



ASSOCIATED FOOD DEALERS OF MICHIGAN

and its affiliate:

PACKAGE LIQUOR DEALERS ASSOCIATION

FOOD & BEVERAGE REPORT

Associated Food Dealers
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and its affiliate, Package Liquor Dealers Association

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Legislative Update

Court grants stay request: Blocks OSHA CCP Program

The U.S. Court of Appeals for the D.C. Circuit has granted a petition requesting the court to stay OSHA's Cooperative Compliance Program (CCP) pending judicial review of the program. Targeted employers were given the choice of committing to a mandated OSHA safety program or facing stepped-up inspection. The petitioner told the court that the program was implemented in violation of procedural requirements and that a stay was necessary to protect those targeted from irreparable harm.

The order is a nationwide stay of the OSHA "Instruction"

See OSHA, page 40

Costco comes to Detroit

Five locations set for April opening



by Michele MacWilliams

Costco has chosen to take a big step into uncharted territory in the Midwest by opening five new stores in the Detroit area, all in one fell swoop. It is an unprecedented step for the company, which operates 286 warehouse-style stores in the U.S., Canada, Mexico, the UK, Korea and Taiwan. Most of the U.S. Costco warehouses stretch along the East and West coasts. Two years ago Costco entered Atlanta and is now penetrating the Midwest with its Detroit openings.

See Costco, page 37

Foodland, SUPERVALU split

by Michele MacWilliams

Independent grocers across Michigan are reeling from the news that their supplier, Foodland, will no longer service them.

In a surprise announcement, Foodland gave word to their employees and customers in March, leaving little time for planning. Foodland was owned jointly by Kroger and SUPERVALU. The two companies have parted ways, and SUPERVALU will go after Foodland's independent retail business on its own. According to sources, the Foodland Livonia facility will continue to service Kroger and Kessel as a distribution center only, not as a warehouse. SUPERVALU will not use the facility.

Grocers who used Foodland as their wholesaler are rushing to form buying groups, in hopes of securing competitive prices from whichever wholesaler they choose.

Independent grocers are now looking at other wholesale companies. Those mentioned as contenders to take a good portion of Foodland's business are Roundy's, SUPERVALU, Seaway, Flemings and Spartan. Midwest Wholesale also stands to gain market share.

Dear Retailers,

I am the owner of Medicine Chest Market and I have volunteered to co-chair the Associated Food Dealers trade show committee. I have been a trade show attendee for at least 11 years. I attend the trade show because it's a selling show with great price discounts and to keep myself updated on new product introductions. As a business owner and co-chairman of this committee, I am very serious about making this trade show lucrative for retailers.

Together with the committee and my co-chairman Rodney George, president of Melody Farms, we have devised an incentive program for retailer purchases. Hudson's will be on hand raffling prizes for retailers that purchase product. Winners will have their choice of tools, humidior, CD walkman, camera, luggage bag and tote, cordless phone, portable TV or a golf bag from Dayton Hudson's.

The goal of our committee is to make the AFD trade show a money saving venture for retailers. We feel very strongly that we have accomplished this goal. It is definitely worth it for you to attend the show. There will be great show specials on items that you carry in your stores every day. We look forward to seeing you on Tuesday, April 21 from 5 pm - 10 pm and/or on Wednesday, April 22 from 1 pm - 8 pm at Burton Manor in Livonia.

Sincerely,
Fred Dally
Owner, Medicine Chest



Fred Dally



Rodney George



Look for Trade Show Specials, listed inside, beginning on page 42. The Trade Show floor plan is on page 52.



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President's Message

Term limits - A grass roots strategy



by Joseph D. Sarafa,
AFD President

Over the years the Associated Food Dealers of Michigan Board of Directors has demonstrated great wisdom in determining how to stay ahead of the political curve in Lansing for its membership. This has been accomplished because you and our directors have always provided the necessary human and financial resources to move our legislative agenda forward.

Now the Association is faced with the implementation of term limits, which take effect with this election cycle. There will be over 60 new faces out of 110 members in the House of Representatives and many new faces in the Senate after the General Election in 1998.

Two strategies are emerging, one

from the Political Action Committee and another from our Board of Directors.

Term limits have prompted our Political Action Committee to take a more direct role in getting candidates of both parties that are very understanding and supportive of our legislative goals, elected to the Michigan House and Senate. We will continue to work with these new legislators after they take office. To do this, we will implement a KEY CONTACT STRATEGY involving the recruitment of one or two AFD members in each legislative district to become our key contact person(s). Each will be trained in developing a relationship with their targeted legislator to achieve the goals of our association.

The Political Action Committee would provide training seminars, support materials, specific assignments, time frames, response system and develop the necessary data base information. This effort in 1998 will position

AFD to be ready to move our legislative agenda forward when the new freshmen legislators arrive on January 2, 1999.

Term limits has also prompted the AFD Board into discussions about becoming more directly involved in both party's political structures. A more direct involvement can be accomplished by AFD members running for precinct delegate in the August 4, 1998 primary election. It's very simple to do.

To become a candidate for precinct delegate either as a Republican or Democrat in the precinct where you live, all you need to do is file an AFFIDAVIT OF IDENTITY with the clerk of the county, city or township in which you are registered to vote. All three have affidavits on file. Fill it out, have it notarized, turn it in, and you're on the 1998 August ballot.

If elected you become part of the official delegation to the county convention that selects delegates to the state convention (you could be one). At state conventions, candidates are selected for Lt. Governor, Secretary of State, Attorney General and all state board races. Issues developed at county conventions are also presented at state conventions. In presidential election years, state delegates select delegates to the national convention. Both political parties at the county and state offices have complete precinct delegate information booklets.

Over the decades, as AFD has become politically mature, it makes a lot of sense to take the next step of formal member involvement in the political party structure of both major parties.

If you currently have a relationship with an elected state official, or if you would like to run as a precinct delegate, or would be willing to become part of AFD's grassroots political activities, please contact Dan Reeves at AFD. (248) 557-9600.

The Grocery Zone

By David Coverly



EASTER WITH HENRY VIII

Behind the consolidation trend: Implications for family businesses

by Robert Kleiman, Ph.D.
Oakland University

In recent years many family businesses have been acquired by consolidators, companies that build their businesses by acquiring other companies. Consolidators have swept through many sectors of the economy, but tend to target highly fragmented industries. Companies in industries dominated by mostly small, family-run concerns such as medicine, specialty retailing and

Three major factors contribute to the trend in consolidations: demographics, the stock market and technology.

trash disposal are most likely to be acquired.

Three major factors contribute to the trend in consolidations: demographics, the stock market and technology.

The impending retirement of the post World War II business generation is perhaps the most significant demographic factor affecting today's family businesses. This generation launched many of today's successful family businesses. Subsequently, more family enterprises face succession now and more wealth will be transferred now than at any other time in the history of the United States. However, many of these firms have no heir apparent within the family and as a result are considering selling out to consolidators.

The stock market run-up of the past few years is also playing a crucial role in the consolidation

trend. Montgomery Securities calculates that investors have bought more than \$9 billion worth of stock in consolidators since 1994.

Technology can provide chains of companies a competitive advantage because chains can afford to invest in the new equipment that is too expensive for individual operators. Technology makes it possible to eliminate layers of regional managers that were once needed to supervise a far-flung business. As a result, it now makes good business sense to build chains in industries that previously could operate more efficiently as independent entities.

Consolidators pursue transactions in growing but fragmented industries with no clear market leader and that will benefit from economies of scale. Within such industries, consolidators tend to focus on the acquisition of business and consumer products and services companies having some or all of the following characteristics:

- stable cash flows and recurring revenue streams from long-term customer relationships,
- low product obsolescence,
- long-term growth prospects for products and services offered,
- a strong customer franchise,
- an experienced management team,
- favorable demographic trends within the local markets serviced,
- an under-penetrated market for products or services.

On the other hand, creative businesses such as advertising agencies and custom home-builders' companies as well as businesses that depend on the professional skills of their owners do not lend themselves to being consolidated.

The reigning king of consolidators is H. Wayne Huizenga. Huizenga started his empire by consolidating

Consolidators pursue transactions in growing but fragmented industries with no clear market leader.

independent garbage businesses to create Waste Management Inc., the nation's biggest refuse company. He then went on to turn Blockbuster into the nation's No. 1 video chain through acquisitions of smaller video concerns and rapid expansion. Now as chairman of Republic Industries Inc., Huizenga is purchasing family-owned car dealerships, with more than 200 transactions completed so far.

These transactions take two basic forms: the roll-up and the leveraged buildup. In a roll-up, a group of investors forms a shell company and undertakes an initial public offering to buy up a number of independent, privately owned firms in a fragmented industry. For some family-owned businesses, selling to a roll-up company in exchange for stock is a way to get a better price for their enterprise and to avoid paying taxes.

Companies acquiring small businesses as part of a roll-up strategy often can afford to pay higher prices than other possible

See Consolidation
page 40

Calendar

April 21-22

Racing into Profits
AFD Annual Trade Show
Burton Manor, Livonia
(248) 557-9600

May 3-6

The 1998 FMI Show
Supermarket Industry Convention & Educational Exposition
McCormick Place, Chicago, Ill.
(202) 452-8444

June 6-9

FMI Annual Produce Conference
Palm Springs, CA
(202) 452-8444

June 7-11

Store Operations, an FMI Course
Western Michigan University, Kalamazoo, MI
(202) 452-8444

June 23-25

International Category Management Conference
Sao Paulo, Brazil
(202) 452-8444

September 9-10

Loyalty Marketing Seminar
Chicago, IL
(202) 452-8444

Statement of Ownership

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FMI organizes to help members control EPS costs

Food Marketing Institute is launching a major initiative in 1998—to stabilize or reduce the supermarket industry's cost of accepting electronic payments and to exploit new technology platforms that offer more cost-efficient alternatives.

In recent years, the number of customers who use credit or debit cards, instead of checks or cash, to buy groceries has risen sharply, and the trend is likely to continue. At the same time, bank fees for those electronic transactions (for the supermarket industry, typically 1.1-3 percent per transaction) have been rising—and in many cases bear little relationship to the financial industry's actual cost of providing the service.

N.G.A. and F.D.I. explore alliance

The National Grocers Association (NGA) and Food Distributors International (FDI) will continue their significant effort to combine forces under a Food Industry Alliance—with an even stronger emphasis on joint programs and activities.

Over the course of the past year, NGA and FDI, along with its food service organization, the International Food Service Distributors Association (IFDA), have been examining possible scenarios for joining forces. Their discussions have been led by Pat Quinn, retired president & CEO of Spartan Stores Inc. Discussions of specific new opportunities for joint efforts will continue over the course of the next several months.

"We've gotten a lot done in the past few months," Quinn said. "Essentially, in this last round of meetings, we have decided that at this time it makes the most sense for us to look at combining things from a programmatic point of view."

Supermarket industry convention offers grocery distributors answers to tough questions

The 1998 Annual Supermarket Industry Convention will offer an exhibit floor of innovations, numerous educational workshops and other networking opportunities for more than 35,000 grocery distribution executives to get answers to tough industry questions.

Sponsored by Food Marketing Institute (FMI), the convention will be held May 3-6 in Chicago's McCormick Place. More than 1,300 suppliers are expected to demonstrate their latest efforts in one building, on one floor of the exhibit hall. The hall will be organized by product categories with the North Hall featuring capital goods and the South Hall featuring consumer goods.

For the sixth year, the FMI convention will include the U.S. Food Export Showcase sponsored by the National Association of State Departments of Agriculture (NASDA). The Showcase will feature more than 400 companies displaying U.S. products.

For more information about FMI's Supermarket Industry Convention, contact FMI's convention department phone: (202) 452-8444 Fax: (202) 429-4519 E-mail: register@fmi.org website: <http://www.fmi.org>

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Salted snacks market to surge in '98

Americans are letting it be known: they want healthier, low-fat snacks and they want them to taste good. And, marketers are delivering—even in segments not traditionally viewed as healthful such as potato chips.

As a result, the salted snacks market is expected to gain momentum in 1998, climbing five percent to \$15.9 billion—after nearly flat sales in 1997, according to *The Market For Salted Snacks*, a report from the New York City-based research and consulting firm, FIND/SVP.

Since the early 1990's the industry has seen continual consolidation. Exorbitant retailer shelving fees and product pricing wars have caused many players to retrench—or leave the market altogether. Frito-Lay now controls over half of the entire salted snack arena, having driven three contenders—Eagle, Keebler, and Borden—off the playing field completely, on the strength of its deep pockets (from parent company PepsiCo) and innovative low-fat products.

AirTouch brings home top prize



Wireless Week, one of the most influential wireless industry publications, has awarded

AirTouch, AFD's cellular service provider, their first ever annual Cellular Carrier Excellence Award.

This recognition helps solidify AirTouch's place as the premier provider of wireless services worldwide. Some of the criteria used to decide the award were vision and leadership; technological savvy; peer respect in the industry; and community service.

When asked to summarize the company's formula for success, Sam Ginn, chairman and CEO, emphasized AirTouch's exclusive focus on wireless. "When we get up in the morning that's what we think about."



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New website links retailers to suppliers and distributors

A soon-to-be-launched website will give retailers access to a wealth of product and service information from food and beverage wholesalers and suppliers. The site, called "The Food and Beverage Xchange," will feature a searchable database of beer, wine, liquor and other products.

Subscribers will be able to enter in the brand name of a product and immediately find the nearest distributor. Retailers will then be able to link into the databases of participating distributors to check prices and place orders. Links will also be provided to supplier websites and other sites and e-mail providing timely information of value to retailers.

Look for one bold, new website sponsored by a progressive group of Michigan retailers called "Next Food and Beverage Stores" to also be a big hit.

Take the opportunity to view both sites at the upcoming AFD Trade Show. Look for the POS Systems booth #146 for all the latest information on these exciting new retail solutions.

More News Notes, page 18

Jaeggi Hillsdale Country Cheese stands alone

by Ginny Bennett

Joe Jaeggi told me the best way to get from the Detroit area to his factory store in Reading was to take U.S. 23 to M-12 to M-49. It was a trip back in time. If I had taken the expressway it might have been faster. However, I wouldn't have enjoyed the trip nearly so much. Driving along two-lane M-12 took me through charming small towns and big farms until I arrived at Jaeggi Hillsdale Country Cheese. When I got to the end of the trip, the four corners at M-49 and Dimmers Road was all open land with fields that bore the last season's short stubble of cornstalks. From the fast-paced over-built urban area around Detroit it seemed like a million miles away to the tiny town of Reading, which is located in a large Amish settlement.

Just a quarter mile down Dimmers Road is the big red barn that Joe Sr. (Seppi), his wife Dorothy, and son Joe, Jr. spend most of their lives in. The Jaeggi's cheese-making business is a seven-day-a-week operation. "What about vacations, days off?" I asked. Since Joe Sr. had already explained the cheese-making process to me, I should have understood that cheese-makers can't take time off because they process fresh milk and the cows are milked daily.



Dorothy Jaeggi manages the retail/factory store at Jaeggi's Hillsdale Country Cheese "Haus."



Joe Jaeggi, Sr. (Seppi) pours one of the 700 milk cans that is delivered daily.

Trucks bring 44,000 pounds of milk to Jaeggi's seven days a week. Every day but Sunday the company produces approximately 5,000 pounds of cheese. The Sunday milk delivery is kept in a holding tank until Monday although the Saturday production still has to be removed from the brine room, packaged and put in cases. On Monday they double production to make up for time lost on Sunday. Most of the cheese is made for Dairy Fresh Foods, Inc. of Detroit and packaged and distributed under their label. The remaining cheese is sold by Dorothy in the retail storefront.

Jaeggi cheese is awarded ribbons every year in the National and individual state competitions. The colored square Muenster has won a fourth place ribbon in the U.S. cheese making contest, took first place at the Illinois State Fair and second place at the Michigan State Fair. Currently, a Jaeggi cheese is entered in the international contest held every other year in Green Bay, Wisconsin. Jaeggi cheese will compete with 900 entries from 15 countries.

Joe Jr. is the cheese maker today. He is dedicated to making cheese in the old fashioned way. "Cheese making is an art, not a science," is the way Joe Jr. sees it. Joe Sr.

(called Seppi, the Swiss name for Joseph) has passed on the traditional cheese-making secrets he learned from his father Joseph who arrived in America from Switzerland in 1928. Joseph settled in Monroe, Wisconsin and began making cheese. Seppi and his brother took over the cheese making business from their father in 1962. Seppi sold his share of the business in 1985. For a few years he worked for a big Italian cheese company. One day, when he was picking up the milk on his route, an Amish farmer learned of Seppi's cheese-making background. The word got out and eventually the Amish farmers convinced him that he should open a cheese factory to process their milk into cheese. So, Seppi Jaeggi moved to Michigan and began to make cheese for the Amish farmers.

Seppi fondly remembers the trip from Wisconsin he made bringing the Amish man who was trying to woo him to Michigan. Seppi and Joe, Jr. and the Amish man rode together in Seppi's '79 Trans Am. The collector car, like the one Burt Reynolds drove in the movie *Smoky and the Bandit*, attracted attention wherever it went, especially whenever the Amish farmer got out of the car. It was even more unusual since the Amish man put a portable CB in the car and kept in contact with truck drivers along the way. Ordinarily the Amish would spurn technology and refuse to ride in a

car. It made the trip from Wisconsin to the new factory in Michigan an unforgettable event that Seppi enjoys talking about.

Formerly a meat processing plant, the building was easily transformed into a cheese factory. It already had the water pumps and refrigeration necessary so Seppi only had to provide the cheese-making equipment. He began redoing the building in October of 1991 and finished in February of 1992 when the Amish farmers from Reading carried the huge stainless steel vats into place.

Today, 162 Amish milk farmers from Michigan, Indiana and Ohio supply Jaeggi's with the 700 10-gallon cans of milk they receive each day. All the Amish cows are milked by hand. Not only do the



Amish farmers supply the milk, they are also good customers. Each day the milk truck delivery drivers pick up cheese orders from the farmers, written on little scraps of paper, that they give to Dorothy, which she fills while the truckers unload. They then take the cheese back on their return trip.

When the truck arrives, the milk in the cans is sampled and dumped into a vat. The contents are weighed and recorded and the cans are steam cleaned under pressure before being returned by conveyor belt to the truck. The milk enters the system through pipes and the day-long process begins. The fresh milk is pumped to a holding tank and cooled to 40° F.

Joe Jr. goes to bed by 7:00 p.m. and his day begins at 2:30 a.m.

when the cooled milk is pasteurized at about 13,000 pounds per hour. From there the milk fills the huge vats where cultures are added and the milk is heated to set the right PH. Then a coagulant, called rennet, is added which in just thirty minutes causes the milk to form a gelatin-like texture.

At 4:00 a.m. Seppi begins his day by picking up several young Amish girls who work in the factory. Taking this 90 mile round trip six days a week is time consuming but necessary to

provide the cheese factory with dependable, honest and hard-working employees. The Reading settlement of Amish won't allow its young women to work in the factory because the factory runs on electricity. The Quincy settlement, in the next county, allows its young women to work for the Jaeggis. "Each settlement has its own rules," says Seppi.

Sadly I wasn't allowed to take a picture of the girls at work because of the rules. Every day they come to work in their typical stiff, black bonnets, cover their



Joe Jaeggi, Jr. packs the prize-winning Muenster squares.

hair with black kerchiefs and put on high rubber boots. They work in typical Amish blue dresses covered with an apron.

Before noon the mixture in the large vats has been cut into cubes with a fine wired screen. The curds separate from the whey, most of which is drained off. In 30 minutes the mixture is heated to 102° F and then it is pumped to the forms. By noon the vats are emptied. Cheese is molded into a roll shape, a "square" block or long-johns (a double-long square). The factory and all the equipment is washed down and everything is clean and ready for the process to begin again. The Jaeggi factory is kept immaculately clean. After the cheese is removed from the vats, a separator is used on the remaining liquid to remove the cream from the whey. The cream is then sent to Wisconsin where it is made into rolls of outstanding Amish country butter.

In two-and-a-half to three hours the curds, in their proper molds, reach the right PH and acid level. Then the cheese is transferred to the brine room where the blocks are submerged in a salt brine which will draw out moisture, cool the block to 45° F and make it solid. To make the Muenster the factory is known for, the cheese remains here for about 18 hours at which point a portion of the cheese blocks are colored on the outside with an "annato" dye, a natural orange-color product. Other cheese is sold in the natural white. From here the blocks are put in plastic, shrink wrapped and packed into cases for shipment to Dairy Fresh Foods, Inc. in southeast Michigan.

A relatively small portion of the cheese is sold from the cases in Dorothy's storefront. The cheese counters at Jaeggi Hillsdale Country Cheese "Haus" also offer a few cheeses by other manufacturers, and butter, and brown eggs. She stocks Amish products like honey, peanut brittle, caramel corn and other home-made candies. The store has craft items and Amish cookbooks, too.

My trip to the cheese factory was interesting and enjoyable. To see these hard working, happy people was very satisfying. It satisfies the Jaeggis, too.

"Everything has gone so fast in the dairy industry but we have stepped back and are doing fine," says Seppi Jaeggi.

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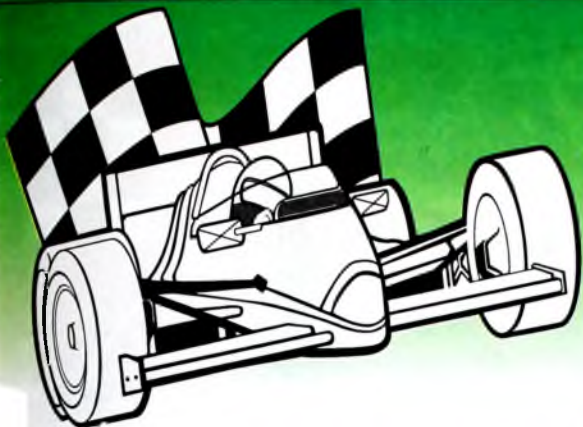
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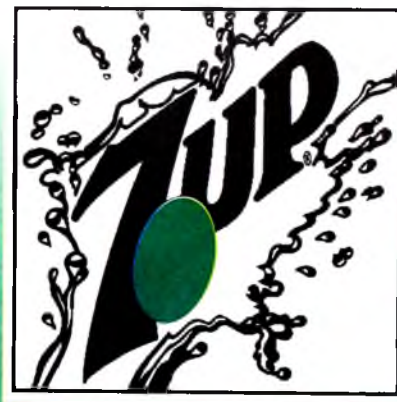
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PROFITS**
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14th Annual Buying Trade Show

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The tobacco settlement:

The convenience store perspective

The National Association of Convenience Stores is continuing to register vocal opposition to the Tobacco Settlement, charging it is unduly burdensome on retailers without addressing the real issue of underage consumption of tobacco products.

The settlement would have a detrimental impact on the bottom line of convenience stores by

drastically altering the way retailers advertise, display and sell tobacco products. The settlement would require all tobacco products to be neither visible nor accessible to adult customers. Most convenience stores would be hard-pressed to find room to accommodate tobacco in this way and would either be forced to spend thousands of dollars to remodel or lose business to others, according to an NACS statement.

"The settlement may satisfy the lawyers and

See Tobacco, page 40



Average Sales per Convenience Store 3rd quarter of 1997

Merchandise	3rd Qtr. 1997	3rd Qtr. 1996	% Change
Sales—Total	\$235,445	\$231,377	1.8%
Sales—Same Store	248,390	241,509	2.8
Gross Profit	78,551	76,710	2.4
Gross Margin Percentage	33.36%	33.15%	0.6
Gasoline			
Gallons Sold—Total Stores	270,309	262,851	2.8
Gallons Sold—Same Store	278,291	276,047	0.8
Selling Price Per Gallon	\$1.126	\$1.204	1.0
Gross Profit Per Gallon	\$0.133	\$0.141	-5.7
Gross Profit	\$35,930	\$37,165	-3.3
Total			
Other Income	\$3,779	\$3,564	6.0
Gross Profit	\$106,323	\$104,564	1.6

Snack food spending up, but not at convenience stores

While Americans are spending more than ever on snacks, convenience food stores' share of that market slipped a full percentage point, the National Association of Convenience Stores reported in its August Marketing Update.

The update, citing a recent Snack Food Association State of the Industry Report, said we Americans each spent \$ 60.42 on average in 1996 for snacks - potato, tortilla and corn chips, pretzels, meat snacks, nuts, pork rinds, and popcorn.

Convenience stores are losing their ground to competitors such as mass merchandisers and warehouse clubs. Because they charge the highest price per pound for snack foods, convenience outlets are unlikely to be able to compete on a price basis. Instead, convenience store operators may be able to promote their stores as centers for testing and experimenting with the new snack products so often being introduced by the industry.

Update also reported that nationally potato chips are still king of the snack food world, although regional consumption varies significantly. For example, tortilla chips are more popular than potato chips in the Southwest and Pacific Coast, and meat snacks (beef jerky) are consumed most on the Pacific Coast as well. Running second and third behind potato chips nationally are tortilla chips and pretzels.

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AFD Elects New Officers

The Associated Food Dealers of Michigan is pleased to welcome Bill Viviano as our new chairman of the board of directors. He and five other elected officers preside over AFD's 27 members of the board. Viviano began his career in the food industry in 1956 by working at his family's pasta business, Prince Macaroni Company, which his grandfather started in 1917. He became president in 1974 and sold the company to Borden in 1987.



Bill Viviano



Currently he is owner of House of Prime, located inside Papa Joe's Supermarket in Rochester Hills, and he is also owner of several other businesses and properties.

Viviano has held several positions during his 20 years on the AFD board of directors, including most recently the office of vice chairman of future planning and prior to that, treasurer. He is also a member of AFD's finance committee. He

said, "The AFD is one of the strongest trade associations of its kind in the country and I am honored to serve my industry as the new AFD chairman."

A resident of Grosse Pointe Shores, Viviano is married, has three children and five grandchildren.

Fred Dally, owner of Medicine Chest in Detroit, takes Viviano's previous position as vice chairman of future planning. Dally is a

resident of West Bloomfield and has served on the AFD Board of Directors for 11 years.

Sam Dallo co-owner of In 'N' Out Foods in Pontiac, is the new vice chairman of legislation. A resident of West Bloomfield, Dallo formerly held the office of secretary and has been a board member for 10 years.

Terry Farida, owner of Value Center Markets in Warren and Livonia, was elected vice chairman of membership. Farida resides in Farmington Hills. He has been an



Fred Dally

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AFD congratulates all its officers on their new positions.



Sam Dallo



Terry Farida



Gary Davis



Ronnie Jamil

AFD board member for eight years and previously held the position of treasurer.

Gary Davis, president of Tom Davis & Sons Dairy Co., in Oak Park, is the new AFD treasurer. A resident of Grosse Pointe Farms, Davis has been a board member for six years.

Ronnie Jamil co-owner of Mug & Jug Liquor Store in Berkley was elected to the position of secretary. He previously served as co-chairman of the AFD PAC. He lives in Farmington Hills and has served on the AFD board for six years.

Michigan Lottery enhances terminals

Starting in April, Michigan Lottery retailers will welcome an improved generation of on-line terminals. The new terminals, scheduled to be installed in April and May, will provide a host of improvements designed to streamline lottery operations at the more than 6,000 retailers which sell Michigan Lottery on-line game tickets.

Terminal enhancements include:

- Easier maintenance resulting in fewer "down" times
- An automatic "starlet" screen which displays current jackpot amounts for both Michigan Lotto and The Big Game
- Expanded memory for future use
- Variable-length ticket printing
- Tilttable screen
- More convenient validation of both instant and on-line tickets

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Spartan Stores, Inc. opens new rehabilitation/medical clinic

Spartan Stores, Inc. has opened the West Michigan Prevention Medical/Rehabilitation Clinic, an on-site rehabilitation clinic for associates. The clinic is located in a 2,160-square-foot modular unit at Spartan's 76th street complex.

The clinic was previously located in one of Spartan's warehouses. The new, larger facility allows for expansion of services, including rehabilitation of musculo-skeletal and soft-tissue injuries, education and on-the-job coaching, preemployment physicals, drug screen collection, treatment of cuts and burns, and mental health counseling. The clinic treats associates from Spartan's 76th street complex and three local subsidiaries and focuses on early intervention, prevention and education.

Health and natural food stores outperforming the mass market

The health and natural store market continues to boom, far outpacing the growth of the conventional grocery industry. Sales more than doubled to \$11.2 billion between 1993 and 1997, according to *The U.S. Health and Natural Food Store Market*, a timely new report from the New York City-based research firm, Packaged Facts.

Lifestyle and demographic trends support growth

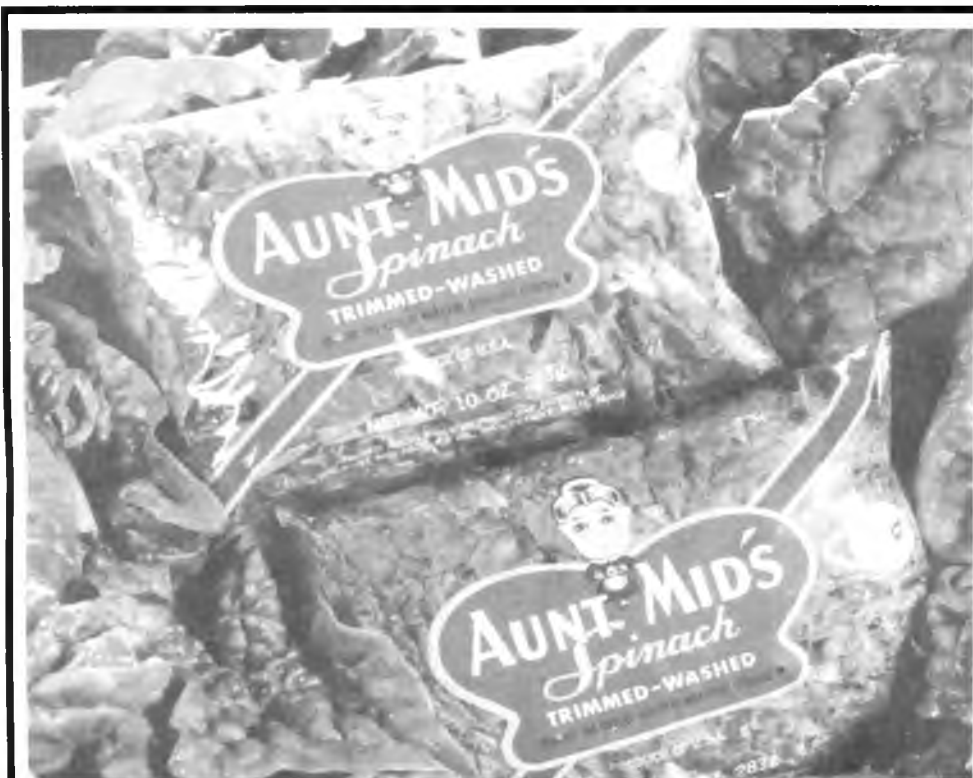
Consumers are increasingly responsive to healthful lifestyles and products, indicated by health club openings, "lite" foods, "spa cuisine," and no-smoking rules. Consumer interest in environmental issues and eroding confidence in the safety of the mass-market food supply support

the growth of health and natural food stores.

Moreover, many health and natural food store patrons are entering the age when health and nutrition concerns become paramount. The first of the baby-boom generation, the group that "discovered" natural foods, turned age 50 in 1996.

Pros and cons of mass-market poaching

Many products traditionally sold in health and natural food stores are finding their way into the mass market. Crossover products often introduce mainstream shoppers to the idea of natural foods and supplements, and prompt them to seek out additional selections. On the downside, mass-market poaching can cause health and natural food retailers to lose sales on key products. Organic produce and natural supplements, in particular, are increasingly available at conventional food and drug outlets.



Aunt Mid's products at markets & stores throughout Michigan and the Midwest:

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| • Baby Corn | • Broccoli Florets | • Turnips |
| • Bamboo Shoots | • Cauliflower Florets | • Salsa |
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Proud Members—Associated Food Dealers of Michigan

Kellogg and Pillsbury receive industry awards

At the first-ever national Summit on Food Recovery and Gleaning in September, the nation's largest domestic hunger-relief charity honored the Kellogg Company, the Pillsbury Company, and Second Harvest founder John Van Hengel as "Heroes of Food Recovery."

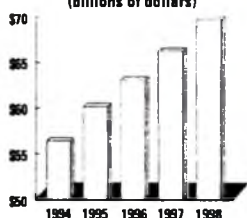
"The generosity and innovation of Kellogg and Pillsbury, as well as the vision and commitment of John Van Hengel, are the ideals we strive for in the fight against hunger," said Christine Vladimiroff, President and CEO of Second Harvest.

Salad days to continue for precut vegetable marketers

Sales of value-added produce continue their stellar rise, fueled by demand for convenience as well as the desire to eat healthy and eat at home. As a result, more and more Americans are opting for home meal replacement, where value-added produce is making up a good chunk of the meal.

In 1998, sales of precut vegetables will rise 19 percent to \$7 billion, according to *The Market for Value-added Fresh Produce*, a report from the New York City-based marketing and research firm, FIND/SVP. The uncut organics segment will grow even faster, soaring 25 percent to \$1.3 billion. Non-organic, uncut vegetables-value-added and commodity-will top \$61 billion.

U.S. RETAIL SALES OF FRESH PRODUCE, 1994-1998
(billions of dollars)



Source: FIND/SVP

The market was divided into three distinct segments: precuts-including packaged salads and other cut vegetables and fruit; organic produce; and uncut, non-organic produce that is branded or otherwise value-added. The precut salad category is dominated by four players who together held 73 percent of that market in 1996. Bruce Church of Fresh Express was the top salad producer that year, holding 31 percent of supermarket sales.

An industry ripe for consolidation

Precuts' moderating sales point to saturated market conditions: larger players increasingly vie for position with numerous regional producers and also face formidable competition locally from supermarkets. Industry consolidation seems likely as the market continues to evolve.

Food safety issues: the number one challenge

Despite continued perceptions that fresh produce consumption is health-enhancing, recent outbreaks of food-borne diseases have received widespread media attention and caused consumer concerns. New packaging and handling techniques continue to address the food safety challenge. A number of producers now out-source processing regionally, or even locally, in order to assure freshness and an "unbroken cold chain"—key to product safety.

Fight BAC!

Supermarket kit available

The Partnership for Food Safety Education launched a national consumer food safety education campaign last year aimed at reducing foodborne illness by confronting the invisible enemy of foodborne bacteria. As part of an on-going effort to promote the consumer food safety messages, retailers can receive a free Fight BAC! Supermarket kit. The kit contains a consumer brochure, sample press release, sample ad columns and radio spots, and other materials for developing your own Fight BAC! campaign. For copies of the kit, please contact FMI's Publication Sales Department at (202) 429-8266. The campaign also features a website www.fightbac.org where consumers, health professionals, educators and the media can learn the latest news about preventing foodborne illness.

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Products

Miller rides into Harley-Davidson promotion

Building on a promotion that first began last November, Miller Genuine Draft ratchets up the anticipation for the Harley-Davidson 95th Anniversary Reunion with the launch of a fully-integrated promotion offering major prize giveaways including more than 50 Harleys and 250 trips to Milwaukee for the June reunion event.



four commemorative 95th Anniversary Harley-Davidson motorcycles, which will be given away at the Reunion.

The trips and motorcycles are among more than 200,000 prizes

Miller Genuine Draft is giving away during the promotion in more than 20 countries worldwide. Other prizes include leather jackets, poor-boy hats, T-shirts and key chains.

For months leading up to the celebration, Miller will produce commemorative Miller Genuine Draft packages featuring a specially-designed Miller Genuine Draft/Harley-Davidson 95th Anniversary logo.

The high-profile Miller promotion kicks off next month and will be supported with national television advertising as well as radio and print advertising. Winners of trips to Milwaukee will also have the chance to win one of

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Avoiding the most common grocery store losses

Take a look at the grocery business today: lawsuits are in vogue, crime rates are rising, and regulations are becoming ever more numerous. There's no doubt that it's gotten more difficult for grocers to succeed.

Fortunately, there are some easy ways for grocers to avoid some costly situations.

Fire Prevention

The biggest claims are often for fire losses, which can total millions of dollars. Prevention is the key. Make sure your furnaces and boilers are properly cleaned and maintained. Keep combustibles away from furnaces and generators. Electrical wiring in old stores also can be a hazard, so be sure to have it inspected. Turn furnaces and appliances off at night. Avoid using extension cords as permanent or replacement wiring.

Should a fire occur, a sprinkler

system is the best means of minimizing losses.

Slip-and-fall accident – inside

One of the most frequent claims results from bodily injuries—including injuries from slip-and-fall accidents. A typical claim ranges from \$2,300 to \$35,000, and can easily run as high as \$250,000.

Grapes or other dropped fruit create a hazard in the produce department, so keep produce mats clean. Service delis and freezer cases should also have mats. Use wet floor cones and mats at store entrances on rainy or snowy days, and post a wet floor sign on the door.

Checking floors regularly is not enough. You must give customers fair warning of any potential hazard. Don't leave an unmarked spill unattended. An employee who discovers a spill should have someone else get the

wet floor sign.

Slip-and-fall accidents – outside

In these cases, your liability may depend upon whether you have a lease agreement with a property owner. Although some agreements don't require landlords to handle maintenance, many do. If the property owner is liable, you have a responsibility to notify him of the potential problem areas.

Make sure your parking lot is well lit. Paint speed bumps, curbs, islands and other raised surfaces outside your store. In icy weather, remove as much snow and ice as possible from the parking lot and sidewalks. Don't do a half-hearted job; half an effort is worse than no effort.

If a customer falls, be courteous. Compile information from the customer and witnesses, and promptly notify your insurance company. How you

handle the incident at the outset may make or break your claim.

Crime

Eight to ten percent of all grocery claims are a result of crime. The average claim for burglary or robbery is \$15,000 to \$20,000. Fortunately, there are a few things you can do to minimize the risk of a large loss.

You are especially vulnerable on evenings and weekends, when you have a lot of money in the store. To protect yourself, make frequent deposits—always with two people. Keep as little money as possible in the safe and cashier tills. Separate cash from checks in the safe and place checks in a clear plastic bag. Thieves will leave the checks behind, and you will have cut your losses.

In addition, try to greet and make eye contact with all

See Crime, page 42

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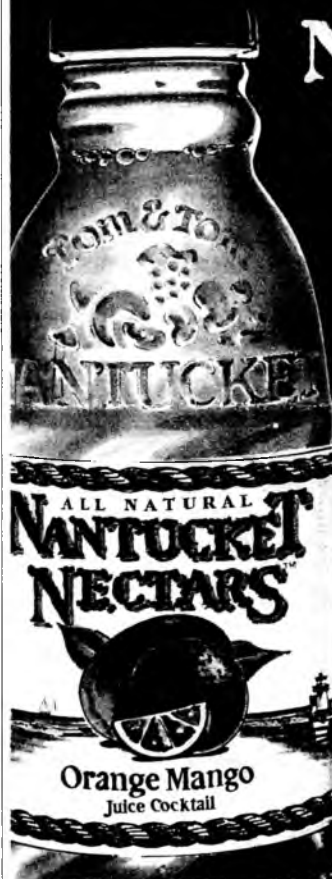
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Score the game winner
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One-third of all new mothers are unmarried

Demographic trends fuel baby care products market

In 1994, the number of unmarried new mothers rose to a startling one-third of all childbearing women, according to a survey cited in *The Market for Baby-Care Products*, a study from the research firm, Packaged Facts. More than any other consumer goods market, baby care products depend on favorable demographic trends—birth/fertility rises in particular—for growth.

In contrast to the “baby boomlet” years of the 1980s, U.S. birth rates have been dropping steadily since 1993. The baby care market reflects this decline: 1996 sales were \$5.1 billion, down 1 percent from 1995. Over the 1992-1996 period, sales fell 6.4 percent.

The diaper category leads the market, with almost three-quarters of total sales. Though disposable diapers are used by 94 percent of all U.S. parents, the category has been in a tailspin, falling almost 10 percent since 1992. The decline is due not only to plunging birth rates, but to price wars between the two major diaper competitors, Kimberly-Clark and Procter and Gamble. A number of private-label marketers have further widened the playing field and narrowed margins.

For retailers, however, margins are not critical. A discount store executive quoted in the study says “we will discount the price down to nothing if we have to. Profit is not really the issue with baby care. It’s all about attracting more consumers to the store.” Indeed, statistics show that new mothers spend 35 percent more than the average customer when shopping; and many stores will stock bulky and relatively low-margin diapers because of the new-mother traffic they generate.

Legislation banning access fees for ATMs opposed by food industry and other business organizations

In March, FMI joined 36 business organizations and corporations in writing to all members of the Senate urging them to oppose legislation that would ban access fees for the use of Automated Teller Machines (ATMs). The letter was signed by a broad range of business groups including banks and non-banking retail trade associations, ATM manufacturers and vendors and ATM networks. The letter argued that “any legislation that would prohibit such ATM access fees will result in the closure of many ATMs and severely limit future ATM deployment, thereby reducing ATM availability to many communities and constituents and ending much of the convenience enjoyed by consumers today.” Sen. Alfonse D’Amato (R-NY), Banking, Housing and Urban Affairs Committee chairman, introduced legislation in 1997 (S. 885) that would ban ATM access fees. The Senate may vote on that legislation later this year.

Shearer’s Foods names sales manager

Grandma Shearer’s Snacks has named Toledo native Bob Fagerman as their Regional Sales Manager for the Toledo area. With 32 years experience in the grocery and food retail industry, Bob’s new position will include responsibility for growth of Grandma Shearer’s Snacks in Toledo and southern Michigan. Further, he will be developing new accounts and handling category management for current accounts. For the second consecutive year, Grandma Shearer’s potato chips have received the gold medal award from the American Taste Institute of San Francisco for the best potato chips in America. Bob and his wife, Sue, reside in Swanton with their three children.

Haagen-Dazs introduces two new flavors

Haagen-Dazs has announced the addition of two new flavors in the superpremium ice cream category, now available to foodservice customers—Coffee Mocha Chip and Mint Chip. Coffee Mocha Chip offers the robust tastes of coffee-flavored chocolate chunks and coffee-flavored ice cream, and the new white Mint Chip ice cream is a mix of refreshing mint and chocolate chunks.

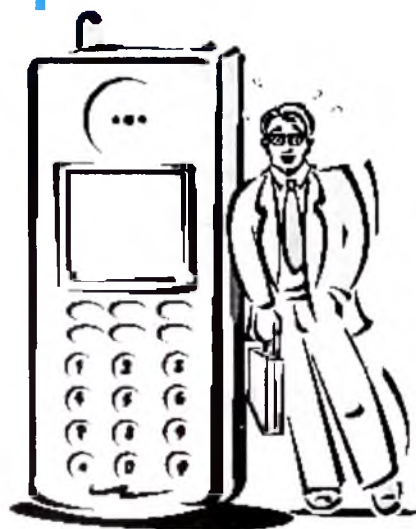
Food establishment licenses are past due

The Michigan Department of Agriculture has announced changes in the way delinquent food establishment license renewals will be handled this year. Up to 2,000 establishments fail to submit renewal fees every year, and this requires the field inspectors to drive to those locations to collect the renewal applications and fees. These changes will allow the department to focus its resources on food safety issues rather than use field staff to collect delinquent license fees.

Food Establishment licenses for all retail food stores, warehouses, and food processors expire annually on March 31. If you have not received your renewal application, please contact your MDA regional office. Late fees of \$10 per day up to \$100 will be assessed through April 10 for those licenses not renewed. After that date, a letter will be sent to delinquent licensees informing them of late fee charges and requesting submission of the renewal application and fees within 2 weeks. If no response is received, a final letter will be sent advising the licensee of the date and location scheduled for a formal license revocation hearing. License renewals which have not been resolved by the hearing date will cause automatic revocation of the establishment’s license.

A common question that comes up with establishment license fees is whether an establishment falls in the \$15 or \$52 category. These fees depend on whether the store is over or under 1,000 square feet. In the past, the department allowed retailers to include only floor space devoted to food sales when determining the 1,000 sq. feet. However, the legislative intent of the licensing law has been reviewed and the department will now use the total square footage of the entire building (excluding living areas) in this determination. The lower fee was intended to be set for small “mom and pop” businesses.

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by Commissioner Bill Martin

Lottery enjoys solid pace at mid-year mark

Looking Ahead.

After celebrating a banner fiscal 1997 - \$1.59 billion in sales and \$587.7 million to the state School Aid Fund - the Lottery remains on track to post yet another year of

broken records and increases across the board. With nearly half of fiscal 1998 behind us, the Lottery is poised to finish out the remaining six months with an estimated \$1.67 billion in sales.

If that mark is achieved in fiscal 1998, it will mean more than \$620 million in net revenue to support Michigan's public schools, K-12.

Six months into fiscal 1998, Michigan Lottery instant tickets continue their explosive growth with a 13.8-percent increase over last year's six-month sales total. Growth of instant tickets is strong throughout the state, and they can play a crucial role in your success as a Michigan Lottery retailer.

With a total of 40 new instant games to be introduced in fiscal 1998, there are sure to be tickets that appeal to all of your Lottery customers. Instant tickets range in price from \$1 to \$10. New games for April include the new "Cash N' Cruises" instant game. The \$3 ticket is available at ticket counters beginning April 6, and will offer more than 650 Caribbean cruises for two. The game also offers cash prizes ranging from \$3 up to \$10,000. The Lottery will offer two other new instant games: "Goin' Up North," a \$1 game with a top prize of \$2,000; and "Lucky Mom," a \$2 game with a \$15,000 top prize.

The other sales leaders for the Lottery are the Daily 3 and Daily 4 games, with a six-month year-to-year percentage increase of 5.2 percent. With more than a full year of twice-a-day drawings under our belts, the Daily Games' mid-day draw has found its niche among players. Watch for information in May about a six-week second-chance promotion that will have your Daily Game customer's heads in the clouds!

Prizes & Commissions.

At the halfway mark, the Lottery projects fiscal 1998 prizes awarded to players will total more than \$881 million, and commissions to retailers at roughly \$118 million. So remember to "ask for the sale." If you sell a redeemed winning Lottery ticket with a value up to \$100,000, you receive a two percent special commission on that ticket. When your customers win, you win too.



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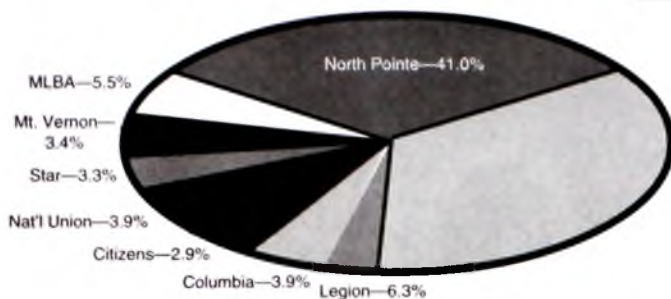
Profits ahoy! It's Cash N' Cruises - the new \$3 instant game offering **over \$2.4 million in retailer commissions!**

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AFD's liquor liability program is competitively priced. Recently, they have also taken several cases to trial and come away with no liability. A. M. Best has given North Pointe a B++ rating (very good).

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Detroit Edison



Representative William Callahan brings small business to big government

by Kathy Blake

William Callahan is a Democrat freshman state representative who believes that government should be run like a small business. "I'm very partial to small business," said Callahan who has owned his own small construction company for 23 years. "The large corporate executive is always spending someone else's money. The small business owner only spends his own money," says Callahan. "When you're spending your own money, you tend to be a little more frugal."

Callahan represents the 26th district in southeast Macomb county including Harrison Township and St. Clair Shores. Callahan grew up in St. Clair Shores and graduated from South Lake High School. He served on the St. Clair Shores city council for 13 years and was mayor in 1995. When he joined the council, Callahan said the state was ready to take receivership of the city. The city was in financial hardship and candidates were running on platforms of solving the economic problems. Some candidates suggested selling parks. Callahan viewed that as radical and laid out plans to run the city from more of a business approach. "Several of us elected in 1983 wanted to run the government more like a business. We managed to keep the infrastructure together keeping all jobs in place and eliminated a \$5 million deficit." Today the city has met its scheduled bond payoffs and oddly enough, one of the main money makers is the golf park that was nearly sold to bale the city out.

The council created a local Tax Increment Finance Authority (TIFA) which assisted several business owners in moving into underutilized areas of waterfront. "We increased our commercial district to make sure it was being

used to its highest and best use," Callahan explained. St. Clair Shores' 11 square miles of surface actually includes 15 miles of shore line counting the inlets and points. Establishing the Nautical Mile, a strip of Jefferson Avenue with 17 restaurants accessible by boat or by car, was one method of utilizing shoreline and bringing in revenue. St. Clair Shores is 83 percent residential which leaves little room for business activities. With less than two percent industrial, the community relies mostly on retail businesses for tax revenue. A bedroom community that developed overnight in the '60s, the city has maintained its suburb plan and has kept its commitment to leisure activities for the shores of Lake St. Clair.

Callahan became actively involved with city government during his council terms. He was on the Planning Commission, the TIFA board, the Economic Development Commission and was the chairman of the General Employees Pension Board. He is a former secretary of the Kiwanis Club of which his signature project was the establishment of cruise night for two miles of the main



drag of St. Clair Shores to raise money for Hospice children. Callahan owns two old cars himself, a 1930 Model A and a 1957 Ford.

Callahan started college majoring in pharmacy but found chemistry was not his strong suit and the construction business suited him better. He started his own business doing mostly repair and restoration for lower-end residential and light industrial structures. He is also a realtor and expert witness for evaluating the quality of new construction work and determining seller disclosure liability. Callahan says he has a personal policy of not entering into a job opportunity from a court case in which he testified.

As for his construction business, Callahan has allowed his hands-on involvement to slip away now that he is busy with state matters. He decided to run for state representative when incumbent Tracey Yokich stepped down to run unsuccessfully for judge.

Callahan is very concerned with water quality issues coming from a district with water problems. As vice-chair of the conservation, environment and recreation committee, he has introduced two

bills that were signed. The first was Public Act 3 which redefines the set of regulations under which combined sewer operations (CSOs) are operated and tested, especially after a basin overflow. "It is well known that CSOs are the biggest problems in beach closings and polluted rivers and streams," said Callahan. The second was Public Act 4 which requires removing the connection between gutters and weeping tiles by inserting an elbow piece of guttering to divert drainage onto yards to allow rainwater to drain onto grass instead of entering the sewer system. Residents have one year to comply and commercial and industrial businesses have five years. Other issues in the works are bills changing the way septic fields are regulated and putting a cap on agricultural runoff from pesticides and fertilizers, determining who is part of the problem and what percentage they'll pay, says Callahan.

Representative Callahan is vice-chair of the forestry and mineral rights committee. His main concern is with slant drilling. "Because of advancements in technology, it's a whole new science affecting ownership of mineral rights," says Callahan. Oil and gas can be drilled out from under adjoining property with slant drilling without the owner's knowledge. "There is a need for legislation and ethics to protect and compensate property owners," he adds.

He is currently assigned to four other committees: Local Government, Corrections, Commerce and Labor and Occupational Safety. On the corrections committee, Callahan says that many recalcitrant individuals suffer some sort of

See Callahan, page 36

Callahan
continued from page 35

mental illness. "Much mental illness is treatable, but they're not being treated, they're incarcerated," he explains.

On the commerce committee, the recent focus has been on "performing rights societies" copyright protection of musicians. Bars and other establishments that play music without paying royalties are being sued by the societies that license the artists. Callahan believes the societies are charging too much and not giving accountability to establishments. Callahan helped write House Bill 5576 that would regulate relationships between performing rights societies such as the American Society of Composers, Authors and Publishers (ASCAP) and the proprietors of restaurants, bars and concert halls where music is performed. The bill would require that the societies provide a current copyright list and rate sheet. The committee sent the bill to the House where it passed March 19 and now it's in the Senate.

Representative Callahan owns 120 acres of property near Traverse City, with two partners. They have an arrangement with a Cub Scout troop north of Grand Rapids. The scouts camp out on the property and help plant 500-1000 trees each year. Callahan enjoys snowmobiling on the property and just being outdoors and observing wildlife. He says each time he goes "up north" he sees more development. "Because of the building boom, we lose 10 acres per hour to development," he says.

Callahan is finding that there is a lot to learn at the Capitol. Regarding the new term limits, he says, "the learning curve is so detailed that six years just isn't enough. It should be extended to 12 years." He plans to continue to keep his small business outlook which could prove to be his greatest contribution to state government. As for the future, Callahan said he might run for senate in 2002.



The millennium bug



would evolve over the next forty or fifty years, and that the two-digit designation eventually would be replaced.

Computer language did evolve! But the two-digit designations came right

The "Millennium Bug" is the phenomenon that the great majority of computers are incapable of recognizing any date past December 31, 1999. Too few retailers seem to be concerned about it and it's something everyone in business should be very concerned about.

To review the history, in the Fifties when computer use was just getting off the ground, programmers used a two-digit designation for the year. Hence, when "1965" was keyed into a computer, it would be recorded as "65"; 1973 as "73" etc. The reason for this is that early computers had very limited memory and every little byte saved was beneficial. The pioneers also speculated that computer language

along with it. Net result, unless we catch up with the Millennium Bug pretty quickly, when the calendar flicks over at midnight on December 31, 1999, and we make an entry for January 2000, our computers will read this as January 1, 1900—and if appropriate, charge us interest for a hundred years!

You may regard all this as a passingly interesting situation affecting other people, but it can affect you. We suggest that you check it out to see just how it will affect you and if so, what you need to do to stay ahead of the problem. Trying to play catch-up ball so close to the 2000 date could be horribly expensive. The problem is costing American business billions.

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Costco
continued from front page

The five new Michigan Costcos are located in former Home Quarters outlets, which Costco purchased from Hechinger Co. The stores are located at: 2343 S. Telegraph Road, Bloomfield Township; 20000 Haggerty Road, Livonia; 12700 Middlebelt Road, Livonia; 30550 Stephenson Highway, Madison Heights; and 27118 Gratiot Avenue in Roseville.

The HQ stores had 126,000 to 130,000 square feet of floor space when Costco bought them. Construction crews have added 20,000 to 25,000 square feet of

Stepping into a Sam's store, it is obvious that they are keenly aware of Costco's impending presence. Sam's recently reset numerous stores to make them as customer friendly as possible and they are currently carrying out an aggressive sampling campaign. During peak hours there is a sampling table set up at the end of just about every food aisle. Yono says this is to show customers the variety of foods that Sam's offers, hoping their warehouse members will not be tempted to switch loyalty and head down the road to Costco.

Aside from food, Costco carries other household items, many of which – like small appliances, a limited selection of building supplies, general merchandise and

hardware – were sold by the failed Home Quarters stores that vacated the buildings that Costco is filling.

Costco's buildings are expansive, but the product line is relatively small. Costco typically carries about 4,000 items – far fewer than the typical discounter or supermarket, which may carry 10 times that many. The focus is on the most-needed products for the small business or the home, which covers everything from computers and jeans to tools and

Customers who live alone or in small families often find that although the prices are good, the quantities are not always manageable.

See Costco, page 42

Costco typically carries about 4,000 items – far fewer than the typical discounter or supermarket.

additional space to bring the buildings up to the standard 150,000-square-foot Costco size.

So how will this change the retail market in the Metro Detroit area? Costco's concept is to offer name-brand products at the lowest possible prices. This is achieved by keeping overhead low, avoiding expensive national advertising campaigns and buying in huge volumes. Shoppers purchase annual memberships to the stores, which also help keep prices down.

Nabby Yono, owner of Orchard Foods in Orchard Lake, says that Costco's invasion into Detroit will obviously take food dollars from all existing businesses. However, since Costco's food selection is limited, the independent supermarkets will still be the chief source of food for their local customers. He believes the stores that will feel the greatest impact will be the other "box" stores like Sam's and Meijer.

Even though a Costco will open just a few miles from Yono's store, he feels that Sam's, which is also just a few miles away, will be affected more than Orchard Foods. "We're smaller, we cater to the community. We cash checks, call our customers by name. You don't find that personal service in a huge store like Costco."

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Rich Products introduces branded concepts to noncommercial operators

Rich Products Corporation has introduced a new marketing concept to the foodservice industry. Rich's Branded Concepts uses brands to take a basic foodservice operation and transform it into a branded foodservice system. It is designed for schools, colleges, hospitals, business and industry, airports and convenience stores. The new program consists of three Branded concepts. The concepts include Della Suprema™ Pizza, Red Hat Deli™ and Mrs. Rich's® Bakery.

The strength of the program is its flexibility to customize itself to any foodservice operation. In addition to the Branded Concepts, the program provides four different modular delivery options: a menu board, counter top merchandiser, a mobile cart and an in-line kiosk.

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AFD retail members in their stores



Emily and Sam Hakim have been making meat pies at Emily's Deli in St. Clair Shores for 40 years. AFD staff sampled them – and all agreed, they're GREAT!



Ed Bahoura of Save-a-Lot in Pontiac



Ramu Talati in Gary's Market, Hazel Park



Harry Jahoro in Hamlet Food Mart of Northville



Bob and Hani Samona run G&P Market in Royal Oak



George Sorisho and his sons proudly display the Mini Mart Food Center sign that proclaims "Mini Mart meat is hard to beat!"



Mark Karmo thanks Alaa Naumi (left) and Cal Stein (right) for the most successful Turkey Drive ever. Over 1,500 families were fed thanks to their leadership.



Tobacco
continued from page 15

the states, but it devastates the retailer and ignores the kids," said Daniel Abraham, NACS Vice Chairman for Public Affairs and Chairman/CEO of Garb-KO, Inc. based in Saginaw, Michigan.

The NACS is "gravely concerned" about "a large loophole" which exempts so-called "adults only" stores as such and therefore leaves convenience stores at a great disadvantage. The NACS charges the settlement's licensing scheme is "arbitrary and unduly punitive." Retailers could face fines up to \$10,000 or license suspension of 30 days or more if tobacco is sold to a minor over a two-year period.

The NACS says that despite conclusive research, the settlement fails to address the impact of peer pressure on youth smoking decisions, and while the tobacco companies have agreed as part of the settlement to drop their legal challenge to the FDA's new tobacco regulations, the NACS' own legal challenges continues.

OSHA
continued from front page

challenged in the litigation. This means that OSHA may not use the Instruction for any purpose. Particularly, the Instruction may not be used to inspect facilities or to monitor compliance with the CCP. Obviously, facilities remain free to adhere to the CCP's requirements. However, they may not be inspected for declining to do so, even if they submitted the CCP "commitment" to OSHA. OSHA does have other grounds to inspect facilities, including other inspection directives. The Court's order indicates that briefing will be completed this summer. Argument is likely to be scheduled for September, and a decision is unlikely before December.

See you at the 14th Annual AFD Buying Trade Show, "Racing Into Profits" Tuesday, April 21 from 5:00 to 10:00 p.m. and Wednesday, April 22, from 1:00 to 8:00 p.m. For more information call AFD at (248) 557-9600!

Consolidation
continued from page 4

buyers do, particularly because they are paying with stock. If owners swap their stock in the family company for shares in a roll-up, federal capital gains taxes may not be due until they sell the stock.

In a leveraged buildup, a private equity fund starts with a platform company and then makes additional acquisitions in the same industry to generate synergies and create economies of scale. The LBU sponsor typically acquires companies in partnership with the firms' managers who own as much as one-third of the companies. Following an acquisition, the LBU sponsor helps raise additional capital, formulate strategy, and assists in sales efforts with major customers. Once the company reaches a critical mass, the entity can be taken public by the sponsor at significantly higher multiples over the acquisition costs.

Family business owners contemplating selling to a

Family business owners contemplating selling to a consolidator should be aware of the risks involved.

consolidator should be aware of the risks involved. Critics argue that these transactions are popular only in a rising stock market. Since the ultimate value of the seller's holdings is dependent on stock market valuations, a downturn in the market could have negative ramifications for family business owners. Previous waves of industry consolidation ended when the stock market turned down. Also, family business owners should ensure that the consolidator has a proven track record. As a result of the boom in industry consolidations, inexperienced operators have entered the business. The objective of successfully fostering a dominant position in a fragmented industry requires a sponsor that can successfully manage and integrate multiple acquisitions.

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SUCCESSFUL GROCERY STORE FOR SALE—Full line grocery store on main highway in Thumb area of Michigan, 5,000 sq. ft. sales floor, full basement and paved parking. Groceries, Meat, Produce, Frozen Food, Dairy, Beer, Wine, Liquor, Lottery, Dry Cleaning Pickup, Greeting Cards and Video. New roof, heating, A/C. All equipment in excellent condition. \$1.2 million in store sales. Potential gas station site—EPA inspected. \$500,000. Terms available. Contact Tom Amyot at AFD by mail or phone (248) 557-9600.

ESTABLISHED BUSINESS FOR SALE—Must sell health reasons. Wine Chateau Beer, Wine, Liquor, Lotto, Deli. 3750 sq. ft. in Troy. Call Sam Razook, (248) 689-9940.

PARTY SHOPPE & DELI— Great Royal Oak location. Lotto, Frozen Coke, Soft Ice Cream, . SDM. Store sales—\$11,000/week. Lotto sales—\$3,800/week. Business—\$165,000. Building also available with two rental units—\$255,000. Call Rick at (248) 652-2239 or (248) 545-3500.

FOR SALE—Hobart mixer, 40 qt., like new (attachments included)—\$3999. Hobart meat saw—\$1799. (2) tier Electric Pizza Oven—\$999. Hobart Meat Grinder—best offer. Call Jim, (313) 963-9000.

FOR SALE—Detroit store, SDD, SDM, Lottery. \$10,000 weekly, \$6,000 Lottery. Asking \$250,000—building & business. Terms negotiable. Ask for Wilson at (313) 868-5677.

PARTY STORE— 2,235 sq. ft. w.deli. Includes 4 bdrm./2 bath 3,159 sq. ft. home w/ 20x40 inground pool & 1,902 sq. ft. office building w/garage. 250 foot frontage on U.S. 12. Gateway to 18 campgrounds, 52 lakes and M.I.S. \$569,000. Century 21-Brookshire—(313) 930-6150. Tom Racine (734) 669-6610, (800) 312-0752. Dee DuCap-Drouillard (734) 669-6604, (800) 312-7934.

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April 21, 22, 1998
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HEALTHY CHOICE

Do you need EPL coverage?

With legal protections for employees expanding, many business owners are turning to Employment Practices Liability (EPL) coverage. Even employers with the best intentions can be sued by an employee. To see how serious it can be, consider these recent cases:

Publix Supermarket settles discrimination case for \$81.5 million

In 1995, eight women sued Publix for denying them management jobs. The Equal Employment Opportunity Commission (EEOC) joined the suit and made it a class action. Publix maintained that the company has no policy against promoting women, and that the allegations arose from an effort by the Food and Commercial Workers Union to organize at the nonunion company. However, rather than face lengthy litigation, Publix settled the case. The largest portion of the settlement, \$63.5 million will go to pay claims, while the rest will be used for training and monitoring programs.

Supreme court expands ability to sue under ADEA

In a recent case, James O'Connor asserted that he was illegally fired at age 56. Lower courts had held that there could not have been any illegal discrimination because O'Connor's replacement, aged 40, was also old enough to be covered by the Age Discrimination in Employment Act (ADEA). The Supreme Court disagreed, however, saying it was irrelevant that one person covered by the law was replaced by another person also thus protected. The only question, according to Justice Antonin Scalia, is whether the person has "lost out because of age."

Of course, the decision does not guarantee the success of the lawsuits brought under such circumstances. In fact, after the Supreme Court sent the case back down to be decided again, the court of appeals dismissed O'Connor's case because of insufficient proof. But employers must know that simply replacing an older employee with another who is old enough to be covered by the ADEA will not protect them from a suit under that law.

—*Courtesy of Grocers Insurance Group, Inc.*


We get letters

I would like to thank the members of the Associated Food Dealers of Michigan for joining with Coca-Cola in our 1997 Fundraising Program to benefit the Associated Food Dealers Scholarship Fund and the Alternating Hemiplegia Foundation. Thanks to their efforts and the efforts of other retailers throughout the State of Michigan, we were able to raise over \$25,000 for these very worthwhile causes. This brings the two year total contribution to over \$58,000.


Enclosed is a check for \$12,694 for the Associated Food Dealers Scholarship Fund. We are pleased to know that this money will help deserving members or the children of AFD Members to further their educational pursuits.

We look forward to joining together to run an even bigger program in 1998. If you have any questions or comments, please call me at your convenience.

*Sincerely,
Larry Pierce
Division Key Account Manager*




WHEN YOU NEED TO KNOW



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WHAT'S NOW.
WHAT'S NEXT.

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Group discounts and incentives are available!
Call Annette Davis at 202-429-8218 today.

For marketing ideas to give your produce aisle a fresh new spin, don't miss this year's **PRODUCE PAVILION**.

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Crime, continued from page 22

customers entering the store. Carefully monitor back room storage areas throughout the day, especially just before closing.

Immediately notify police if you encounter a suspicious person.

False arrest

Your best protection against a false arrest charge is to have a "hold harmless" clause with your security company, in which they take all responsibility for arrests. You can also establish an agreement that requires the security company to repay

attorney fees. If you have a security firm, don't let your employees assist in apprehending shoplifters. Leave it to the security professionals. When your employees get involved, your store takes on additional responsibility.

If you don't have a security firm, we recommend that you stop shoplifters outside. This will reduce the danger of injury to customers. Always have two people whenever a stop is made.

Blood-borne pathogens

The federal OSHA has handed down strict requirements for protecting employees from AIDS

and Hepatitis-B. OSHA requires that a medical professional train your staff to properly handle bodily fluids. Make sure your store's first aid kit contains two pairs of latex gloves and a protective breathing mask with a one-way valve. All employees who might perform first aid should be immunized against Hepatitis-B.

Product liability

A small percentage of claims come from product complaints. The average claim ranges from \$500 to \$3,000.

To protect yourself, deal only with reputable distributors. If

possible, establish "hold harmless" agreements with them. Avoid altering manufacturer-packaged goods. If meats, service bakery and/or deli items are not sold in their original packaging, take reasonable steps to ensure that the food is prepared properly.

Awareness is the first step to reducing losses. Share this information with your managers and supervisors. Encourage them to educate employees about practices that will reduce risk of injuries, theft, damage and lawsuits.

—Grocers Insurance Group

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16th annual Michigan Small Business Day

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This conference is sponsored by the Small Business Day Council, a non-profit, public-private partnership of organizations. Steering Committee: Small Business Association of Michigan; National Association of Women Business Owners-Greater Detroit; Lansing Regional Chamber of Commerce; Michigan Small Business Development Center; U.S. Small Business Administration; Michigan Jobs Commission.

Costco continued from page 37

film. In many instances, the products are packaged in large quantities, such as toilet paper, popcorn and candy in cases, six bath towels wrapped together and peanut butter in quart jars. Customers who live alone or in small families often find that although the prices are good, the quantities are not always manageable.

Costco also houses ancillary departments featuring fresh

A special Executive Membership offers discounts on mortgages, car and house insurance.

produce and meat, optical, pharmacy and hearing aid services, 1-hour film developing, tire sales and service and a deli for a quick lunch. A special Executive Membership offers discounts on mortgages, car and house insurance.

Another retailer, who asked not to be named, said that Costco's emergence into the Detroit market will harm existing retailers in another way. The stores will each employ approximately 200 workers and Costco offers wages starting higher than the average independent store owner can afford. "This will drive the cost of wages up for all of us," he said.

Other warehouse stores have failed in Detroit's tough market. Only time will tell whether this new competitor has hit on pay dirt or will disappear along with Pace, Warehouse Club and Source Club, warehouse stores of the past.

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Michigan Private 100 questions: (313) 259-7414
Registration information: (734) 677-2270

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GTECH announces sale of transactive contracts assets to Citicorp

The parent company of Transactive, GTECH, announced last week that it has entered into an asset purchase agreement with Citicorp Services, Inc. Under the announced agreement, Citicorp will pay Transactive approximately \$11.5 million, subject to adjustments, for EBT contracts and significant related assets pertaining to four jurisdictions: Indiana, Illinois, Sacramento County, California and Texas. Because USDA had not yet signed off on Mississippi's choice of Transactive for their EBT project, that state will drop Transactive and is at this time determining if they will offer the contract to Citicorp or release another RFP. For a period of time, Transactive will continue to provide services to Citicorp as a subcontractor. Those services will include maintenance and support services with respect to the transaction processing host computer system. The sale does not include the contracts or assets in connection with Transactive's provision of benefit identification cards to New York, electronic payment file transfer services to the City of New York, or hunting, fishing and recreational licenses to Texas. Those services will continue to be provided by Transactive. However, the company has decided not to seek new EBT contracts. As part of the restructuring charge, GTECH expects to undergo a worldwide workforce reduction, eliminating a total of approximately 800 positions.

OSHA wants to inspect during court stay of CCP

The Occupational Safety and Health Administration (OSHA) has informed the U.S. Court of Appeals for the D.C. Circuit that it intends to begin inspecting employers pursuant to an "interim plan" that will go into effect during the court's stay of the agency's Cooperative Compliance Program (CCP). The agency also asked the court to clarify that the stay allows OSHA to conduct "records verification inspections" and to speed up a hearing on the merits of the compliance program. OSHA's actions are in response to the court's temporary stay of their compliance program, which was to go into effect February 17.

OSHA claims that it is just giving the court and the public "notice of the new plan and that it does not believe it needs the court's permission to implement it. FMI and the other plaintiffs have strongly objected to OSHA's new attempt to circumvent the regulatory process. The interim plan is based on the same flawed data collection initiative and, under a somewhat different formula, it targets the same employers as the CCP. FMI has asked the court to make clear that the stay order bars the new plan.

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1. Display all available Towne Club flavors (16 initially) on the sales floor for sale by the case.
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3. Reorders must be 35 cases or more. Mixed pallet purchases are allowed.
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6. Single bottle sales are encouraged, but not mandatory. A single bottle retail of \$0.59 returns a G.P. of 57.98%.
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Cost is based on the graduated scale listed below:

Purchase Quantity	Case Cost	Unit Cost	S.R.P.	Gross Profit%
1-5 Cases	\$10.95	\$0.45	\$0.59	22.68%
6-10 Cases	\$9.95	\$0.41	\$0.59	29.74%
11-20 Cases	\$8.95	\$0.37	\$0.59	36.79%
21-40 Cases	\$7.95	\$0.33	\$0.59	43.86%
41+ Cases	\$6.95	\$0.28	\$0.59	50.93%

ORDER 5, GET 1 FREE!

- Snapple 16 oz.—Tea, Diet, and Drinks
- Snapple 20 oz.—Sport Cap; Snapple 32 oz.—Plastic
- Snapple Farms 12 oz.—100% Juice
- Snapple Farms 6 pack cans—100% Juice
- Whipper Snapple 10 oz.—New Smooth Drink
- Nantucket Nectars 17.5 oz.—100% Juice and Drinks
- Nantucket Nectars 36 oz.—Big Juice!
- SoBe 20 oz.—Healthy Refreshment!
- Clearly Canadian 4 pack—11 oz. Bottles
- Clearly Canadian 4 pack—11 oz. Bottles
- Clearly Canadian 1.0 Liter Plastic
- Jolt Cola—All Packages
- XTC—Power Drink
- Crush—All Flavors and Sizes
- Dad's Root Beer—All Flavors and Sizes

ORDER 10, GET 3 FREE!

- Crystal Geyser Alpine Spring Water—0.5 Liter 6 pack
- Crystal Geyser Alpine Spring Water—1.0 Liter Sport Cap
- Crystal Geyser Alpine Spring Water—1.5 Liter

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Amendment passed for states to adopt lower BAC

The United States Senate passed an amendment to the ISTEA highway re-authorization act which would require states to adopt .08 percent BAC as the standard for drunk driving. By not adopting .08, states would lose a significant percentage of their federal highway funds. The amendment, sponsored by Senator Frank Lautenberg (D-NJ), moved on to the fast track for passage following President Clinton's public and unequivocal support to passage of a federally mandated .08 BAC.



New prevention of Salmonella in poultry approved

Last month, researchers unveiled a method for preventing salmonella bacteria in chickens by growing benign microbes inside newly hatched chicks, a major breakthrough for improved food safety.

The Food and Drug Administration quietly approved use of Preempt, as the product from MS BioSciences Inc. of Dundee, Illinois is known.

Agriculture Secretary Dan Glickman said tests on 80,000 chicks had reduced the presence of salmonella to zero with only one spray application of Preempt.

Salmonella, one of the leading causes of foodborne illnesses and a particular problem in poultry, is carried primarily in an animal's digestive track and is transmitted through feces. It and other pathogens cause some 9,000 deaths from food poisoning every year in the United States, the federal Centers for Disease Control said.

Preempt is estimated to cost farmers about 2 cents per pound of chicken, which would cost the average consumer about \$1.50 a year, said John DeLoach, of MS BioSciences.

Bill introduced to regulate liquor by mail

The U.S. House of Representatives is considering legislation to crack down on companies that deliver alcoholic beverages ordered by phone or Internet without checking for age identification.

Shippers, such as United Parcel Service or Federal Express who deliver alcohol or wine without verifying the recipient's age, could face one-year prison terms or fines under the bill.

"What we're doing is making people follow the law," said Rep. Juanita Millender-McDonald, D-Calif., sponsor of the bill.

The bill represents the latest assault on alcohol use in this country, but some law enforcement officials say enforcing laws against the delivery of alcohol will be difficult.

Michigan is one of only four states—California, New York and Illinois are the others—that even allows beer or wine to be shipped via mail within the state.

In making deliveries, an adult's signature is usually required for alcohol, pornographic materials and expensive items, such as computers. However, delivery people aren't required by law to ask for identification.

The measure won early endorsement from Mothers Against Drunk Driving and Americans for Responsible Alcohol Access.

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RACING INTO PROFITS

Look for these show specials and new products

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Burton Manor, Livonia

7-UP Detroit will be sampling a new red cream soda -- Big Red.

Anheuser-Busch will be sampling a new addition to the Michelob family -- Michelob Specialty Brand.



Are you looking to add a profit center to your retail establishment? Ashby's Sterling Ice Cream Company will show you how to turn 80 square feet into the hottest award winning co-branding concept in the U.S.!

Anthony's Pizza & Chicken is running a show special of up to \$4,000 off on their pizza and chicken co-branding concept; there is no franchise fee.

Spice up your day with Aunt Mid's new Fresh Salsa available in hot and mild.

Bar-S Foods will be offering an opportunity for retailers to sell Bar-S Franks for the Memorial Holiday at two for a dollar.



Central Alarm Signal, Inc. will be featuring its new wireless line of security systems, and its new remote video surveillance products. You can view your business or home from any P.C. located anywhere in the world!

Register for a drawing to win an electronic check reader and 30 days of free verification service at the Check Alert Systems booth.



Coca-Cola works within your existing selling space to spur incremental sales; ask your sales rep about the Saddlebag Snackcake Unit. Increase sales on your very profitable single drive business, and your snack cakes, all within your current floor space.

Coffee Express Co. introduces its Mountain Country brand of 8 oz. beautifully packaged coffees.



Detroit Edison

Stop by Detroit Edison's booth and find out how you can significantly reduce your electric bill with our LightWise Program.

The E & J Gallo Winery will be sampling its new E & J Brandy Cask-N-Cream.



Frito-Lay will be sampling the latest in fat free snacking along with an air filled Dorito that is awesome.

Garden Foods will be sampling the following new products: Eleve Spring Water, Smoothie Natural Fruit Juice Energy Citrus Drink, Thunderhead Wild Fruit Nectars, McCoy's Micro-Brewed Iced Tea and Fruit Drink, Slim Lite with Citramax (natural way to lose weight), TradeWinds Real Brewed Teas, and Tumbler Sports Drink.



General Wine & Liquor Company is proud to introduce and sample the following new items: Jack Daniels Country Cocktails Red Eye Jack, Tessera Wine, and Nathanson Creek Wine.



America's Oldest Processor of Pistachio Nuts

Germack Nut Co. is introducing a new 8 oz. select fancy whole cashew.

Gourmet International, Inc. is offering a great show special for regular 3.5 oz. Lindt Chocolate bars at \$.95 per unit.

Put a buzz in your summer beer sales with new J.W. Dundee's HONEY BROWN CANS from High Falls Brewing Company.

Hobart introduces home meal replacement solutions.



RACING INTO PROFITS

Show specials and new products



Hostess Cake is sampling a new product line of cereal bars: strawberry, banana, blueberry, apple and raspberry.

I & K Distributors, Inc. is introducing "ready to eat" mashed potatoes under their Yoder's brand label. Made

from 100 percent Russett potatoes and real butter, the mashed potatoes are microwavable and ready to eat in five minutes.



Kowalski will be showing off its new Honey and Spice Boneless Spiral Ham and its famous Hunters Sausage in a new size retail package.

L & L Wine & Liquor Corp.

L & L Wine & Liquor now owns Liberty Cigar Co. and will be displaying many new items.

Exclusive to Lipari Foods is, Dinicola Premium Pasta, from Italy which is available in 14 varieties. Lipari also welcomes Western Country Pies which are available in 10 varieties of thaw and sell, prepackaged pies.

Buy 10 cases of Melody Farms Crystal Falls Spring Water (available in three different sizes) and receive six cases free (must be delivered with a milk order).



EBT

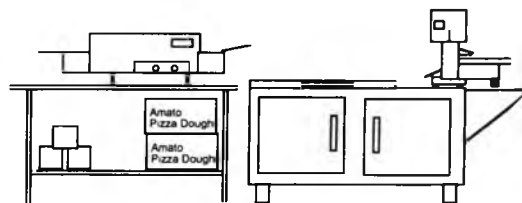
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Stop by Michigan Lottery's booth and sign up to win

Show specials and new products

either 50 or 25, \$2 instant tickets each show day. We will also have samples of our new \$2 instant game "Lucky Mom" -- just in time for Mother's Day. This game starts April 27, 1998.

Oven Fresh and Diamond Premium Nut Co. are introducing new Diamond Nut Breads - a sandwiches' best friend.



Pepsi-Cola is introducing a new chilled coffee drink called Frappuccino available in coffee, mocha, and soon to be available in vanilla flavor.

Potok Packing will be sampling a line of products from Meat King and Davis Brand Sausage.

POS Systems Management is offering three show specials where you can save up to \$1,000!

RedHook Ale Brewery, in addition to introducing the fall line of hand-crafted ales, is sampling RedHook Nut Brown Ale which is the seasonal rotator to Winterhook and Blonde Ale.



Rocky Peanut's private label snack program is a huge success, and they are proud to introduce a new selection of conveniently packaged snack items.

Salerno Foods will be introducing and sampling a new line-up of soft baked oatmeal, molasses, chocolate chip, and sugar cookies.

Scott Pet Products is offering a show deal: buy one pallet of any of our Birdseed, and you will receive one case of Suet Cake free.

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Seagram Americas invites you to unlock the latest treasure from Captain Morgan... Parrot Bay Coconut Flavored Rum.

Sherwood Food Distributors will be introducing a new Black Angus program, as well as new additions to the Amish Valley line of delicious products.

SPARTAN

Spartan Stores, Inc. is offering show specials in grocery, frozen, dairy, and this year we will be offering fresh meats and produce specials too!



Stroh's Ice Cream is proud to introduce more successful new Stroh's Homemade Sanders Flavors and exciting new Faygo novelties.

Stop by The ATM Company's booth and see if you qualify for a free unit in your location.

The Lander Company is offering a free tower display rack with your opening order of health and beauty care products.

STROH'S

The Stroh Brewery Company will be sampling Special Brew in new 4/6/12 oz packages in the following flavors: kiwi, strawberry, and mixed fruit flavors -- berry and passion.

Lease or purchase a Frozen Coke Freezer from Taylor Freezer and receive (2) five gallon boxes of syrup free -- a \$500 profit incentive!

Tom Davis & Sons Dairy Company is pleased to introduce the complete Full Service Supplier program for the c-store / retail industry; sign up today and receive trade show discounts on your opening order.

TOMRA: free installation and delivery for orders on Reverse Vending Machines placed at the show.

Jays Foods is introducing a new corn and tortilla chip called Tesoritos. Put the flavor of the south in your mouth!



Melody Farms, the master distributor for Nestle Ice Cream (single serve), will be displaying the new Nestle products, and the freezer program at the show.

Stroh's Ice Cream will be sampling new "Faygo Pop's" and new Faygo/Stroh's half gallon floats at the show.

Travelers Express can now offer you even more services than money orders! You can also have Gift Certificates, Utility Bill Payment and Vendor Payments from their dispensers. Stop by for special dispenser pricing.

Attention AFD members

Your health care options from BCBSM are designed...

**For every stage of your life.
For every company size.
And for every budget.**

The AFD health care purchasing coalition allows even the smallest business to choose from a wider variety of Blue health plans and options than are otherwise available. You can add dental, vision, hearing and prescription drug coverage at a nominal extra charge.

With AFD-endorsed Blue coverage, you can be certain that you're getting the best coverage available at the best possible price and value.

Judy Mansur is AFD's expert on Blue products. For more information, please call her at 1-800-66-66-AFD.



Blue Cross Blue Shield of Michigan and Blue Cross of Michigan are member companies of the Blue Cross of Michigan Group.

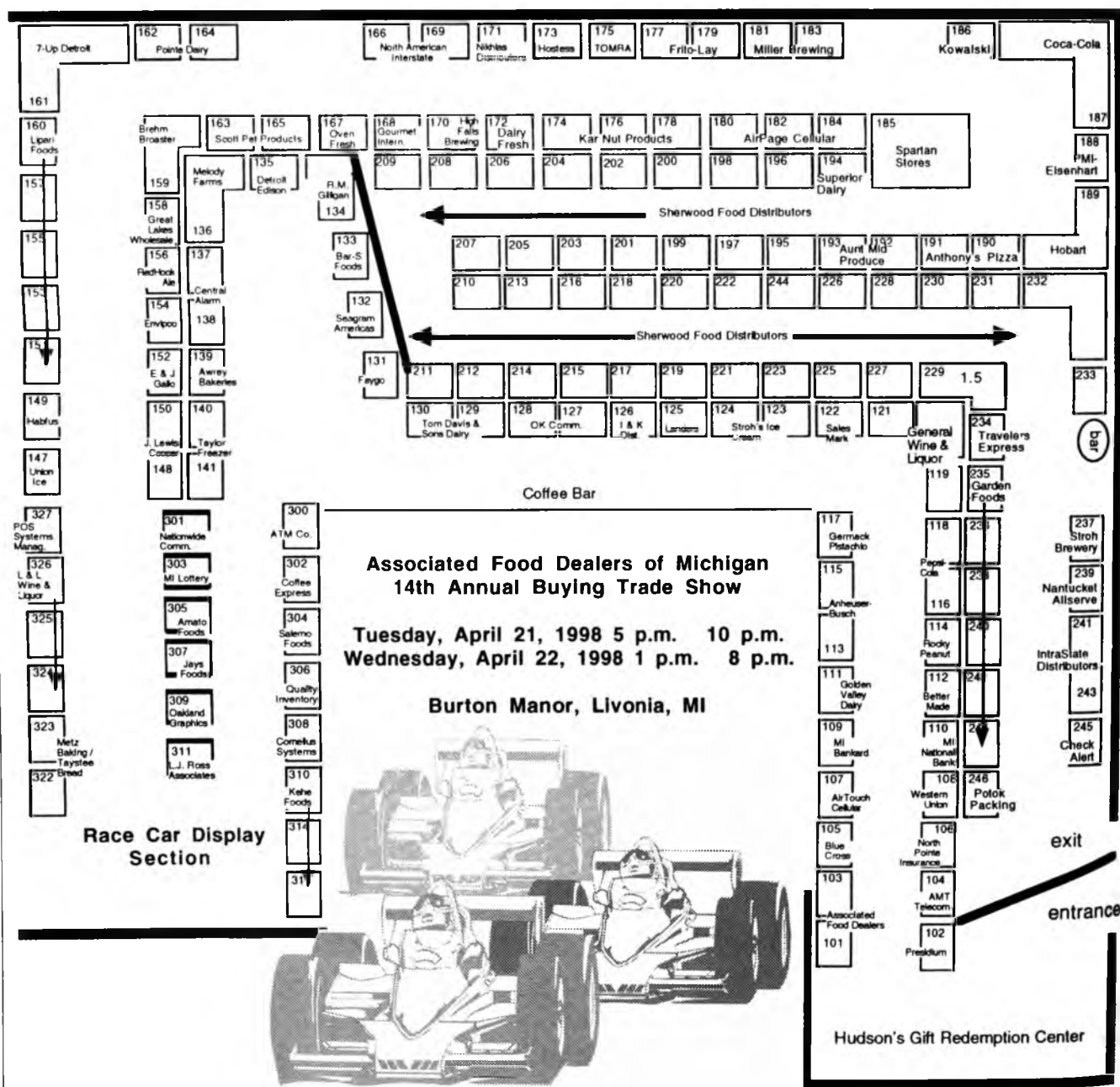


RACING INTO PROFITS

14th Annual Buying Trade Show

Racing Into Profits

Tuesday, April 21, 5-10 p.m., Wednesday, April 22, 1-8 p.m.
Burton Manor, Livonia





RACING INTO PROFITS

EXHIBITORS IN ALPHABETICAL ORDER

- | | | |
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| 7-UP Detroit - 161 | Great Lakes Wholesale - 158 | PMI-Eisenhart - 188 |
| AirPage - 180, 182, 184 | Habfus - 149 | Pointe Dairy Services - 162, 164 |
| AirTouch Cellular - 107 | High Falls Brewing Company - 170 | Potok Packing - 246 |
| AMT Telecom Group - 104 | Hobart - 189 | POS Systems Management - 327 |
| Amato Foods - 305 | I & K Distributors - 126 | Presidium - 102 |
| Anheuser-Busch - 113, 115 | IntraState Distributors - 241, 243 | Quality Inventory - 306 |
| Anthony's Pizza - 190, 191 | J. Lewis Cooper - 148, 150 | R.M. Gilligan, Inc. - 134 |
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| | Pepsi-Cola - 116, 118 | |

RACE INTO PROFITS WITH AFD!

BAKERIES:

Ackroyd's Scotch Bakery & Sausage	(313) 532-1181
Archway Cookies	(616) 962-6205
Awrey Bakesies, Inc.	(313) 522-1100
Dolly Madison Bakery	(517) 764-5516
Interstate Brands Corp.	(313) 591-4132
Kopplinger Bakesies, Inc.	(248) 967-2020
Oven Fresh Bakery	(313) 255-4437
S & M Biscuit Distributing	(313) 893-4747
Schafer Bakery	(810) 294-9166
Sunshine-Salerno	(248) 352-4343
Taystee Bakesies	(248) 476-0201

BANKS:

Comerica Bank	(248) 370-5204
First Federal of Michigan	(313) 965-1400
First of America—S.E.M.	(248) 399-5501
Greenfield Mortgage Co.	(313) 274-8555
Madison National Bank	(248) 548-2900
Michigan National Bank	1-800-225-5662
N.B.D., N.A.	(313) 225-1581
Standard Federal Bank	(248) 637-2543

BEVERAGES:

Absopure Water Co.	1-800-334-1064
Action Distributing	(810) 591-3232
American Brokers Association	(248) 544-1550
Anheuser-Busch Co.	(800) 414-2283
Arizona Beverages	(810) 777-0036
Bacardi Imports, Inc.	(248) 489-1300
Barton Beers	(248) 549-4730
Bellino Quality Beverages, Inc.	(313) 946-6300
The Boston Beer Company	(313) 441-0425
Brooks Beverage Mgt., Inc.	(616) 393-5800
Brown-Forman Beverage Company	(313) 453-3302
Cadillac Coffee	(313) 369-9020
Canadian Arctic Beverage	(416) 676-0201
Canandaigua Wine Co.	(248) 753-5673
Central Distributors	(313) 946-6250
Coca-Cola Bottlers of MI	(248) 373-2653
Madison Heights	(248) 585-1248
Van Buren	(248) 397-2700
Port Huron	(810) 982-8501
Consolidated Wine & Spirits	(810) 772-9479
Coors Brewing Co.	(313) 451-1499
Decanter Imports	(248) 344-6644
E & J Gallo Winery	(248) 643-0611
Eastown Distributors	(313) 867-6900
Everfresh Beverages	(810) 755-9500
Faygo Beverages, Inc.	(313) 925-1600
Frankenmuth Brewery	(517) 652-6183
General Wine & Liquor Corp.	(313) 867-0521
Great Lakes Beverage	(313) 865-3900
Great Lakes Marketing	(313) 527-1654
Great State Beverage	(313) 533-9991
Guinness Import Company	(810) 786-9176
Heublein	(248) 594-8951
Hiram Walker & Sons, Inc.	(248) 948-8913
House of Seagram	(248) 262-1375
Hubert Distributors, Inc.	(248) 858-2340
Intrastate Distributing	(313) 892-3000
J. Lewis Cooper Co.	(313) 835-6400
L & L Wine World	(248) 588-9200
Lifestyle Beverage Corp.	(708) 503-5433
Lotts Distributors	(313) 336-9522
Metro Beverage Inc.	(810) 268-3414
Miller Brewing Company	(414) 259-9444
Mohawk Distilled Products	1-800-247-2982
Nantucket Nectars	(617) 789-4300
Nestle Beverages	(248) 380-3640
Oak Distributing Company	(248) 674-3171
Pabst Brewing Co.	1-800-935-6533
Paddington Corp.	(313) 345-5250
Pepsi-Cola Bottling Group	1-800-368-9945
Detroit	1-800-878-8239
Howell	1-800-878-8239
Pontiac	(248) 334-3512
Petitpre, Inc.	(810) 468-1402
Powers, Dist.	(248) 682-2010
R.M. Gilligan, Inc.	(248) 553-9440
Royal Crown Cola	(616) 392-2468
San Benedetto Mineral Waters	(313) 847-0605
Serv-U-Matic Corporation	(313) 243-1822
Seven-Up of Detroit	(313) 937-3500
Stroh Brewery Company	(313) 446-2000
Thompson Beverage Co.	(313) 439-2404
Tri-County Beverage	(248) 584-7100
Unibrew USA	(954) 784-2739
United Distillers U.S.A.	(810) 629-7779
Universal Ginseng and Beverage, Inc.	(810) 754-3800
Vintage Wine Co.	(810) 294-9390
Viviano Wine Importers, Inc.	(313) 883-1600
Warner Vineyards	(616) 657-3163
West End Soda & Fruit Brew	(810) 231-5503
Wild Orchard/Quality Juice & Beverage	(248) 589-7700

BROKERS/REPRESENTATIVES:

Bob Arnold & Associates	(248) 646-0578
DMAR, Inc.	(248) 553-5858
The Greeson Company	(248) 305-6100
Hanson Faso Assoc.	(248) 354-5339
J.B. Novak & Associates	(810) 752-6453

R.J. Reynolds	(248) 475-6000
Sherrin's Candies	(517) 756-3691
Wolverine Cigar Company	(313) 554-2033

CATERING/HALLS:

Country House Catering	(517) 627-2244
Emerald Food Service	(248) 546-2700
Gourmet Hotel, Inc.	(810) 771-0300
Karen's Kaffe at North Valley	(248) 855-8777
Nutrition Services	(517) 782-7244
Penna's of Sterling	(810) 978-3880
Southfield Manor	(248) 352-9020
St. George Cultural Center	(248) 335-8869
St. Mary's Cultural Center	(313) 421-9220
Tina's Catering	(810) 949-2280

DAIRY PRODUCTS:

American Dairy Association	(517) 349-8923
Bernie Food Service	1-800-688-9478
Dairy Fresh Foods, Inc.	(313) 868-5511
Golden Valley Dairy	(248) 399-3120
Independent Dairy Inc.	(313) 246-6016
London's Farm Dairy	(810) 984-5111
McDonald Dairy Co.	(800) 572-5390
Melody Farms Dairy Company	(313) 525-4000
Milk-O-Mat	(313) 864-0550
Pointe Dairy Services, Inc./Bordens	(248) 589-7700
Stroh's Ice Cream	(313) 568-5106
Superior Dairy Inc.	(248) 656-1523
Tom Davis & Sons Dairy	(248) 399-6300

EGGS & POULTRY:

Linwood Egg Company	(248) 524-9550
Loewenstein Poultry	(313) 295-1800

FISH & SEAFOOD:

Seafood International Salasnek, Inc.	(313) 368-2500
Tallman Fisheries	(906) 341-5887
Waterfront Seafood Company	(616) 962-7622

FRESH PRODUCE:

Aunt Mid Produce Co.	(313) 843-0840
Detroit Produce Terminal	(248) 841-8700
Sunnyside Produce	(313) 259-8947
Vitale Terminal Sales	(313) 843-4120

ICE PRODUCTS:

America's Ice, Inc.	(313) 491-9540
Midwest Ice	(313) 868-8800
Union Ice	(313) 537-0600

INSECT CONTROL:

Rose Extermination (Bio-Serv)	(313) 588-1005
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INSURANCE:

AlphaAmerica Insurance Agency	(810) 263-1158
America One	(517) 349-1988
American Principal Group	(810) 540-8450
Arabo & Arabo Insurance Assoc.	(248) 352-1343
Blue Cross/Blue Shield	1-800-486-2365
Capital Insurance Group	(248) 354-6110
CoreSource	(810) 792-6355
Gadaleto, Ramsey & Assoc.	(517) 351-4900
Golden Dental	(810) 573-8118
Great Lakes Insurance Services	(248) 569-0505
Health Alliance Plan	(810) 552-6000
IBF Insurance Group, Inc.	(248) 357-2424
Kanter Associates	(248) 357-2424
Frank McBride Jr., Inc.	(810) 445-2300
Miko & Assoc.	(810) 776-0851
Monroe-George Agency	(248) 489-9480
Murray, Benson, Rechia	(313) 831-6562
North Pointe Insurance	(248) 358-1171
Rocky Husaynu & Associates	(248) 557-6259
SelectCare	(248) 637-5391
Sinawi Financial & Insurance Services	(248) 357-8916
The Wellness Plan	(313) 369-3900
Willis Coroon Corp. of MI	(248) 641-0900

MANUFACTURERS:

Amato Foods	(313) 295-3337
Bil Mar Foods	1-800-654-3650
Eden Foods	(517) 456-7424
Fine Manufacturing	(248) 356-1663
Gerber Products Co.	(810) 350-1313
Groeb Farms	(517) 467-7609
Home Style Foods, Inc.	(313) 874-3250
Jaeger Hillsdale Country Cheese	(517) 368-5990
Kalil Enterprises, Inc.	(313) 527-7240
Key West Soda Life Preserver	(305) 296-0005
Kraft General Foods	(313) 261-2800
Michigan (Pioneer) Sugar	(517) 799-7300
Monitor (Big Chief) Sugar	(517) 686-0161
Nabisco, Inc.	(248) 478-1350
Nestle Food Company	(248) 380-3670
Red Pelican Food Products	(313) 921-2500
Singer Extract Laboratory	(313) 345-5880
Stadium Club Foods, Inc.	(248) 332-8530
Strauss Brothers Co.	(313) 832-1600
Tony's Pizza Service	(248) 634-0606

Southern Sausage, Inc.	(313) 369-8902
Strauss Brothers Co.	(517) 756-3691
Swift-Eckrich	(313) 458-9530
Texas Brand, Inc.	(708) 526-0620
Winter Sausage Mfg., Inc.	(810) 777-9080
Wolverine Packing Company	(313) 568-1900

MEDIA:

The Beverage Journal	1-800-292-2896
Booth Newspapers	(616) 459-1567
C&G Publishing, Inc.	(810) 756-8800
Daily Tribune	(248) 541-3000
Detroit Free Press	(313) 222-6400
Detroit News	(313) 222-2000
Detroit Newspaper Agency	(313) 222-2325
Gannett National Newspapers	(810) 680-9900
Macomb Daily	(810) 296-0800
Michigan Chronicle	(313) 963-5522
Outdoor Systems Advertising	(313) 556-7147
WDIV-TV4	(313) 222-0643
WJBL-TV2	(810) 557-2000
WWJ-AM/WJOL-FM	(313) 222-2636
WWWW-AM/FM	(313) 259-4323

NON-FOOD DISTRIBUTORS:

Advanced Formula Products, Inc.	(313) 522-4488
Albion Vending	(517) 629-3204
Items Galore, Inc.	(810) 774-4800
Ludington Distributors	(313) 925-7600

POTATO CHIPS/NUTS/SNACKS:

Better Made Potato Chips	(313) 925-4774
Country Preacher	(313) 963-2200
Detroit Popcorn Company	1-800-642-2676
Frito-Lay, Inc.	1-800-24FRITO
Germack Pistachio Co.	(313) 393-2000
Grandma Shearer's Potato Chips	(313) 522-3580
Kar Nut Products Company	(248) 541-7870
Michigan Popcorn & Fast Food Supply	(313) 861-3535
Michigan Rainbow Corp.	(810) 365-5635
Nikhlas Distributors (Cabana)	(313) 571-2447
Variety Foods, Inc.	(810) 268-4900
Vitner Snacks	(810) 365-5555

PROMOTION/ADVERTISING:

Advo System	(313) 425-8190
Intro-Marketing	(810) 540-5000
J.K. Kidd & Co.	(248) 647-6601
J.R. Marketing-Promotions	(810) 296-2246
JDA Associates	(810) 393-7835
PJM Graphics	(313) 535-6400
Promotions Unlimited, Corp.	(800) 992-9307
Promotions Unlimited 2000	(248) 557-4713
Safeguard Business Systems	(248) 548-0260
Stanley's Advertising & Dist.	(313) 961-7177
Stephen's Nu-Ad, Inc.	(810) 777-6823

RESTAURANTS:

The Golden Mushroom	(248) 559-4230
Palace Gardens	(810) 743-6420

SERVICES:

AARMCO Security	(248) 968-0707
A Catered Affair	(313) 393-5311
AirPage	(248) 547-7777
AirTouch Cellular	(313) 590-1200
Akrum Namou, C.P.A.	(248) 557-9030
American Mailers	(313) 842-4000
Ameritech Pay Phone Services	1-800-441-1409
AMNEX Long Distance Service	(248) 559-0445
AMT Telecom Group	(248) 862-2000
Bellanca, Beattie, DeLisle	(313) 964-4200
Buiten Tamblin Steensma & Assoc.	(616) 949-0490
Central Alarm Signal	(313) 864-8900
Century Marketing	(419) 354-2591
Checkcare Systems	(313) 263-3556
CIGNA Financial Advisors	(248) 827-4400
C&J Parking Lot Sweeping, Inc.	(801) 759-3668
Community Commercial Realty Ltd.	(248) 569-4240
Convenience Mortgage Corp.	(800) 474-3309
Dean Witter Reynolds, Inc.	(248) 258-1750
Detroit Edison Company	(313) 237-9225
Dialogue Marketing	(248) 827-4700
Dynasty Funding	(248) 489-5400
Eco-Rite, Inc.	(248) 683-2063
Follmer, Rudzewicz & Co., CPA	(248) 355-1040
Food Industry Professional Network	(248) 353-5600
Gamo & Co., CPA	(248) 737-9933
Goh's Inventory Service	(248) 353-5033
Great Lakes Data Systems	(248) 356-4100
Independence One	
Investment Group	1-800-622-6864
Infinity Communications Corp.	(248) 442-0067
Jerome Urcheck, CPA	(248) 619-0955
Karoub Associates	(517) 482-5000
Law Offices-Gamo & Gamo	(248) 552-0500
L.J. Ross Associates	(313) 995-5360
Market Pros	(248) 349-6438
Metro Media Associates	(248) 625-0700
Michigan Bell	(810) 221-7310

Shi & Sons, Attorneys	(248) 238-4000
Edward A. Shutte, P.C., Attorney	(248) 288-2800
Southfield Funeral Home	(248) 568-8800
Statewide Financial Services	(248) 932-8800
Thomas P. Soltyz, CPA	(616) 696-8801
Telecheck Michigan, Inc.	(248) 354-8800
Transactive Corporation	(404) 381-4747
Travelers Express Co.	1-800-328-5671
Ultracom Telecommunications	(248) 350-2601
Vend-A-Matic	(248) 585-7700
Voice Mail Systems, Inc.	(248) 398-0707
Western Union Financial Services	(248) 446-8800
Whitey's Concessions	(313) 278-5207
Wolverine Real Estate Services	(248) 353-7800
WSB Advisors	(248) 594-1800

STORE SUPPLIES/EQUIPMENT:

A & B Refrigeration	(313) 565-3004
All-American Cash Register	(313) 561-4141
Ameri-Copy	1-800-888-1001
Belmont Paper & Bag Supply	(313) 491-4020
Bollin Label Systems	1-800-882-5104
Brehm Broaster Sales	(517) 427-5828
Brinkman Safe	(810) 736-1800
COI Industries	(313) 343-8701
DCI Food Equipment	(313) 369-1664
ENVIPCO	(248) 615-0904
First National Pallet Rental	(314) 466-2211
Hobart Corporation	(313) 697-0707
International Bankard Service	(248) 568-3002
MMI Distributing	(313) 582-4800
Metro Equipment Inc.	(313) 571-4800
Michigan Bale Tie Company	(313) 925-1104
Midwest Butcher & Deli Supply	(248) 588-1800
Murray Lighting Company	(313) 341-0404
National Food Equipment & Supplies	(248) 960-7070
North American Interstate	(248) 543-1104
POS Systems Management, Inc.	(248) 689-4800
Refrigeration Engineering, Inc.	(616) 453-5404
The Rib House	(313) 274-7800
Sales Control Systems	(248) 356-0700
Saxon, Inc.	(248) 398-2000
Taylor Freezer	(313) 525-2301
TOMRA Michigan	1-800-618-4804

WHOLESALE/FOOD DISTRIBUTORS:

Bremer Sugar	(616) 772-4800
Capital Distributors	(313) 369-2827
Central Foods	(313) 933-2800
Consumer Egg Packing	(248) 354-5800
Dairy Fresh Foods, Inc.	(313) 868-0801
Dan French Inc.	(248) 544-1500
Detroit Warehouse Co.	(313) 491-1300
EBY-Brown, Co.	1-800-512-0278
Family Packing Distributors	(248) 644-5337
Foodland Distributors	(313) 523-2100
Garden Foods	(313) 584-2800
Gourmet International, Inc.	1-800-875-5337
Grand Gourmet Specialties, Inc.	(616) 975-3400
H & O Distributors	(313) 493-0200
Hamilton Quality Foods	(313) 728-1800
The Happy Hive	(313) 562-3300
I & K Distributing	(313) 491-5800
J.F. Walker	(517) 787-4800
Jerusalem Foods	(313) 538-1811
Kay Distributing	(616) 527-0200



POWER DRIVE.

Spartan brand is one of the hottest private labels in the Midwest. Because Spartan Stores, Inc., has the corporate brands muscle it takes to...

- Keep pace with consumer trends
- Negotiate high-performance partnerships with leading manufacturers
- Rev up sales through carefully coordinated marketing, advertising and merchandising programs

And if you're interested in developing your own private label, Spartan Stores, Inc., offers the expertise and technical assistance you need to get high-endurance results.

**See Us at the
AFD Show!**
Booth 185



Spartan is the brand consumers know and trust. Carrying Spartan products is one important way we distinguish ourselves from our competition.

Lisa VanGilder,
President & CEO,
Vg's Food Center

Visit our website at www.spartanstores.com

For CD-ROM information, e-mail mike_costello@spartanstores.com or call 1-800-843-4422 ext. 8659

5823MKT1097



Presented by:
SALES MARK - Midwest Div.
for all Michigan Customers

- * 12 Page F.S.I.
- * Dropping the week of April 26th & Tues. May 5th in all major Michigan publications
- * 37 Coupons valued at over \$23.00
- * \$12,000 Consumer Food Gift Certificate Sweepstakes

Coupons on SALES MARK'S Fine Products include:



# CPNS	COUPON AMOUNTS	PRODUCTS
		<u>GROCERY:</u>
1	\$.55 on 1 - any	Arm & Hammer Powder Detergent
		Arm & Hammer Liquid Detergent
1	\$.55 on 2 - any	Diamond Crystal Salt Sense
1	\$1.00 on 2 - any	Glad-Lock Freezer or Storage Bags
1	\$1.00 on 2 - any	Glad Trash or Tall Kitchen Bags
1	1 Free w/Purchase 2	Glad or Glad-Lock
1	\$.55 on 2 - any	Ice Mountain Water
1	\$.30 on 1 - any	Irish Spring Bar Soap - Sport
1	\$.30 on 1 - any	Irish Spring Bar Soap - Wtrfl. or Orig.
1	\$1.00 on 3 - any	La Rose Pasta
1	\$.55 on 2 - any	Mardi Gras Towels
1	Buy 2 Get 1 Free	Maruchan Instant Lunch Cups
1	\$.20 on 1 - any	Palmolive Ultra Pots & Pans (Direct)
1	\$.40 on 1 - any	Palmolive Auto Dish Detergent (Direct)
1	\$.75 on 2 - any	Softsoap Anti-Bacterial
1	\$.30 on 1 - any	Softsoap Original
1	\$.55 on 2 - any	Win Schuler's Snack Crackers
		<u>HEALTH & BEAUTY CARE / GM:</u>
1	\$.55 on 1 - any	No Nonsense Products
1	\$2.50 off	Opti-Free Express & Supra Clens (Buy Both)



# CPNS	COUPON AMOUNTS	PRODUCTS
		<u>FROZEN:</u>
1	\$.55 on 1 - any	Green Giant Pasta Accents
1	\$.55 on 2 - any	Hot, Lean, Croissant Pockets & Pizza Minis
1	\$.55 on 1 - any	Morningstar Farms Products
1	\$.25 on 1 - any	On-Cor 2# Entrees
		<u>DAIRY / DELI:</u>
1	\$.55 on 1 - any	Better 'N Eggs Refrigerated
1	\$.30 on 1 - any	Blue Bonnet Margarine
1	\$.60 on 2 - any	Florida's Natural Growers Pride Juice
1	\$.55 on 1 - any	Father Sam's Pocket Bread Products
1	\$.55 on 1 - any	Father Sam's Breakfast Pocket Bread
1	\$.20 on 1 - any	Land O Lakes Sour Cream
1	\$.55 on 1 - any	Land O Lakes Deli Cheeses
1	\$.75 on 2 - any	Simply Potatoes
1	\$.60 on 2 - any	Smartbeat Lt. Margarine - Cheese Slices - Mayonnaise or Smart Balance
1	\$.55 on 1 - any	Turkey Store 1# Deli Meats
1	\$.55 on 2 - any	Win Schuler's Bar Scheeze
		<u>MEAT:</u>
1	\$.55 on 1 - any	Turkey Store Fresh Turkey Products
1	\$.55 on 1 - any	Tyson Sliced & Diced Strips

35 COUPONS WITH A VALUE OF \$22.82



Midwest Division

Contact Your SALES MARK Representative Today For All The Details ...

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