® ColorLoc™ zipper. The new resealable bags combine seeing and feeling to give consumers the assurance that the bags are sealed. The combination of red and blue make the zipper purple signaling a good seal.

DowBrands is the market leader in the zippered bag category. For more information, call Stark & Company at (810) 851-5700.

Bad Frog dives into the water market

Bad Frog Brewery Company, the Rose City, Michigan brewers of Bad Frog Beer, have leaped into the growing bottled water market with the introduction of Bad Frog Pond Water.

It is actually natural, artesian water, bottled near Sedona, Arizona. For more information, call Bad Frog Brewery Company at (517) 685-2990.

Archway Cookies change packaging for entire cookie line

Who says you never get a second chance to make a first impression? National cookie maker Archway Cookies, Inc. recently introduced new packaging for all of its more than 60 varieties of home style, gourmet, fat free and bagged cookies.

“Our goal with the redesign was to introduce a contemporary look, while maintaining Archway’s traditional home style image,” said Archway Vice President Donald Keaton. “This new packaging better illustrates the quality and premium taste that consumers have come to expect from Archway cookies.”

Archway’s updated look incorporates new labels and an innovative design layout that allows either vertical or horizontal shelf positioning for some of its varieties. The company continues its clear packaging tradition (since 1936) with the redesign.

You’re about to get two more slices of the take-out / delivery market

Ever since its introduction, Freschetta™ pizza has been taking the frozen pizza category by storm. That’s because Freschetta™ pizza is different from other frozen pizzas. Made with a dough that uses a patented European technology, Freschetta bakes up hot and fresh in the oven for the first time. Never pre-cooked or par-baked, Freschetta pizza’s superior crust provides exceptional flavor and texture. And because Freschetta looks and tastes just like fresh-baked pizza, it’s ideally positioned to help you capture more of the tremendous dollar sales from the take-out/delivery and pizzeria markets.

Vous savez que vous allez avoir deux autres tranches de la livraison de pizza.

Depuis son introduction, la pizza Freschetta™ a marqué les cuisines congelées. C'est parce que la pizza Freschetta™ est différente des autres pizzas congelées. Préparée avec une pâte à base de technologie européenne brevetée, cette pizza se prépare à la mode européenne. Elle est jamais pré-cuisson ou pré-burger. Sa croûte supérieure est exceptionnelle et sa texture est l'une des meilleures. Enfin, parce que la pizza Freschetta™ ressemble à de la pizza fraîchement sortie du four, elle vous aidera à capturer plus de plaintiffs de dollars de la livraison de pizza.}

Since 1984 we’ve introduced over 26 new products . . . all backed by the most powerful merchandising machine in frozen foods today!

For Sales & Service Call 1-800-247-1533
Melody Farms is introducing clear plastic resealable pint bottles of milk and orange juice for increased portability for people on the go, especially motorists. Instead of having to deal with bulky, square pint cartons of milk, drivers can grab one of the new plastic bottles, which is easier to hold and fits easily in a car’s cup holder.

“The dairy industry has been trying to find ways to compete with the soft drink industry for years and we’ve finally found an attractive alternative,” said Stephen George, director of marketing for Melody Farms. “Drivers who are looking for a more healthful drink than soda or iced tea will appreciate these new containers.”

Whole, two percent and chocolate milk are available in the clear plastic bottle, as well as orange juice. Melody Farms also has plans to add other fruit drinks in the spring of 1998.

Customers are responding to Melody Farm’s new look. George said chocolate milk sales have tripled and whole milk sales have doubled since the introduction of the bottles.

Michigan’s Bivins Gourmet Sauces

“A taste that says, Mercy!” That’s the slogan for Bivins Gourmet Bar-b-que Sauce (Bivins, Inc.), a seven-year old company specializing in a variety of sauces. Located locally in Mt. Morris, the 20,000 square foot manufacturing plant equipped with a shipping and receiving dock was recently upgraded to an increased production level of approximately 1,000 gallons per hour.

Bivins produces four flavors of bar-b-que sauces, a steak sauce and a marinade sauce. The four flavors of bar-b-que sauce are “Original,” “Hickory,” “Hot” and “Pepper Hot.” Bivins sauces are the complete sauces—not just a base for the consumer to add to. Bivins “Gourmet” Steak Sauce adds a new taste to steaks. The “Instant Marinade” Sauce is a blend of special herbs and spices used to add a tender and tasty flavor to all meats. This product is also great on wild game.

Only natural products are used in obtaining the highest quality. The sauces are available from these Michigan distributors: L&L/Jiroch Foods, Kramer Foods, KAR Distributor and Mid-West Foods.

Cook’s Champagne signs Todd Eldredge

Cook’s Champagne has expanded full-force into figure skating by partnering with U.S. Men’s Figure Skating Champion and Olympic contender Todd Eldredge. Current Nielsen ratings rank figure skating second only to professional football in viewer popularity.
This Bud's for you.
Retailers play vital role in Lottery success

by Bill Martin
Michigan Lottery Commissioner

It's back-to-school time for millions of Michigan school children, but they're not the only ones learning valuable lessons. Year after year, I'm reminded of just how vital the relationship is between the Michigan Lottery and its growing team of retailers.

In the Lottery's first complete fiscal year of operation, there was just a fraction of the licensed Michigan Lottery retailers there are today. These individual business owners worked with the Lottery on every aspect of presenting Lottery products to their customers—and they did it very well. That first year, ticket sales were more than $137 million and commissions returned to retailers totaled over $8 million.

When set against fiscal 1997 figures, those numbers may pale in comparison. Let me assure you their significance is not lost on me or any member of the Lottery staff. Here's why:

That first year's Lottery retailers were pioneers—they took a chance on goods that were basically unproven. Retailer enthusiasm and willingness to peddle a product still in its infancy is nothing short of inspiring. The appeal of Michigan Lottery games grew each year for two main reasons: 1) the product was entertaining and rewarding to players, and 2) Lottery retailers were determined to introduce new games to every one of their customers.

Twenty-five years later, I'm proud to say it's much the same story. The Lottery is moving along at an incredible pace and fiscal 1997 is set to be a record-breaking year all around. At the heart of our success story are the more than 9,000 Michigan Lottery retailers who, every day, tell their customers about each new Lottery product.

With fiscal 1997 sales approaching $1.7 billion and retailer commissions at an all-time annual high of $118 million, doesn't it sound like a great time to be a Michigan Lottery retailer?

If you've thought about becoming a Michigan Lottery retailer but still have questions, consider the following benefits.

The Lottery is your ticket to higher profits! Every Michigan Lottery instant ticket you sell will earn you six percent commission. Plus, each winning ticket you cash between $1 and $600 entitles you to two percent of the amount won. For winning tickets of $601 up to $100,000 purchased at your location and redeemed at Lottery headquarters or a regional office, you also receive a two percent commission.

Think of the increased store traffic and customer loyalty. Your customers will come back time and again, buying a lot more than just Lottery tickets. According to a recent study conducted by the National Association of Convenience Stores, lottery products can more than double what a customer will spend in your store per visit.

In addition, there are sales incentive programs that can win you and your employees bonus cash. In-store point-of-sale material is always available to help you promote game awareness to your customers.

If becoming a Michigan Lottery retailer sounds like a good fit for your future business plan, more information is just a phone call away. For additional profit, sales and store traffic, call today: 1-888-388-8536.

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People

Grocery industry mourns Paul Felice

Paul Michael (Paulie) Felice, president and owner of Felice Valuland Food Centers in Sterling Heights and Macomb Township, died July 25, 1997 at the age of 44 after losing a bout with cancer. In addition to owning Felice Valuland Food Centers, he was vice president and chief executive officer of Felice Family Food Center in Waterford. Paul's brother, Joseph said although the chain had grown to 470 employees, Paul knew everyone by name which helped to maintain the family feeling.

Paul got his start in the family business at age 12 by helping out in the store his Italian immigrant grandfather founded in 1921. He was a past chairman and current member of the Spartan Stores Retail Advisory Board and was honored with the Spirit of America award in 1995 for his dedication to the food industry. "He was a wonderful person, excellent grocer and will truly be missed," says AFD executive director Joe Sarafa. The AFD family sends its sincere condolences to the Felice family. Paul Felice is survived by his father, Paul, and stepmother Beverley; sister Rose P. Stevenson and brother-in-law Tom; brother Joseph V. Felice; sister Susan M. Herzfeld and brother-in-law Jon; stepsisiter Lisa Fine Gilbert and her husband Andy and friend, Ginger Page. Burial was at Mt. Hope Catholic Cemetery. Memorials may be made to St. Benedict Catholic Church or Karmanos Cancer Institute.

FMI elects Michigan officer

Ulysses Adams, Jr., president and CEO, Ferndale Foods Inc., of Ferndale, was elected to the board of Food Marketing Institute (FMI). Adams started in the retail grocery business at 14 years old, delivering groceries door-to-door on a bicycle. Before Ferndale Foods, he worked for the Kroger Corporation for 25 years.

Senator Carl dies while driving

Senator Doug Carl, one of Michigan's most conservative legislators and a driving force behind the tobacco stamp law, died of a heart attack on Sunday, August 17. Carl, R-Macomb Township, was driving on 21 Mile Road in Shelby Township when he was stricken. He pulled his car to the side of the road, where he was found by a passing motorist.

Senator Carl supported causes such as restoring the death penalty, lowering taxes and government spending and lessening regulatory burdens. He had just turned 46 and is survived by his wife, Maria and 10-year-old daughter, Colleen.

Senator Carl's family sends its heartfelt sympathies to Carl's family.

Liquor store & building—$365,000, take over payments at bank, $12,000 gross weekly, located Harper and Van Dyke, Detroit.

Beer & wine business—$10,000, Gross: $200,000, located in small plaza. Plaza is available for $350,000. N.W. Oakland County.

50,000 S.Q. FT. SHOPPING PLAZA—Macomb County. $5.75 million.

82,000 S.Q. FT. SHOPPING PLAZA—Oakland County, $8 million.

Super market—8,000 sq. ft., $32,000 gross weekly. Downriver, take over payments at bank. Building and business priced to sell.

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FOOD & BEVERAGE REPORT. SEPTEMBER 1997
To help parents and caregivers prevent unintentional childhood injuries associated with falls from shopping carts, the U.S. Consumer Product Safety Commission (CPSC), the National SAFE KIDS Campaign, the Food Marketing Institute (FMI), Johnson & Johnson and Safe-Strap Company Inc., announced a national shopping cart safety program.

According to CPSC, from 1985 to 1996 an annual average of 12,800 children ages five and under were treated in U.S. hospital emergency rooms for falls from shopping carts. In fact, fall-related injuries significantly increased during that period, rising from 7,800 in 1985 to more than 16,000 in 1996. CPSC data also show that during 1995 and 1996, approximately two-thirds of the fall victims were treated in hospital emergency rooms for head injuries, and more than half of the head injury victims suffered severe injuries such as concussions and fractures.

This nationwide effort will provide families with the information and the safety gear necessary to reduce the number of falls from shopping carts. The program's components include educational materials and a shopping cart seat belt discount program.

The programs educational materials consist of a consumer brochure, a poster for stores, artwork with the Buckle Up slogan, a flier to remind store employees of seven ways to enhance shopping cart safety and a sample press release on the program.

The belt program, funded by Johnson & Johnson and implemented by the National SAFE KIDS Campaign and Safe-Strap Company Inc., will provide discounted shopping cart safety belts to grocers in local communities. The National SAFE KIDS Campaign's network of more than 200 State and Local Coalitions will educate grocers in their communities about potential injuries to children from shopping cart falls and introduce them to the discount program. Call AFD (248) 557-9600 for free posters.

**We want to feature information on your store!**

AFD would like to have a special corner in the magazine for business-related events or news, but we need your input. These events would be information supplied by you concerning your store. It could be for:

- Anniversaries
- Grand openings
- Closings
- Promotions
- Remodeling
- Equipment sales

These events are special to you and to us. Please call us and let us know the details of these happenings. We will then publish it in the AFD Food & Beverage Report. Call Michele MacWilliams at AFD (248) 557-9600.
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With the Big Boys...
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Guidelines for Scanning “101”

Although many supermarkets have scanning systems, some companies are just starting to install them. FMI has developed a Guide to Scanning: Updated Edition to help retailers who are beginning the scanning process. The report draws from experiences of FMI’s Scanning Task Force, which recommends:

1. Gain the full support of top management. Management should help define benefit objectives and the expected outcome. A top-level executive should be responsible for the system installation.

2. Establish an installation planning committee. Representatives from operations, merchandising, finance, information systems, loss prevention and store engineering should be brought into the planning process.

3. Secure adequate capital. Capital is required for system equipment, training and remodeling store front ends, if needed.

4. Ensure competent information systems expertise. Many retailers will want to generate management reports in order to benefit from scanning information.

5. Prepare and train employees in advance. In the shift to scanning, checkers may require training in new procedures for checkout and bagging; handling of random-weight items; tendering of cash, coupons, checks, food stamps, debit cards and credit cards and cash management.

6. Inform customers in advance. Explain to customers that they will benefit from faster checkouts, accurate pricing and a detailed receipt tape. A bag stuffer or poster can communicate this message.

7. Determine pre-installation needs with the scanning equipment vendor. These needs may vary from different electricity needs or conduit for cables to developing individual item descriptions.

8. Develop informative, legible and accurate shelf tags. Informative shelf tags listing appropriate price and product information, including internal reordering codes, should be developed if not already in use.

9. Check the price integrity of each item before system start-up. Each bar-coded item should be scanned to verify that computer file prices match all prices marked in the store.

10. Ensure ongoing pricing integrity. This is the key to accurate price communication for either individual item pricing or shelf price marking. Prices carried in the computer file must consistently match prices marked in the store or in advertisements.
**What I need to create:**

- A 6-pack of Miller Lite.
- A pencil.

**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 somewhere 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 I make my ads it's Miller Time for me."

"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."

**Watch out for Dick and his Miller LITE campaign.**
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Thanks, sponsors.

Less filling, tastes great

Which way did it go?

Hey you two on the right...the club goes the other way!

Hey, c'mon, get out of the cart.

A touch of class
Going, Going, Gone!
Plenty of food and drink... on “hand”

Close, but no cigar!

And the winner is...

Wipe that silly grin off your face.

The Associated Food Dealers of Michigan sincerely thanks the following companies for supporting our Scholarship Golf Outing:

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Hershey Chocolate
I & K Distributors
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Kramer Food Company
London’s Farm Dairy
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FDA survey shows retailer compliance with voluntary posting of nutrition information

The Food and Drug Administration (FDA) recently released the final results of its most recent survey of retail stores for the posting of point-of-purchase nutrition information for the most commonly consumed fresh produce and seafood items. As mandated in the Nutrition Labeling and Education Act of 1990, FDA is required to survey retail stores every two years for the posting of nutrition information. The next round of surveys is scheduled for early 1999. The U.S. Department of Agriculture, which also surveyed retailers last fall, has not yet published their results.

FDA's survey found that 73 percent of stores are posting fresh produce nutrition information and 71 percent of stores are posting fresh seafood nutrition information. The next round of surveys is scheduled for early 1999. The U.S. Department of Agriculture, which also surveyed retailers last fall, has not yet published their results.

Reminder: Minimum wage increases September 1

Effective September 1, 1997, the federal minimum hourly wage will increase from $4.75 an hour to $5.15. Please ensure your management team is aware of the change and you are in full compliance with the Department of Labor's posting requirements. Remember, the higher state or federal hourly wage must be paid. If you are in need of employment compliance information, please contact N.G.A.'s Public Affairs Department.

Federal regulation: New hire reports must be filed

As of October 1, 1997, all states are required to establish new hire reporting programs under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Employers must submit a report on new-hires to the state in which the employees work within 20 days of the date of hire. Each state designates the reporting agency, time period for submitting new-hire reports, and penalties of $25 for failure to file a report, or up to $500 for conspiring with the employee not to file.

The report you file (either a W-4 or optional form) must contain each new hire's name, address and social security number with your firm's name, address and federal EIN. Currently 26 states have some form of new hire reporting and those states have until October 1, 1998 to conform to federal law.

Legislative Updates

NLRB single-site funding restriction clears hurdle

Once again, Congress appears willing to temporarily block the National Labor Relations Board's (NLRB) attempt to allow unions to organize single sites of multi-unit establishments. For the third year in a row, the House and Senate Appropriations Committees have passed the Department of Labor's appropriation bill with language restricting the NLRB from using any funds to promulgate the single-site rule. Rep. John Porter (R-IL) and Senator Arlen Specter (R-PA) deserve credit for inserting the restrictive language in their respective committees. There may still be a fight over this issue on either the House or Senate floor, however. NACS, along with other groups affected by the single-site rule, will be closely monitoring the floor amendments offered by several key Democrats who what to strip the single-site restrictions from the Labor Department's appropriation.
Advice from Detroit Edison

Storm Preparation and Restoration

Be prepared for stormy weather

Stormy weather ... it's more than just a song, it's a way of life for Michigan residents. Whether it's a blizzard, wind storm or ice storm, it's often not a matter of if Mother Nature will turn out the lights - but when, as witnessed with summer's Independence Day storm.

While it is difficult to predict exactly when and where a volatile storm will knock out power, there are some preventive measures your business can take to limit your down time and the potential damage caused by brownouts and blackouts.

An effective Emergency Plan for your business

While Detroit Edison does everything possible to restore your lost power quickly, you can help yourself by creating an emergency plan with clearly defined roles for key employees. Your plan should answer these important outage questions:

• Who is responsible for initiating and maintaining contact with Detroit Edison?
• What are your needs for back-up power generation, dry ice or temporary refrigeration, and who will be charge of arranging those items?
• Do you have protective measures in place, such as surge suppressors and uninterrupted power supply devices, which can help prevent data loss or sensitive electronic equipment damage?
• Will your employees be notified of work schedule changes? When and by whom?
• Do you have battery backups for emergency lighting and security systems?

FREE Power Outage Emergency Guide for businesses

Many insightful tips are found in The Power Outage - Emergency Guide for Businesses. This handy booklet explains how to cope with a brownout or blackout and outlines the restoration process. We hope you keep it as a useful tool in the case of a power outage.

You can request your FREE copy on our web site: http://www.detroitedison.com. And remember — it's FREE, so order as many copies for your business as you'd like!

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At Detroit Edison, we do more than provide electricity to our 2 million customers. We're proud to serve Southeastern Michigan in many other ways, including:

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• On behalf of our employees, donating more than $40,000 annually to education related organizations through the Detroit Edison Foundation's Walter J. McCarthy, Jr Volunteer Service Awards.
• Caring for Michigan's environment by planting 10 million new trees.
• Serving as Michigan's second largest property tax payer.

Because providing a brighter future for Southeastern Michigan is worth all our energy.
West Bloomfield gains a beautiful new store

by Michele MacWilliams

Commuting down long, winding two-lane roads is an everyday occurrence for the growing number of people who live on and around the many lakes in the Commerce/West Bloomfield area. Whether the roads are slick and snowy or the sun is shining in the west, a quick stop at Market Plaza can make the rest of the drive a breeze.

Walking through the doors into Market Plaza, one just can't help but smile. Even if it's dark or stormy outside, the store's high ceiling painted with blue sky and wispy clouds gives the feeling of a bright, sunny day.

Market Plaza is the new grocery/convenience store at the corner of Commerce Road and Green Lake Road in West Bloomfield that opened its doors in March. The store is a delight for the senses. Brightly colored contemporary murals above the display cases of wine depict happy people, grapes and, of course, Bacchus' favorite beverage. Across the back of the store, a '50s-motif mural beacons shoppers to try a refreshment from the beverage coolers.

In coolers near the bakery, complete meals are ready for busy customers to take home, heat and eat. Made from scratch daily by Market Plaza's full-time chef, Jeanne Zanowski, over 15 different entrees are available including Chicken Wellington, Stuffed Seafood Shells and Dijon Sirloin Tips. Ten different specialty salads, including Three Cheese Tortellini and Sesame Chicken, and an assortment of fresh pastas like Sundried Tomato Pesto and Mushroom Broccoli Alfredo add even more variety to menu selections.

Although Market Plaza is only about 5,800 square feet, it is jam packed with the products that local residents want and need. A produce section, liquor counter, candy counters and, of course, a few isles filled with staples like cereal, salad dressings and pasta come in handy for shoppers who must pick up a few items in a hurry. But in addition, Market Plaza carries the largest selection of imported food items and bulk cheeses in the area. Wine is important, as the entire east wall is devoted to both domestic and imported bottles.

Market Plaza is the dream of John Shouneyia, a resident of Bloomfield Township, who previously owned a grocery store in Sterling Heights and whose family has been in the retail food business since 1976. Desiring to do something a little different, a little more than what he was able to do at his traditional east-side store and noting the growth of the West Bloomfield/Commerce area, he began looking in that area for a new location. What he found was an operating party store at the corner of Commerce and Green Lake Road called Carnival Gourmet. The location was perfect, but the store was somewhat nondescript, with a limited selection. It needed work.

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The store had some good wine values and we are continuing to provide good prices on wine and beer while expanding the selection," says Shouneyia. He also noted that Carnival Gourmet sold homemade sandwiches and operated a limited deli section. Shouneyia expanded the deli and increased the selection of take-out foods.

He talked to builders, interviewed architects, grocery equipment suppliers and just about everyone else, hoping to learn everything he could before he actually made any changes. He wanted to be certain that the changes would be fitting for the location. The store must be bright, clean, attractive and busy but not so upscale that it would discourage the customers that pop in for a soft drink or a snack.

From all indications it appears that Shouneyia has hit on the right mix of products for the area. The store is clean, contemporary and inviting. Whether stopping in for a gallon of milk or food and beverages for a party of 50, customers can find it all in the new Market Plaza.

(1 to r) Matt, Brandon and John Shouneyia, Emily Curioca and Johnny Shouneyia pose for a quick photo at the busy, new Market Plaza in West Bloomfield.
Introducing the new “Cash Option” from Michigan Lotto

Now there’s a choice: Tell your customers to just check the “Cash Option” box and they could become instant millionaires. Or, if they prefer, they can still choose to take the money in equal annual installments. With a new “Cash Option,” Michigan Lotto is better than ever and that means better than ever traffic, sales, and commissions for you!

Available now!
Detroit seniors have their day in park!

Square dancing and other activities kept things swingin’!

The Associated Food Dealers of Michigan (AFD) in cooperation with its Chaldean merchants in Detroit and Detroit City Councilman Gil Hill, hosted a free picnic lunch on Belle Isle for Detroit’s senior citizens.

Called the “Senior Citizens Appreciation Day Picnic,” it took place at Belle Isle shelter 8, on Thursday, August 21. The theme for the picnic was Business and Community Together. Food and beverages were generously donated by the Associated Food Dealers of Michigan and the Chaldean merchants.

This is the seventh year that the grocers teamed up with Councilman Gil Hill to host this free party. Party organizers fed and entertained over 3,000 seniors this year.

The AFD and the Chaldean merchants donated and served hot dogs, snacks, salads, fruit, beverages and ice cream. “This year the seniors also enjoyed square dancing lessons and the melodious sounds of the Ron Jackson Jazz Trio,” explained Shawn Turner, administrative assistant for Hill. Councilman Hill’s office arranged for use of the shelter and emergency medical services for blood pressure testing and an ambulance in case of emergencies. The Detroit Police Department Junior Police Cadets and other volunteers helped serve the food and clean up afterward.

Retailer volunteers include Greenfield Market, Home Pride Market, Mayfair Market, Pioneer Food Center, Value Save, New Super Fair Foods and Value Center, to name a few.

“The Senior Citizen Picnic has grown every year. This is our seventh annual party and we plan to continue the event for years to come,” said John Loussia, owner of Value Wholesale in Detroit and a key party organizer.
AFD's Judy Mansur is now Judy Shaba! Judy and Mazen Shaba were married in August and spent a wonderful honeymoon in Italy. Congratulations Judy and Mazen!

Emmet Denha (standing) and Frank Arcori (right) address the crowd at a DAGMR dinner.

Oops! In the August issue we misidentified the women in the photo above. Standing with Jerry Inman are Nancy Inman, center, and Mary Fischionti, right.

AFD's Harley Davis gives a copy of a Food & Beverage Report article to Danny Nemer, owner of Woodcroft Market in Flint.

(l to r) Dan Reeves, Mark Karmo and Joe Sarafa meet with Detroit Mayor Dennis Archer and representatives of the Metropolitan Detroit Service Stations Association regarding the H.E.A.T program, which is designed to curtail the occurrence of carjackings and auto thefts.

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AFD was a sponsor of the Free Rock ‘N Blues Festival

Richie George from Wine Barrel Plus, organized a two-day live outdoor concert in Taylor on July 12 and 13 to benefit the Alternating Hemiplegia Foundation (AHF). Sponsors included: Anheuser-Busch, Associated Food Dealers of Michigan, Central Distributors of Beer, Kowalski Companies, WCSX FM, and WRIF FM. For more information on AHF, please contact Richie at (313) 522-3549.

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October 1997

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Distributor Profile

Three generations of Baetens in the beer industry

by: Danielle MacDonald

Bob Baetens, Chairman of the Board at Oak Distributing, comes from a long line of beer connoisseurs. His father, Omer Baetens, worked at a brewery for over 22 years. In fact, Omer is credited with moving the first barrel of beer out of the Tivoli Brewery after prohibition. At the age of 73, Bob is now semi-retired and his two sons, Ron and David, are following in the footsteps of both their father and their grandfather in the beer industry.

Bob Baetens incorporated Oak Distributing in June 1959. "I had always dreamed of having my own business but my first company was not in the beer industry," explained Baetens. Throughout high school Baetens worked at a gas station. He graduated in 1943 and went directly into the Navy working as a motor-machinist-mate. "I completed my duty with the Navy in 1946; three years was just enough time for me," he mused. "I feel very lucky that I came out of the service okay."

Baetens' experience in both the gas station business and as a mechanic led him to pursue his dream of owning a business. In 1946, he purchased a gas station across from Detroit City Airport called Airway Service. "I sold the gas station in 1947 because the hours were too long and the money wasn't great." Although 1947 was not a great year for business, it was the year Baetens met Vera Quann. "It was love at first sight and now we're approaching our 50th wedding anniversary."

He supported his new wife by working at General Motors as a mechanic. Baetens explained that he met one of his future Oak Distributing partners while working at GM. "I was sent to the Goebel Brewery to fix a truck. The driver of the truck, Frank Sayer, became my good friend and eventually my partner." In fact, Baetens started working at the Goebel Brewery in 1949 as a driver's helper. Sayer was the driver.

Frank Sayer (left) and Bob Baetens

He worked at the Goebel Brewery for eight years and in 1957, Baetens was laid off. "This was the first time in my life that I did not have a job." Not long after being laid off, Baetens approached his uncle, Herman Vanderbeke, who also worked in the beer industry. Baetens was offered a job at the E & B Brewery as a driver. Sayer stayed at the Goebel Brewery but kept in close contact with Baetens.

During the 1950's and 1960's, E & B beer was a very popular brand. As the demand for E & B beer increased so did the need for a distributor in Oakland County. The manager of the E & B Brewery, Vaughn Surabian, approached Baetens about becoming the Oakland County distributor. "It is a small world because Vaughn knew Frank Sayer too. He suggested that the two of us partner with another Goebel Brewery employee, Joe McDonald, to form a distributorship."

Baetens, Sayer and McDonald were armed with very little capital but a lot of knowledge about the beer industry. The three gentlemen received brewery approval from the MLCC along with a Federal Permit and they formed Oak Distributing in June 1959. Bosch was the first beer handled by Oak Distributing. Within three weeks, they had three brands: E & B, Schmidt's and Bosch. "We bought three rickety old trucks that used more oil than gas and started distributing beer," laughed Baetens.

All three partners were working long hours seven days a week. "Things were not going very well in the beginning." They spent hours trying to come up with creative ways to sell beer. "We did not have six packs in those days so we made them out of plastic bags," explained Baetens. "We wanted to offer our retailers some variety." Making six packs out of plastic bags makes for a funny story today, but it did not help much in making the business profitable.

Still in the first year of business, the president of E & B Brewery made a suggestion that changed the direction of Oak Distributing. "He asked us if we could sell E & B beer in 16 oz bottles for the same price as 12 oz bottles. It was a huge hit. We started making money, got some volume, and got some repeat business." Baetens credits the retailers with much of their success because they displayed the 16 oz bottles on their counters. In their first year of business, they sold 100,000 cases of beer.

Baetens has always believed that relationships help make a business successful. With this in mind, he began to attend beverage conventions looking for new products. Baetens met Tom Roupus, Division Manager for Schlitz, at a convention and the two became friends. "Roupus believed in us and our knowledge of the beer industry."

In 1963, Oak Distributing added Schlitz and Old Milwaukee beers to their portfolio. "If Roupus had done things the same way we did we probably wouldn't have distributed Schlitz because we didn't have enough capital."

The brand acquisitions at Oak Distributing have been steady with the following key additions: Molson Canadian in 1969, Old Milwaukee Light in 1980, Coors in 1986, California Coolers in 1985, Molson Ice in 1993, J.W. Dundee Honey Brown in 1994, and Zima in 1994. Oak Distributing has amassed a portfolio of world class domestic, imported, and micro brewed products. This was accomplished through both brand and company acquisitions. In 1989, Oak Distributing purchased Auto City Distributing and began working in Genesee and Lapeer counties. In 1992, Eby Distributing was purchased and with it came the rights to Shiawassee county. Finally, in 1993 the rights for the brands at Gerry's Distributing, also in Lapeer county, were purchased. The products were similar in each case. Oak Distributing now has 100 employees and warehouse space totaling 65,000 square feet. They sell 1.5 million cases of product annually.

"We have always been survivors," explained Ron Baetens.
MLCC introduces mandatory educational classes for violators

The Michigan Liquor Control Commission (MLCC) recently adopted a resolution that stiffens the penalties for selling alcohol to minors or intoxicated persons. The resolution states that, at the discretion of the Hearing Commissioner or Administrative Law Judge, a violator of the law will be required to attend and successfully complete a server training program that is acceptable to the commission. This requirement is in addition to any penalty imposed for the violation itself. It covers all people who sell alcohol, including the licensee, co-licensee or licensed partner, any stockholder, officer, member, manager or employee of the licensee.

Failure to comply with this requirement will result in an additional penalty.

Nominations for AFD board elections are being accepted now

It is time to begin the process of choosing our new AFD board of directors for 1998. Any voting member of the association may be nominated to sit on our board.

In order to be eligible, you must be a member in good standing for no less than the prior 12 months and you must be nominated, in writing, no later than October 1, 1997. All nominations require the support of 25 other members in good standing or a majority vote by the nominating committee. If you are a retail member, you must seek a retail position on the board. If you are a general member, you must be nominated to stand for election for a general director's position.

In addition, the AFD will accept nominations for regional directors' positions for regions 1 and 2.

Please send your nominations with supporting signatures to the AFD Nominating Committee, 18470 West Ten Mile Road, Southfield, Michigan, 48075.

Our board of directors sets policies by which the AFD is governed. We urge all AFD members to get involved by nominating candidates you feel will devote their time and talent to represent the food industry with professionalism and integrity.
AFD scholars say thanks!

I am writing to thank your company for Penni’s scholarship. She is in summer school and did not get a chance to write to you. Please let me tell you how much it means to my family. When she first received her award letter, I cried and prayed. We are so thankful! Penni came to the banquet along with us and enjoyed everything. What a difference a day makes! Please send my warmest regards to the entire association. Please keep up the good work! Dan and I will continue to encourage Penni to do her best.

With warmest regards,
Mrs. Minnie Howard

Just a note to let you know I received the first scholarship check. Once again, I want to say thank you for helping me with my tuition at the University of Michigan.

Thank you, Adam Zuwerink

I’d like to thank the Sales Mark company for its monetary contribution towards my education. I appreciate the generosity that this company has shown me. I also would like to thank the Associated Food Dealers for giving me the opportunity to win this award.

Many thanks, Jason Stanis

Thank you so much for the scholarship award! I am deeply sorry that I could not attend the banquet.

Thanks again! Jennifer Troyer

Thank you for granting me your $500 scholarship award. I will be present at the golf dinner on Thursday, July 24. I’ll be attending Wayne State University in late August of this year, majoring in Art Education.

Thank you, Chicara J. Brassell

My parents and I like to thank the Associated Food Dealers and my corporate sponsor for honoring me with a scholarship. I am sure all of you are aware of the financial demands of attending college and how much a scholarship can help. However, there is also a tremendous feeling of pride. “Customer Service Clerk” (bagger) at VG’s Food Centers was my first “real job” and where I learned much that will be useful to me later in life. I will be attending the College of Engineering at the University of Michigan.

Thank you, J. Scott Haviland

I regretfully write to tell you that I will be unable to attend the scholarship banquet this year. I did attend last year and I fully understand the importance of the event. However, as you know I am a journalism student who is currently working an internship at The Bay City Times newspaper. I will be in Chicago for a journalism conference during the dinner. My attendance at this conference has been planned for over a year and I must attend.

But, I would like my sponsor in person, I believe these newspaper clips will show my sponsor how serious I am about a journalism career.

Sincerely, Ebony Reed

I would also like to offer my extended gratitude since I received this award last year as well. Once again, thank you!

Sincerely, Jessica Kattula

I would just like to say thank you to my sponsor Pepsi-Cola, to the AFD Association, and to everyone else who so generously are helping me with my college expenses for this school year.

Thanks again!
Yours truly, Himani Patel

Just a note to let you know I received one of the scholarships. I would also like to thank R.M. Gilligan for their generosity in sponsoring me, and Hiram Walker and Sons Inc., through whom I received the application. The scholarship will help me a great deal in furthering my education. I plan on attending Michigan State University and studying Chemical Engineering and the French language. It was a great honor to receive your support. I hope the AFD will be able to continue supporting students like myself with scholarships in the future. It’s greatly appreciated.

Sincerely, Nancy Kindraka

To AFD Board & Members,

It is with deep gratitude in receiving your $750 scholarship. I thank you very much in helping to fund my college education. Education is something that is very important to me and that is why I am pursuing education as my major at the University of Michigan-Dearborn. Your help means a great deal to me and I thank you from the bottom of my heart once again. I am truly honored.

I am excited to meet my corporate sponsor. See you at the Wolverine Golf Course!

Sincerely, Julie Martin

I am a journalism student who is planning to study journalism conference during the fall semester. I am grateful to you for helping me achieve my goal. When I learn what your company will be doing, I will be there with you. I will be in Chicago for a journalism conference during the dinner. My attendance at this conference has been planned for over a year and I must attend.

But, I would like my sponsor how serious I am about a journalism career.

Sincerely, Stephanie Louisa
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Even flow for Social Security check flood

The old “10th of the Month” flood of checks (presently the third for Social Security recipients) soon will be equalized into 3 monthly issues. Birthdays 1-10, 11-20, 21-E.O.M. will receive payments staggered to ease front-of-month tidal wave of transactions. It will take a few years for total relief. Social Security is just inaugurating the new system with new recipients. Multi-millions under the “old plan” will continue receipt on the third.

Uncle Sam a piker here


Jobless rate: 4.0 percent again!

Unemployment in Michigan remained at a record-low 4.0 percent in June—the 27th month in a row it was below the national average. In the past year, Michigan firms have created 97,000 jobs. In June, the national unemployment rate was 5.0 percent—a full percentage point above Michigan’s jobless rate for the first time since comparable data was originally compiled in 1970.

In June, unemployment dropped to a 24-year low of 196,000—the lowest level since April 1973. Since 1991, Michigan companies have created more than 500,000 new jobs.

Your opinions are important to us! Call AFD at (248) 557-9600 or (800) 66-66AFD.
Or write to us at 18470 West Ten Mile Road Southfield, MI 48075.
Taxes
Continued from cover

Take about 70 percent of the account.

Income tax provisions
A deduction equal to fair market value for contributions of qualified appreciated stock (publicly traded stock which is capital gains property) to private foundations is extended from June 1, 1997 through June 30, 1998.

Capital gains provisions
Effective for sales on or after May 7, the home-sale "rollover deferral rules" and the one-time up to $125,000 exclusion for qualifying home sellers are replaced by a new "universal" exclusion. A seller of any age who has owned and used the home as a principal residence for at least two of the five years before the sale can exclude from income up to $250,000 of gain ($500,000 for joint filers). This will benefit sellers who are downsizing to a less expensive home and older sellers with more than $125,000 of appreciation in their homes. However, sellers with more than $250,000 or $500,000 of profit on the sale of their house will now have to pay tax on the excess (at the appropriate capital gains tax rate).

Individual retirement accounts
The phase-out amounts for traditional deductible IRAs for participants in pension plans will increase over several years. For example, the current limit is $25,000-$35,000 of adjusted gross income (AGI) for single taxpayers. For 1998, the phase-out range will be $41,000-$40,000 on a single return and $50,000-$60,000 on a joint return.

After 1997, an individual will not be treated as a participant in a pension plan merely because the spouse is a participant. The non-active participant spouse's IRA deduction will be subject to a phase-out between $150,000-$160,000 of AGI for joint filers and $95,000-$110,000 of AGI for single taxpayers. The ROTH IRA is a nondeductible IRA, but if it is left in place at least five years and the taxpayer is over age 59-1/2, the total account balance can be withdrawn tax-free. Taxpayers with $100,000 or less of AGI will be able to convert their current IRAs into ROTH IRAs. If the conversion occurs in 1998, the tax on the distribution can be spread over four years.

The bottom line is that while these changes are billed the "Taxpayer Relief Act of 1997," it is important to talk to a financial planning professional about the extent of relief you can expect and the ramifications the law may have on your personal situation.

Michael J. LoGrasso is a registered representative of CIGNA Financial Advisors, Inc., a broker/dealer and registered investment advisor.

Gourmet coffees now entering the ice age

At the nearly 10,000 specialty coffee bars, plus thousands of coffee carts, restaurants and other food service sites, this summer's hottest consumer beverage was iced specialty gourmet coffee. All across America, gourmet coffee drinkers are speaking a new language in what the specialty coffee marketplace is calling, "The Ice Age," as customers order iced, granita, frappe, blended, frosted, smoothie, cool and frozen beverages.

Michael Rubin, president of Cappuccine, Inc., Palm Springs, Calif.-based producer of instant gourmet coffee mixes, says, "The palates of today's coffee drinkers are becoming more sophisticated. Their appetite for new and unique beverages is on the rise."

To prevent themselves from being frozen out of their share of this new taste trend, specialty coffee retailers are quickly adding granita machines and commercial bar blenders.

Granita machines slowly and gently keep their icy contents close to frozen but not quite, while putting on a show as customers become fascinated by the wave-like action of the product through the clear plastic bowl.

For AFD members:
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For information on AFD's Blue health coverage options, call Judy Mansur at 1-800-66-66-AFD.
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