Possible sale of Stroh Brewery & Stroh’s Ice Cream

Melody Farms set to scoop up ice cream business

In a rare coincidence, two separate companies with the same name, the Stroh Brewery Co. and Stroh’s Ice Cream Co. may be on the sales block. If sales go through, it would mean the end of a 148-year-old family owned brewery and a name synonymous with Detroit.

There is a strong rumor brewing that the Stroh Brewery Co. is negotiating a sale to Pabst Brewing Co. of Milwaukee. Pabst would then sell some Stroh brands to Milwaukee-based Miller Brewing Co. Stroh officials have denied the rumor.

The three-way deal, if consummated, would mean more sales and market share for Miller, the nation’s number two brewer behind Anheuser-Busch of St. Louis.

It is speculated that Pabst would continue to market several of Stroh’s best-known brands, such as Old Milwaukee and Schlitz. Other brands would be acquired and marketed by Miller.

In 1989, Stroh announced it had reached an agreement in principle to sell the company to Coors Brewing Co. in Golden, Colorado, for $330 million, but the deal fell through.

Stroh was established in Detroit in 1850 by Bamhard Stroh, a German immigrant. Today, the brewer produces more than 20 brands and exports beer to more than 70 countries.

As of press time, Melody Farms L.L.C. was in the due-diligence phase of acquiring Detroit-based Stroh’s Ice Cream Co., a deal that would combine two of Detroit’s largest ice cream makers.

See Stroh, page 8
TRY ONE

GREAT COLA TASTE
ONLY ONE CALORIE

PEPSI ONE
Deck the Halls with Nutri-Facts

by Joe Sarafa

Although the holidays are the busiest time of the year, I have a request that will add a small burden to your busy schedule now but could save a lot of grief later on. Taking action may help avoid a situation where we might all be forced to comply with a mandatory law. I'm speaking of the posting of Nutri-Facts. As you deck the halls with boughs and lights, don't forget to hang up the Nutri-Facts point-of-purchase nutrition information in your perishables departments.

Government officials are making unannounced inspections to verify that retailers across the country have posted the most recent nutrition information in your perishables departments.

The most current Nutri-Facts charts have the following publication date in the lower right-hand corner: Beef & Veal, 3/95; Pork & Lamb, 3/95; Chicken & Turkey, 3/95; Seafood, 7/96; Fruits, 7/96; Vegetables, 7/96.

These charts contain nutrition information for meats and produce and are available on FMI's Web site (http://www.fmi.org/consumer/nutrifacts) and from FMI's Publications and Video Sales Department (202) 429-8298. The materials on the Web site can be easily downloaded and reproduced.

We would like to take this opportunity to wish you and your family a Happy Holiday and a healthy, prosperous New Year from all of us at AFD.

Overpayment problem resolved

Paul Garana is the owner of A&B Party Store in Utica and he had inadvertently overpaid on his Blue Cross/Blue Shield premium back in March. He was having a very difficult time getting Blue Cross to return his overpayment and, by September, was very frustrated. So he called AFD.

AFD Membership Representative Sylvia Youhana jumped in to help. A short time later, Paul called back, very excited and happy. He had received a check from Blue Cross for the overpayment — all his money, to the penny.

"Just in time for Christmas, Sylvia made my day," said Paul. And Paul Garana's call made our day too. If AFD can be of assistance, don't hesitate to call us at (248) 557-9600.

AFD MEMBERS: We want to hear from you!

The AFD Food & Beverage Report will print new product releases as space permits. The service is free to AFD members. Each month we also write feature stories about our members' businesses. If you would like to see your name on the pages of the AFD Food & Beverage Report, call Tom or Ray Amyot at (248) 557-9600.
Dr. Paul DeWeese has the prescription for good government

by Kathy Blake

Dr. Paul DeWeese is dedicated to helping people the best way possible and as an emergency room physician, he has helped many people, one at a time. Now he wishes to greatly increase the numbers of people in his care as state representative of the 67th district, which includes parts of Livingston and Ingham counties between Detroit and Lansing.

Dr. DeWeese has been an emergency room physician for 17 years. He served as assistant medical director in the Emergency Department at Eaton Rapids Community Hospital, was a full-time member of the emergency department staff at Owosso Medical Center and is board certified in internal medicine.

He has decreased his hours in the emergency room over the last year and a half to campaign as a Republican for the 67th district. DeWeese ran against Democrat Bill Keith to replace Representative Dan Gustafson, who will complete his final term this year due to the new term limits.

Dr. DeWeese has chosen another avenue for serving people and with his background, he believes he will be a thoughtful and knowledgeable advocate on healthcare issues. In 1980, he went on an international tour to study the healthcare systems of Britain, the Ivory Coast of West Africa, Yugoslavia, Canada and the United States. This experience has helped Dr. DeWeese develop his long interest in how communities provide access to health care to their citizens.

In 1989, he was instrumental in the creation of the Medical Access Project to provide basic medical care for the indigent, "I brought together a 40-member coalition to act on it. Then we asked the Red Cross to implement the plan," says DeWeese. The project is designed to help Ingham, Eaton and Clinton county residents, especially working people with no health insurance. The Capitol Area Red Cross administers the plan which allows patients to pay a percentage of the medical fees based on their level of poverty. If a person is at the 100 percent poverty level, they get free care. Pharmacies, hospitals and doctors have participated by decreasing fees for this program.

Dr. DeWeese will certainly be an advocate for providing healthcare to all. DeWeese doesn't believe government centralization, as promoted by Hillary Clinton, is the answer. "I don't think any caring person wants to see people without healthcare. My concern is with the mechanism of how to achieve it," DeWeese explained.

One plan Dr. DeWeese favors is for the state to provide tax credits to businesses that provide health insurance for employees. The plan would target businesses employing people with lower income. If the state provided tax credits, small businesses would be more likely to provide health insurance," DeWeese believes.

DeWeese saw another major area of need in the quality of education our children are receiving. As the father of three school-age boys, DeWeese became concerned in the schools. Looking for ways to improve children's future, he founded the TEACH Michigan Education Fund in 1990. "It's an advocacy organization whose purpose is to promote parental choice in education," says DeWeese. The organization promotes charter schools, which are privately sponsored public schools, and cross-district choice laws. A group of parents can create a charter school by going to a chartering agency such as a local board of education or a public university. Then the charter school can receive funding of $6,000 per student. "Charter schools are customer driven. A school cannot survive if a family doesn't choose the school. The school has to be focused on the needs of the students and families," says DeWeese. TEACH Michigan counts as its greatest accomplishment to date the passage of charter school legislation that resulted in the creation of 130 public school academies.

As for public schools, DeWeese is concerned that teachers need to be given more authority to maintain a disciplined classroom environment. DeWeese said "Teachers need to be in control of the classroom environment. We also need to get parents more involved in homework and at school." This is one of the educational issues that DeWeese will pursue.

Other concerns he views as prominent relate to decreasing government regulation of businesses, improving the infrastructure of the roads, continuing to decrease taxes and returning tax dollars and decision-making power to local government versus state government.

Governor Engler appointed Dr. DeWeese to the Michigan Municipal Bond Authority, which provides short term loans for local units of government, and the Crime Victims Compensation Commission. DeWeese served on the Ingham County Board of Health for two years.

Dr. DeWeese graduated from Wayne State University's School of Medicine and Hope College in Holland, Michigan. He served as president of the student congress in medical school. He served his residency in internal medicine at Blodgett Memorial Medical Center in Grand Rapids. He was an emergency room physician at McLaren Hospital in Flint before moving on to Eaton Rapids Community Hospital and Owosso Medical Center.

DeWeese lives in Williamson with his wife, Mary Grace Finn DeWeese and their three sons, ages 15, 12 and 10. Dr. DeWeese describes himself as "having an enduring passion for making people's lives better." He adds, "I really value using my time and energy to make life better for people and being involved in public life gives me the opportunity to help many more people than I can as a physician.

When asked whether people called him "Doctor" or "Representative," he responded, "It depends on where I'm at. If I'm in Lansing, I'm Representative, at the hospital I'm Doctor and at home I'm Dad."

To reach Dr. DeWeese, call (517) 331-7032 or fax him at (517) 655-6660.
Electronic Funds Transfer (EFT) ’99

Electronic Funds Transfer (EFT) is a Treasury Department initiative implementing the Debt Collection Improvement Act of 1996 which requires that all federal payments (other than tax refunds) be made through EFT by January 1999. This includes Social Security, veterans benefits, federal salaries, vendor payments, etc. EFT ’99 was projected to save the federal government $100 million annually. However, the Treasury Department has waived the electronic payments requirement. Because several issues remain unresolved and because many benefit recipients do not have bank accounts, the agency has decided to continue to allow recipients of government benefits to continue to receive checks by mail.

Social Security Taxable Wage for 1999

In October, the Social Security Administration announced that maximum earnings subject to Social Security taxes will increase from $68,400 to $72,600 in 1999. The employee tax rate for combined Social Security and Medicare will remain at 7.65 percent - 1.45 percent for Medicare and the 6.2 percent Social Security portion will apply to the new maximum earning limit of $72,600. This means that the maximum tax paid by employers and employees will increase from $4,240.80 to $4,501.20. For the self-employed, the tax rate will stay at 15.3 percent in 1999 and the maximum tax paid will rise from $8,481.60 to $9,002.40.

Attention wholesalers and manufacturers

Do you have a new product, new package for an old product, a new variety of your existing product or any other product-related news? We want to feature your items! The AFD Food & Beverage Report will print new product releases as space permits. The service is free to AFD members. There is a $50 fee for non-members. For more information, call Ray Amyot at (248) 557-9600.

PACA license fee phase out completed

Retailers are required to have a PACA license if they have annual invoice costs in excess of $230,000 for fresh and frozen produce. Wholesalers are required to have a PACA license if they do any volume of business in fresh and frozen fruits and vegetables. Pursuant to the Perishable Agricultural Commodities Act of 1995, the license fee for retail and wholesale grocers is being phased out over a three year period. This phase out ended November 15, 1998. This reflects a major victory for grocers, AFD, N.G.A. and FMI after 50 years of paying unnecessary license fees. Grocers must still renew their PACA licenses but they are no longer required to pay a renewal fee. Failure to file a renewal application for your PACA license may subject you to a new license fee. After November 15, newly covered retail and wholesale grocers will pay a $100 administrative fee for a PACA license. Any questions regarding PACA license requirements can be answered by a PACA representative at (800) 495-PACA, or by calling the N.G.A. Government Relations Department at (703) 437-5300.

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AFD FOOD & BEVERAGE REPORT. DECEMBER 1998 5
Cats rule over dogs in pet supplies

Cat care products account for 32 percent of sales in pet supply market

The U.S. pet supplies market reached $4 billion with a growth of 7 percent in 1997, according to *The U.S. Pet Supplies Market*, a timely new report from New York City-based research firm, Packaged Facts. Dogs contributed 31 percent of the market share.

The U.S. Pet Supplies Market shows strong growth in a relatively mature market over the past five years, boosted by the development of pet superstores and the growth in cat ownership.

Pet superstores gain prominence.

Starting from 0 percent in the mid 1980s, chain pet superstores have grown to become the second-ranking retailer of pet supply products, holding an estimated 25 percent of the market, just trailing mass merchandisers (discounters such as Walmart and Kmart) with 27 percent of sales, by 1997. Independent pet stores' share halved from 30 to 15 percent from 1985 to 1997.

Fish accounted for 14 percent and birds a 12 percent share of the pet supply market.

Kmart looking for a supermarket partner

Kmart Chairman and CEO Floyd Hall told analysts that the company is considering combining with a major supermarket chain or food wholesaler to expand its grocery selection at its bigger stores. According to Hall, the move would also cut Kmart's expenses because it would be able to work with suppliers directly and avoid third-party distributors.

Dearborn Sausage adds warehouse

Dearborn Sausage built a 24,000-square-foot shipping and sales warehouse with an additional 12,000 square feet of cold storage, eliminating its need to lease space at Michigan Cold Storage Facilities in Taylor.

Sales growth was part of the reason Dearborn Sausage invested $3.5-4 million to expand its operation. Annual sales increased from $14.2 million in 1995 to about $21 million.

"Streamlining the shipping operation and improving shelf life of hams and sausages were major factors in the decision to build," says Todd Meier, vice president of sales and marketing.

Having the additional on-site cold storage and the new temperature-controlled packaging plant enables greater shelf life for the products due to fewer temperature changes. "The fewer times that finished foods such as sausages and hams go through temperature changes, the longer the shelf life and the higher the quality they will have," said Meier.

Dearborn Sausage produces hot dogs, sausages, hams, bologna and other processed meats for the food service industry, private labels, restaurants, hotels and retail stores.

Regardless of the nature of your business...

...Liquor law hassles can be a sobering experience.

When it comes to liquor law regulation, Michigan is one of the toughest states in the country. Bars and restaurants represent only a small fraction of the businesses affected. Airlines, retail department stores, hotels, non-profit organizations, political committees and a broad spectrum of other entities can be shut down for non-compliance.

The law firm of Abbott, Nicholson, Quilter, Esshaki & Youngblood, PC, 300 River Place Suite 3000, Detroit, MI 48207-4291 (313) 566-2500 fax: (313) 566-2502 e-mail: angey@angey.com

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News Notes

Study finds bran cereal helps protect against colon cancer

A new study finds Kellogg's® All Bran® cereal to be a substantially more effective form of wheat bran fiber in reducing the risk of developing colon cancer than unprocessed (raw) wheat bran. The research, headed by the United States Department of Agriculture (USDA) Agricultural Research Service, was presented to the American Chemical Society.

Human and animal studies have consistently associated the consumption of wheat bran fiber with decreased risk of colon cancer. This latest study suggests that the efficacy of wheat bran in the prevention of colon cancer is enhanced when it is processed into ready-to-eat cereals when compared to unprocessed (raw) wheat bran.

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Survey shows strong supermarket involvement in community

Supermarkets make strong community partners, demonstrating a high level of commitment to their neighbors. This is according to Community Relations Activities & the Supermarket Industry, a new FMI publication based on a survey of member companies.

With participation varying by size, the average number of community relations projects that supermarkets undertake each year range from 52 for smaller operations to 290 for larger ones.

From partnering with schools to working with food banks, supermarkets are closely involved for a variety of reasons. It allows them to give something back to their communities and helps stores win recognition and customer loyalty.

"Probably more than any other business in the community, the supermarket represents a focal point for many people because food is so central to our everyday lives," said Ken Robb, senior vice president, marketing, at Dick's Supermarkets in Plateville, Wisconsin.

"A strong community relations program, along with good in-store customer relations, will endear the retailer to his or her customer in a way that no other program can," he said.

"Participating in community activities also helps supermarket recruitment efforts and improves company morale. Partnering with youth development groups or schools is also a good way to build bridges to future employees and helps to improve the image of the industry as a career opportunity.

Top program areas that supermarkets participate in are food banks at 82 percent; community group partnerships at 77 percent; special events at 76 percent and school/youth groups at 72 percent.

Key community relations activities include donating funds (84 percent); publicizing programs (68 percent) and partnering with local groups (64 percent).

WIC Reminder

WIC will not accept the following:

- Redeemed coupons received by the department after 60 days from the starting date indicated on each coupon.
- Coupons redeemed before the starting date and after the expiration date printed on the coupon.

Please advise all cashiers and staff of the importance of closely reviewing the dates on all WIC coupons.

Important WIC Telephone Numbers

If you have questions regarding payments, call Pauline Vanek:
(517) 335-8936

If you have questions regarding your WIC application or your WIC contract, call your Vendor Relations Analyst (see list below). If you do not know your analyst's name, call the Vendor Relations Unit:
(517) 335-8937

Ana Archer, (517) 335-8927
Rose Hughes, (517) 335-9203
Tom Loveland, (517) 335-8882
Mike Perrelli, (517) 335-9201

FAX, (517) 335-9514

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If you lose as little as $10.00 per day, you can pay for an entire system in a matter of months. Contact us for details.
AirTouch Cellular and AFD offer new, improved cellular phone program

Here is a rundown of the cellular phone program features and benefits AFD now offers to its members:
- Rate plans as low as $12.99/month/line for AFD members in the Detroit/Flint AirTouch market
- Rate plans as low as $15.99/month/line for AFD members in the Greater Michigan AirTouch market
- Digital rate plans that include bundled airtime minutes
- Reduced rates or monthly access and per minute charges
- Waiver of activation fee with a three year service agreement
- Reduced rates for calls made outside your AirTouch Cellular Home Coverage area
- Special discounts for member’s employees
- No monthly access charge for the following features (usage fees apply):
  - Call Waiting
  - Call Forwarding
  - Three Way Calling
  - Detailed Billing
  - AirTouch Cellular Basic Voice Mail
  And you’ll continue to receive:
- The largest digital cellular coverage area in the combined Ohio and Michigan markets
- Customer care available 24 hours, every day and airtime free from your AirTouch Cellular phone by dialing 611.
- Value-added benefits available such as 411 Connect Directory Assistance, Mobile to Mobile packages, Roadside Assistance Plan, Cellular Guard Plus, Mobile Pay, and Paging to help you get the most out of your wireless needs (monthly and airtime charges may apply)
- A variety of phones and equipment to choose from

The revised AFD program is now available to all members and their employees with a two year service agreement. Current AirTouch Customers also qualify. To sign up for this new program call 1-800-AirTouch, or visit your local AirTouch Sales & Service Center or Authorized Agent. Restrictions apply.

Stroh, continued from page 1

In April, Dairy Farmers of America, the largest U.S. dairy cooperative, bought a minority interest in Melody Farms, the dairy subsidiary of Farmington-Hills-based Melody Foods Inc. Since then, according to Melody Farms CFO Bill Fowler, the company has been interested in expanding through acquisition.

Fowler added that if the sale goes through, Melody Farms would keep the Stroh’s Detroit ice cream plant open and possibly expand it. Senior management would also be kept in place.

Ohio businessman Stuart Giller bought Stroh’s Ice Cream in 1990, when sales were 1.5 million gallons a year. In 1997 sales were 4.3 million. Its market share also increased last year by 1.5 percent to 14 percent in the half-gallon market.

Rodney George, president of Melody Farms L.L.C. is looking to close the deal by the end of the year.

Scholar, continued from page 1

it is helping him pursue a degree in journalism at Wayne State University. He is working to put himself through college so he truly appreciates any assistance he receives.

I would like to take this opportunity to thank the AFD for their continued support of the higher education process. Your organization does an outstanding job providing opportunities for young people to pursue college degrees. The golf outing that they sponsor along with all the corporate support from participating sponsors is truly a wonderful event. When Tim, my husband and I attended the dinner at the golf outing we were very impressed with the wonderful support and with how well the event was run. It was impressive to see the number of students recognized and to hear of their accomplishments.

Sincerely,
Jeanne M. Schulte

you either have it or you don’t

This Year CHIVAS REGAL Adds To Your Holiday Cheer With A Special Price On the 750ml!

Limited Time!!

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Smart Santas Shop at Sax Drug and Gift Shop

by Ginny Bennett
Sax Drug and Gift Shop is the kind of store where customers quickly pop in for milk or a prescription because of good prices and emerge an hour later with items they never intended to buy but were just simply irresistible. Shoppers can always find something new to add to their collections. The store is divided into a drugstore, gift and card shop, and a party store. From fine perfumes and teddy bears to aromatherapy candles and birthday greeting cards, Taylor residents find that they have many reasons to stop and shop.

Located on Wick Road between Pardee and Telegraph, Sax Drug and Gift Shop is the anchor in a strip mall owned by Mark Klar. A November Grand Opening celebrated a recent total renovation of the mall exterior and the store interior. Sax offers a full pharmacy with his partner, pharmacist Bob Armstrong and a complete Hallmark card and gift shop, in addition to the groceries, liquor, beer, wine and lottery sales of a typical party store.

For 25 years the store has been in the same location in the heart of Taylor. Klar bought it in 1985. The renovation is an aggressive move on Klar’s part to face the competition head-on from a new Rite Aid, Arbor Drugs and a Walgreens. All of these stores are located within one mile of Sax Drug and Gift Shop. “It’s tough,” says Klar. “This job took seven months of planning and six months to do the work. But now everything is new.”

“It has been financially difficult and extremely time consuming,” he adds. “This final remodel followed several years of small expansions that took place over the years. In 1985 the store was 6,600 square feet. Two other expansions plus the purchase of the adjacent space (formerly the Book Cellar) brings today’s total square footage to 15,600.

According to Klar, in many ways the remodeling was far more difficult than building a new store. The fact that they never closed was both an advantage and a disadvantage. It was difficult to work around customers but good that customers never stopped shopping. The effect is that everything really is new. It is brightly illuminated with every new shiny surface from the coolers, to the ceiling, floors, counters, fixtures and colorful products. The SavMor name helps, too. It allows him to be independent and act like a chain.

Klar’s goal is that his customers will walk into the new Arbor Drugs, Rite Aid or Walgreen’s and they won’t be impressed.

The Hallmark card and gift shop is very time consuming and labor intensive. Klar sends employees for special training and also visits numerous gift and specialty merchandise shows to keep abreast of the latest fad. “I need to order from dozens of suppliers instead of just a few,” says Klar, “although Hallmark is very helpful.”

The product mix seems to be especially appropriate for the Taylor community. The neat little bungalows along Wick Road have big yards adorned with statuary and garden ornaments. Taking a peek behind the doors would likely reveal some of Sax’s special gift items that have been added to cherished collections. From Precious Moments, one of Hallmark’s most sought after lines, to Ty’s phenomenally best selling Beanie Babies, Sax Drug and Gift Shop can fulfill the wishes of the most discriminating collector. And for any Santa, gift shopping here would be a real pleasure. There really is something for everybody on the list. Klar has special incentives for his neighborhood gift shop and card customers. Sax shoppers can sign up for a loyalty card. On their birthday they can purchase at a 20 percent discount and they can attend two special sales events, one before the Christmas holiday and the other in the spring. For these sales, the store closes on Sunday afternoon and then reopens at 7:00 p.m. That evening purchasers are eligible for a 20 percent discount. And every day loyalty card customers receive a $5 discount on a $50 sale.

Klar treats customers fairly by not creating an artificial market for hard-to-find items like the Beanie Babies. Originally he advertised when a shipment was expected but he discovered that customers were coming from as far as New York leaving his regular customers out of luck. He has learned to put the items out without any special announcement and limit the number of toys each person can purchase of the same item. Everyone appreciates being treated fairly and it doesn’t create so many headaches. “After all,” says Klar, “I want to keep the customers in my neighborhood happy.”

He has heard nothing but good things about the store’s new look. His intention is to give first class customer service. The pharmacy fills prescriptions in just fifteen minutes and a circular counter encourages clerks to pass on both sides of the counter to guarantee that the busiest customers in my neighborhood are never closed. He confidence he can compete with the big chains when it comes to price and product, plus his pharmacy is faster and his service is friendlier.

Over the years Mark Klar has collected an experienced professional staff and many loyal customers. When it comes to cherished collections, Mark and his devoted wife Nori would agree that their three wonderful children is the kind that really counts.
Season's Greetings.
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Get what you really want this holiday season - big commissions.

(Sure beats another tie!)

With Michigan Lottery instant tickets like $1,000,000 Gift, Jingle Bills and Season's Greetings, your customers will be giving you what you really want - the biggest profits and highest commissions of the year. Holiday time is the biggest sales period of the year, and Michigan Lottery instant tickets make great gifts. That's why you should stock up on these popular games and display them prominently. You'll thank yourself.
Seven years of increased sales

Wrapping up our seventh consecutive year of increased sales, the Michigan Lottery is celebrating its best fiscal year ever! While the final numbers aren’t yet in, we are excited about the 2.5-percent increase we saw in 1998. Considering the United States lottery industry overall posted a mere 0.3-percent increase in sales in this past year—the lowest in recent memory—we’re proud to have risen above the trend. Retailers statewide must take much of the credit for this success; my sincerest thanks to each of you.

The other part of the equation is a solid product lineup that appeals to a wide player base. While player interest varies from game to game, in Michigan we are fortunate to have three tried-and-true products that continue to perform well year after year: Daily Games, instant tickets, and The Big Game. This past year sales increased by 9.1 percent on the Daily Games, 7.9 percent on the instant tickets and 7.6 percent on The Big Game.

Instant games are the fastest-growing product segment for the Michigan Lottery, and it’s not too hard to see why. In fiscal 1998, Michigan Lottery players were introduced to no less than 42 new instant games; in 1999, there will be at least 48 new games available! With that many different games to choose from, your Lottery customers won’t have time to tire of them!

Michigan Lottery instant tickets are always a good purchase, but during the holiday season there’s an even greater reason to stock a full selection of holiday-theme games. With a variety of price points and play styles to choose from, Lottery games make the perfect stocking stuffer.

This year’s holiday lineup includes five festive games. Topping the list is “$1,000,000 Gift,” a $10 ticket with an instant cash prize of $1 million. The $5 “Jingle Bills” game will help ring in the holiday season with a top prize of $25,000. Boasting a top prize of $25,000, the $2 “Seasons Greetings” is sure to bring good cheer. “Frosty the Doughman” offers a top prize of $2,000 and players can ring in 1999 with “New Year’s Cash” and a top prize of $1,999.

Look for updates on these and other new products in Gameline and stay in close contact with your Lottery representative to get the latest news for the coming year.

Happy Holidays!

In closing, I want to wish you and your families a very safe and happy holiday season. As we prepare for a brand new year, I want to thank you for your hard work and dedication. The enthusiasm and support you show on a daily basis for the Lottery’s products has a direct impact on the Lottery’s success each year; I cannot stress that enough.

As I have stated many times in the past, the Lottery is only as strong as it’s retailer base, and it’s clear to me that Michigan has the best network of lottery retailers in the country. I am truly heartened at the prospect of all we can accomplish together in 1999. Best wishes!
Spartan promotions

Spartan Stores, Inc. announced the promotion of Pete Lima to the position of Director of Transportation, and John Sutphin to the position of Director of Warehouse Operations.

Pete joined Spartan in 1971 as a grocery warehouse associate, accepting a position in the parts department of Spartan’s Fleet Maintenance later that same year. Pete continued his career in Fleet Maintenance with promotions to Supervisor, Superintendent and Manager. In 1990 he accepted the position of the Manager of Transportation.

As director of transportation, Pete’s accountabilities will include the operational leadership of the Grand Rapids and Plymouth Traffic and Transportation departments. He will report directly to Mike Frank, Vice President of Logistics.

Pete is a graduate of Grand Valley State University with a degree in Behavioral Science, and is active in the Michigan Truck Safety Commission, National Private Truck Council, and Food Distributors International.

John joined Spartan in 1988 as Grocery Warehouse Supervisor. He was later promoted to Plymouth Warehouse Manager, and most recently served as Perishables Warehouse Manager.

John has a bachelor’s degree from Davenport College with majors in business and social science, and has over 26 years experience in the grocery distribution industry.

John will be accountable for the operational leadership of the General Merchandise, Perishables and Grocery warehouses as well as other distribution and support facilities. He will also report directly to Mike Frank, vice president of logistics.

Thermodyne and Polar King name regional manager

Polar King International, Inc., manufacturer of outdoor fiberglass one-piece walk-in coolers and freezers, and Thermodyne Foodservice Products, Inc., manufacturer of precision conductive cooking systems, have named Gary Knuth as Midwest regional manager.

Knuth joins Polar King and Thermodyne with responsibility for sales and marketing for eight Midwest states. A graduate of the University of Wisconsin at Stevens Point with a Bachelor of Science degree in Business Administration, Knuth brings 24 years of high-profile account sales experience in the food service industry as national sales manager for a food product manufacturer and regional sales and marketing director for one of the country’s major foodservice industry publications. He is a member of the International Food Service Manufacturers’ Association.

Beer and wine association elects new officers

Members of the Michigan Beer & Wine Wholesalers Association elected a new slate of officers at their recent Annual Meeting at The Grand Hotel on Mackinac Island. Elected as officers of one of the state’s strongest business trade associations were J. Lewis Cooper, Jr. as chairman, James Quasarano as vice chairman, and Howard Wolpin as treasurer.

Chairman Lewis Cooper, Jr. is Chairman of J. Lewis Cooper Company in Detroit, Michigan. He has completed two-year terms as treasurer and vice chairman of the association and serves as a member of the association’s board of directors, the executive committee and is a past chairman of the group’s Public Affairs and Wine Committees.

New elected vice chairman Jim Quasarano is president and general manager of Eastown Distributors Company in Highland Park, Michigan. He serves as a member of the association’s board of directors and executive committee. In recognition of his many contributions to the association, Jim was this year’s recipient of the association’s prestigious Key Man Award.

Newly elected treasurer Howard Wolpin is vice president and general manager of Great Lakes Beverage Company in Detroit, Michigan. He serves on the association’s executive committee and is a past trustee on the MB & WWA Employee Benefit Trust Board.

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FREE!!
POINT OF SALE MATERIALS:
-Display Strips
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Want Higher Profit Margins on Phone Card Sales? Call for THE CRUSHER
FULLY INSURED! GUARANTEED!

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TO ORDER CALL TeleCents Communications 1-800-799-2908 FREE!!
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Enjoy All the Melodies of the Holidays!

Melody Farms’ Premium Egg Nogs and Creamy New Ice Cream flavors are sure to add a festive touch to Holiday gatherings. Stock up for a season of Merry Melodies!

Happy Holidays from Melody Farms

Call our Customer Relations Department
1-800-686-6866 (Option 2)
Open Monday-Friday 7:00 a.m. to 6:00 p.m.
Spartan’s Jim Swaboda named ECR co-chair

Jim Swoboda, director of strategic business development for Spartan Stores, Inc., has been named the new operating committee co-chair for the Joint Industry project on Efficient Consumer Response (ECR).

Swoboda joins Mike Maurer, director of industry affairs at The Procter & Gamble Company, the co-chair representing grocery industry suppliers. Swoboda will represent industry distributors.

Swoboda joined Spartan as a general merchandise service merchandiser in 1982. Since then, he has served as general merchandise buyer, grocery buyer, grocery purchasing manager, director of grocery and general merchandise/health & beauty care purchasing and director of logistics and distribution technologies before taking his current position.

Gleaners co-founder retires

Gene Gonya, co-founder of Gleaners Community Food Bank of Greater Detroit is retiring in December after more than 21 years of feeding the hungry and disadvantaged. In addition to Gleaners, he was instrumental in the formation of Second Harvest and the Michigan Council of Food Banks.

When Gene Gonya brought surplus food from the family farm to the city for free distribution, he found that area feeding agencies had no means of storing and handling large donations of food. So he helped launch Gleaners in 1977 to solicit surplus food, store it safely and distribute it directly to organizations that are direct providers to the hungry of our communities.

Gonya, a former brother in the Jesuit religious community is endearingly called the “father of food banking,” and was featured in the August 1993 issue of Readers Digest. Gonya has served on the advisory committees and boards of many service organizations including COTS, and the Manner’s Inn. Crains Detroit Business named Gleaners Community Food Bank the best managed not-for-profit in 1996.

AFD on the Scene

New coupon customer Joe Salamey, owner of Liquor Locker in Port Huron.

AFD’s Harley Davis with Marilyn Jonas of Danny’s Food Market in Bay City. Harley is giving Marilyn a copy of the AFD Food & Beverage Report article that profiled her store.
Miller Lite

The Hockey Beer For Hockeytown

TAKE ME TO YOUR COOLER!
Detroit Edison offers the gift of energy savings with LightWise, a professional lighting service for business customers

By Tonya Duncan

As you prepare your business for the holiday rush, lighting may be the last thing on your mind. Sure, your lights come on when you flip the switch, but are they:

• Providing the optimal light levels needed to present products in your business in the best light?
• Ensuring the security of your customers and employees?
• Giving you the best value for the money you spend each month?

Detroit Edison wants to help make your bottom line shine even brighter this season by offering a special discount on its LightWise professional lighting service. From now through January 1, 1999

Detroit Edison is offering a 10 percent discount on all lighting audits for the inside of your business and a free survey of your exterior lighting service if you purchase an interior audit!

By taking advantage of this offer you will receive the following:

• The opportunity to save up to 50 percent on your electric bill
• Suggestions on improving the appearance of your business to make it more appealing to customers
• Recommendations on bettering the security around your business
• Hassle free installation of the new lighting system at hours convenient to you
• A comprehensive written report that provides a fixture by fixture analysis of your current lighting system and detailed recommendations for improvement
• Financing Options - Whether you are looking to improve lighting for appearance, productivity, security or savings, Detroit Edison offers smart, effective energy solutions that directly improve your bottom line.


Great partnerships begin with TRUST.
Lasting partnerships are built on CONFIDENCE.

It's great when you find someone who understands what you want and is there to help you reach your goals. That's why, as Michigan's best electric utility, we developed our Partner In Excellence program. This program teaches select food service equipment partners how to analyze your unique energy needs in order to reduce your overall operating costs. It's a great way to begin a rewarding relationship that it works. For a complete list of qualified partners in Excellence specialists in your area, call 1-313-235-7744.

We'll introduce you to some of the business who could ever have.

Detroit Edison
A DTE Energy Company

New GMA report reveals 30 percent growth in grocery packaging recovered for recycling

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

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

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

HOLLYWOOD NIGHTS

AFD’S 63RD ANNUAL TRADE DINNER AND BALL

Come out for a night of Food, Fun and Friends with a Hollywood Theme!

BRONZE SPONSOR $2,000.00
• One table of ten (10) for dinner
• Two (2) company photos in slide show
• Corporate signage at the dinner
• 1/8 page ad in the Food & Beverage Report

SILVER SPONSOR $3,500.00
• One table of ten (10) for dinner (Preferential Seating)
• Five (5) company photos in slide show
• Corporate signage at the dinner
• 1/4 page ad in the Food & Beverage Report
• Use of one company product at the dinner (or one additional slide)
• $650 for each additional table

GOLD SPONSOR $6,000.00
• Two (2) tables of ten (10) for dinner (Prime Seating)
• Ten (10) company photos in slide show
• Corporate signage at the dinner
• 1/2 page ad w/ spot color in the Food & Beverage Report
• Use of two (2) company products at dinner (or two additional slides)
• $600 for each additional table

PLATINUM SPONSOR $10,000.00
(LIMITED)
• Three (3) tables of ten (10) for dinner (VIP Seating)
• Fifteen (15) company photos in slide show
• Title Sponsorship signage for: musical entertainment, photo booth or centerpieces
• Full page ad w/ spot color in the Food & Beverage Report
• Use of four (4) company products at dinner (or four additional slides)
• $500 for each additional table

GENERAL TABLES—$750
COUPLES—$200

Call AFD Special Events Director, Tom Amyot at (248) 557-9600 for Details & Reservations

FRIDAY, FEBRUARY 12, 1999 AT PENNA’S OF STERLING

6:00 p.m. Cocktail reception
7:30 p.m. Dinner

Join more than 1,000 of Michigan’s Industry Leaders at our own
Oscar Party:
Musical Guests: HORIZON

AFD FOOD & BEVERAGE REPORT, DECEMBER 1998
Plastic package for Miller Lite, MGD, and Icehouse features technological breakthrough to ensure freshness

"Unbreakable," "lightweight" and "enjoy at stadiums and beaches" are not thoughts normally associated with beer bottles in the United States. Until now.

Miller Brewing Company announced that it is debuting a new specially developed, recyclable plastic bottle in six major metropolitan areas across the country in November and early December. Miller is the first US. brewer to offer plastic bottles for widespread retail distribution.

Miller's plastic bottle, initially available in 20-ounce and one-liter single-serve packages of Miller Lite, Miller Genuine Draft and Icehouse was introduced in Los Angeles, Phoenix/Tucson, Norfolk, Miami, Dallas/Fort Worth and San Antonio. Additional roll out plans will be determined based on consumer and retailer response to the package.

Developed in conjunction with Continental PET Technologies, a unit of Owens-Illinois Inc., Miller's plastic bottle achieves the same four-month shelf life as glass bottles and aluminum cans, and keeps the beer as fresh during that period as in glass or aluminum. The plastic bottle is seven times lighter than glass. The multi-layer design and special barrier layers in this plastic package, a proprietary technology of Continental PET Technologies, allow the natural carbonation of the beer to be effectively maintained while preventing air from harming product freshness and drinkability.

Miller Lite and Icehouse will be sold in brown bottles and MGD will be in clear packages, the same as with glass bottles.

The 20-ounce plastic bottles feature a widemouth opening and a resealable screw-on cap with a special design that helps insure product freshness and drinkability.

New Veal Bacon makes debut

Bacon ranks as one of America's favorites—whether it's side-by-side with an enticing omelet or the beginnings of the traditional sandwich favorite. Now, look for a new option beyond traditional bacon with veal bacon.

This bacon item is one of the new veal products developed by the National Cattlemen's Beef Association (NCBA). NCBA worked with SYSCO, the country's largest food service distributor, to position the SYSCO Imperial Veal Bacon in the food service marketplace. D&W Food Center, Inc. recently introduced the retail bacon product, sold in a 12-ounce package, to its 25 outlets in western Michigan. Swisssland Packing Co., of Ashkum, Illinois, manufactures the bacon for D&W; Catelli Brothers, of Collingswood, New Jersey, produces the bacon for SYSCO.

The product formulation for both the retail and food service veal bacon products is identical. The bacon contains nearly 50 percent fewer calories and 25 percent less fat than regular pork bacon. Veal bacon also can satisfy those consumers who may not eat pork bacon, but still crave that sought-after smoked flavor.

For food service, each 10-pound case contains about 250 portions with a slice count of 25 slices per pound. The retail veal bacon, sold in a 12-ounce package, comes 16 packages in each 12-pound box.

If you need any more information please contact: National Cattlemen's Beef Association at (312) 467-5520.
The Food Marketing Institute is pleased to extend
The FMI Group Advantage to members of the Associated Food Dealers of Michigan to attend:

The 1999 Supermarket Industry Convention and Educational Exposition
May 2-4 McCormick Place - Chicago, Illinois

There are so many benefits to the State Association Program. These are just a few:

*38% Discount- Save $125 per participant on the cost of registration.
*Hotel Accommodations- get guaranteed hotel room blocks at the Chicago Hilton & Towers.
*Bonus Coupons- take advantage of the latest industry publications and support materials with $90 worth of coupons redeemable at the Inside Edge store.

*Orientation & Tours- A complimentary service conducted by an FMI staff member.
*Coverage- With more that 1,300 exhibitors, 50 seminars, networking breakfasts, idea exchanges and other events packed into 3 days, bringing a group ensures that all important events are covered.

Fax Back Enrollment
(Please complete the following & fax it back to AFD @ (248) 557-9610

_____ Yes, I want to participate in the FMI Group Advantage Program.

Name: ___________________________ Company: __________________
Address:______________________________________________________
Phone: _________________ Fax:_________________ Number Attending:____
Number of Hotel Rooms Needed:_____ -single _____-double_____-suite____

And it was said of him that he knew how to spend Christmas well, if any man alive possessed the knowledge. And may it be said of us, and all of us. And so, as Tiny Tim exclaimed, God bless us, everyone!”
— A Christmas Carol

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It's The People That Make Budweiser Number One

Adolphus Busch was born out of the joining of two families and of two principals: product quality and personal excellence. In 1860 Eberhard Anheuser, a prosperous soup manufacturer, purchased the failing Bavarian Brewery in St. Louis. Adolphus Busch married Eberhard's daughter Lilly, and soon began working as a salesman. Adolphus became a full partner in 1869.

During the early years, Eberhard and Adolphus brought the brewery back from the brink of destruction three times. Following Eberhard's death in 1880, Adolphus became company president. Adolphus was a master at understanding and utilizing both technology and marketing principals. For example, he revolutionized the industry by introducing refrigerated rail cars. He was also the first U.S. brewer to pasteurize and bottle beer. In addition, he introduced the eagle as the corporate logo in 1872. Adolphus' business card is a true testament to his marketing savvy; he gave business associates a pocketknife with a peephole containing his portrait. His innovations and marketing genius brought Budweiser from a home-town favorite, to a beer that all of America could enjoy.

Budweiser was introduced in 1876, but it wasn't until the 1950s that it became an industry leader. In fact, wholesalers used to add Budweiser to their routes as a secondary brand. Goebel and E & B, to name a few, were much more popular; they were also less expensive.

Adolphus died in 1913 and his son, August Busch Sr., and grandson, Adolphus Busch III, led the brewery through World War I, prohibition, the Great Depression and World War II. During these difficult times, August Sr. was concerned with both keeping his workers employed and keeping the company solvent. During prohibition, non-alcoholic beverages, ice cream, bakers yeast, refrigerated cabinets, and auto truck bodies were added to the Anheuser-Busch portfolio. For example, five million cases of a cereal beverage called Bevo were sold in 20 countries.

Immediately after prohibition ended in 1933, the Busch's refocused their energies on Budweiser. August Jr. presented his father, August Sr., with a Clydesdale hitch to help celebrate the end of prohibition. This began the long tradition of the now famous Budweiser Clydesdales. Although the ban was repealed and the Busch's were celebrating, personal crisis and the burdens of...
Meet Bill Jones

Continuing the Anheuser-Busch tradition of quality

Great leaders, both professionally and personally, are the norm at Anheuser-Busch. In the local arena, Bill Jones, regional vice president, has proved himself professionally, and is now becoming a real-life example of the good Samaritan. Bill has only worked for one company. From 1976 to 1980, Bill attended Washington University in St. Louis, and received a bachelor's of accounting. He worked as a summer intern at Anheuser-Busch during those four years.

After he graduated from college, Bill was offered a full-time position with Anheuser-Busch in the project marketing department. In 1980, he left his family and moved to Los Angeles. "My mother always taught us to leave home and go find our own place in the world," said Bill. Working for Anheuser-Busch also made it easier to leave. Bill traveled three weeks out of every month. "I met friends all over the country," he explained. "I went to the neighborhood basketball court to shoot hoops every Saturday afternoon. Before long there were enough guys on the court to play a game."

Bill was never in one position for long. In 1981, he became a route pre-saleman in Slymar, California. In 1983, he was promoted to area manager back in Los Angeles. He was in charge of the African American market in Los Angeles and Nevada. "Anheuser-Busch realized long ago that minorities were an important business market," explained Bill. Anheuser-Busch's relationship with minorities has never been just one way. Since 1979, Anheuser-Busch has helped raise $156 million dollars for the United Negro College Fund. "Different cultures are what adds value and character to an area," said Bill.

In 1984, Bill was promoted to district manager in Oakland, California. He was only in Oakland for a year, but it was long enough to meet and marry Phyllis. In 1985, he was promoted to division administrator, so Bill and Phyllis moved to Sacramento, California for the next four years. During that time, William II, their first child was born.

In 1990, Bill was promoted to national budget coordinator in St. Louis. It was at this time that Bill and Phyllis started opening up their home to needy children. They adopted Ryan in 1991. Over the next few years Bill received numerous promotions in St. Louis. In 1993, he was promoted to national field sales manager in St. Louis. In 1994 they moved to Detroit for a sales director position. In 1995, Bill was promoted to regional vice president in charge of Michigan, Wisconsin, Minnesota, North Dakota and South Dakota.

In 1998, Bill and Phyllis brought seven needy children into their home, ranging in ages from three to 11 years old. Plus, they had a baby girl in 1997. "They currently have ten children living at home. "The most important thing we can teach these children is structure and guidelines," explained Bill. "If they can understand consequences, they can learn to make their own decisions." Bill told 11-year-old Evita that there were advantages for getting high grades in school. "I told her I would be disappointed with low grades, and that I would be the first person meeting with the teacher if she got good grades." After receiving a call, Bill left work in the middle of the day to meet with Evita's teacher about her A grade.

Every Saturday night the Jones family sits around their two kitchen tables, and everybody has to say something good that they did during the week. "One of the girls said that she was able to just be a kid that week," explained Bill. Children with problems at home grow up really fast, and many times they have to raise younger brothers and sisters. Bill insists that his children enjoy just being kids. Here's some food for thought this holiday season. "If every person would take care of just one child, many of society's problems would be gone," said Bill. The Jones family is a living testament to "being your brothers' and sisters' keeper." It truly is the strength of character and the commitment of employees at Anheuser-Busch that make Budweiser number one.
105th Congress – good for Convenience Stores

The 105th Congress adjourned after approving a massive $520 billion spending bill. Overall, the results of the 105th Congress have been very good for the convenience store/petroleum marketing industry. Here are some of the NACS accomplishments:

- Defeat of the tobacco settlement legislation that would have raised tobacco excise taxes by $1.00 per pack and would have placed in jeopardy our industry’s ability to sell this product without FDA’s oversight and approval.
- Victory in the U.S. Court of appeal which ruled FDA lacks the authority to regulate tobacco. NACS was the only retail trade association to participate in the suit.
- Defeat of the minimum wage increase that would have increased the wage rate by $1.00 per hour.
- Defeat of an effort to eliminate all access fees at ATM machines.
- Significant changes to the Occupational Safety and Health Administration’s (OSHA) workplace violence recommendations. The recommendations, while in part still objectionable to NACS, were significantly changed compared to their first release in April, 1996.

Convenience store sales by product category

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Percent of Dollar Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco</td>
<td>27.6%</td>
</tr>
<tr>
<td>Beer</td>
<td>14.0</td>
</tr>
<tr>
<td>Packaged Beverage</td>
<td>13.6%</td>
</tr>
<tr>
<td>Foodservice</td>
<td>12.0</td>
</tr>
<tr>
<td>Candy</td>
<td>4.7</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>3.9</td>
</tr>
<tr>
<td>Salty Snacks</td>
<td>3.8</td>
</tr>
<tr>
<td>Milk Products</td>
<td>3.4</td>
</tr>
<tr>
<td>Publications</td>
<td>2.6</td>
</tr>
<tr>
<td>Edible Grocery</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Top beer brands in convenience stores

The top 25 beer brands in convenience stores increased dollar volume by more than $1.1 billion last year. Industry leaders Anheuser-Busch Companies, Miller Brewing Company and Coors Brewing Company combined for over 80 percent of the market share. Here are the top 10.

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budweiser</td>
<td>21.9%</td>
</tr>
<tr>
<td>Bud Light</td>
<td>15.0%</td>
</tr>
<tr>
<td>Miller Lite</td>
<td>8.5%</td>
</tr>
<tr>
<td>Coors Light</td>
<td>6.4%</td>
</tr>
<tr>
<td>Busch</td>
<td>5.0%</td>
</tr>
<tr>
<td>Natural Light</td>
<td>4.4%</td>
</tr>
<tr>
<td>Busch Light</td>
<td>2.9%</td>
</tr>
<tr>
<td>Miller Gen. Draft</td>
<td>2.7%</td>
</tr>
<tr>
<td>Miller High Life</td>
<td>2.1%</td>
</tr>
<tr>
<td>Milwaukee's Best</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Source: A.C. Nielsen Annual

Convenience store annual convention

The National Grocers Association Annual Convention and Exposition

January 27-31 Moscone Convention Center • San Francisco, California

The 1999 N.G.A. Convention spotlight is on Solutions — How to compete more effectively, how to operate more efficiently, and how to serve your customers more profitably. And solutions abound at the N.G.A. Convention!

SOLUTIONS—in its 30+ educational sessions, including:
- Operation Neighborhood Watch: Beating the Supercenters
- Reinventing the Supermarket: a Destination Center for Lifestyle Choices
- Center Stores: Taking Back Our Business
- Meeting the Needs of a Diverse Workplace
- Food Safety Issues: What Does it Mean to My Customer and to My Operation?
- Home Meal Solutions: Implementing the Successful Game Plan

SOLUTIONS—in the Exhibit Centers, featuring leading manufacturers grouped by their focus on these real solutions:
- Branded and Private Label Products
- Home Meal Solutions
- Creative Store Design
- Operations and Technology
- Human Resources
- Healthy Lifestyles
- New Profit Centers
- Store Fixtures and Equipment
- Marketing

SOLUTIONS—in the Conferences-Within-the-Convention: The Joint Marketing Conference and the Human Resources Conference
- Tours of San Francisco area retail formats
- Grocers-PEC Golf Tournament
- The National Best Bagger Competition
- Creative Choice Awards for Advertising and Merchandising
- Food Safety Training and Certification Course
- Headline entertainment featuring Suzanne Somers and The Oak Ridge Boys

For complete information call N.G.A. at (703) 437-5300.
Winners named in 12th Annual Truck Driving Championship

Twelve finalists were awarded top prizes during an awards ceremony and banquet at the 12th Annual Food Industry Truck Driving Championship October 24-25 in Nashville, Tennessee, immediately preceding the 1998 Food Industry Productivity Convention & Exposition. One hundred-and-six of the food industry's best truck drivers completed in this popular event sponsored by Food Distributors International and Rider Transportation Services, along with several other corporate sponsors.

All drivers participating in the annual event had superlative driving records, and had won company, state, regional or national competitions to qualify for the Food Industry Truck Driving championship. First place winners in the three categories of competition—20/22-foot straight truck; 28-foot tractor/trailer; and 48-foot tractor/trailer—each received a $2,000 travel award, $500 cash, a grand prize trophy, and an Olympic-type medallion. Second and Third place winners also received cash prizes and trophies. Ryder Transportation Services sponsored the awards banquet and the prize awards. Other event sponsors included Coca-Cola USA, J.J. Keller & Associates, Kellogg Company, Magline, Inc., Minute Maid, Thomas M. Williams & Associates, and Utility Trailer Manufacturing Company.


Steve Telep, Gordon Food Service of Brighton, Michigan, won first place in the 28-foot Tractor/Trailer Category.

Ecco D’oro Adds Marketing and Sales Executives

Ecco D’oro Food Corporation of Barrington, Illinois has added Linda Fontana, 51, as vice president of marketing and Bill Egan, 58, as vice president of field sales to its management team. Additionally, Fontana was elected to the board of directors and executive committee of the private label pasta manufacturer.

"Linda and Bill bring significant strength to our marketing and sales efforts as a result of their foodservice experience," said Craig Smith, president of Ecco D'oro.

Fontana's responsibilities at Ecco D'oro include corporate communications, corporate identity, marketing and new product development. Egan is charged with developing and directing a broker network for foodservice and industrial sales. "Both will use their strong leadership skills to build the firm's private label franchise, strengthen existing business and increase revenues," said Smith.

Egan brings 30 years experience in sales. Prior to joining the pasta producer, he managed sales and marketing programs for the Stouffer Corporation, a division of Nestle Food Services. In this role, he supervised sales and marketing activities of area managers and broker representatives serving foodservice customers in the commercial, healthcare and education sectors. A graduate of Marquette University, Egan and his wife Sally reside in Batavia, Ill.

Ecco D’oro

WANTED: PECANS

You’ve gotta be nuts not to be a member of AFD!

Your competition is and they are making money lots of money saving on AFD services and benefits.

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Gourmet and specialty food markets feed more Americans

The American palate for gourmet quality steadily improves

A steadily increasing part of the American public is taking pleasure in the offerings of the quality food market. As a result, sales of gourmet foods and beverages through all retail channels have increased steadily to almost $39 billion in 1997, according to The U.S. Gourmet/Specialty Foods Market, a new study from Packaged Facts, the New York City-based research firm.

A greater number of people perceive more expensive and higher quality food products are affordable luxuries, so marketers are able to target a larger population for their products.

A cuppa “good” coffee

Americans will pay more for better coffee experiences. Flavored coffees, for example, are the favored types of specialty coffees, accounting for approximately 30 percent of coffee sales. As sign of these changes, there were 5,600 coffee cafés, espresso bars and carts in the United States in 1996–double the 1994 figure.

More choices in basic categories

Marketers are developing more options in the pasta category. The Mendocino Pasta Company’s World Cuisine label offers California Szechwan and Thai Black Bean flavors of folded fettuccine. Meanwhile, consumption of cheese has increased 30 percent in the last 10 years, reaching an average of 36 pounds per person annually.

Ethnic flavors on Main Street

Salsa now outsells ketchup, and traditional Thai ingredients such as coconut milk and lemongrass are now being incorporated into everyday eating. At the same time, the ethnic composition of the United States is rapidly changing. Besides representing sizable new markets on their own, ethnic populations are having a profound effect on the nation’s taste buds.

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Documenting the role of specialty foods

Willard Bishop Consulting conducted a market analysis for the National Food Distributors Association (NFDA) to understand the impact of specialty foods on a retailer’s better customers. During the holiday season, when specialty foods play an important role in retail food sales, this study is of particular importance. Here are some of the key findings from that study:

1. Specialty foods can make up a large percentage of a household’s spending in any given category.

Customers who purchase specialty foods in a given category are particularly loyal to specialty foods in that category. For consumers purchasing specialty products in a given category, on average, 64 percent of their total spending in that category is for specialty food products.

Depending on the category, average customer spending on specialty foods (for customers purchasing specialty foods) accounts for between 42 and 100 percent of their spending in that category.

2. Consumers who purchase specialty foods also tend to purchase mainstream items, i.e. non-specialty, from the same category.

While specialty foods spending comprises a significant percentage of customer spending in a particular category, many consumers who purchase specialty foods also purchase mainstream products on the same trip.

3. Specialty foods are particularly important to a retailer’s most important shoppers.

The market basket analysis demonstrates that not only do many of a retailer’s more important shoppers purchase specialty food products, but they also account for a disproportionate percent of specialty food sales.

• The top 10 percent of customers account for between 25 and 32 percent of specialty food sales in a given category.

• Better customers, i.e., the top 20 percent by spending, account for between 38 and 52 percent of the specialty food sales in a category.

On the flip side, the analysis reveals that only 20 percent of the specialty food sales come from the bottom 50 percent of the customer base. This calls out the importance of specialty food products for a retailer’s own better shoppers as well as the competition’s better shoppers.

4. Customers who purchase specialty foods are even better customers than market baskets that don’t.

As you’d expect, market baskets that contain specialty foods have a higher ring than market baskets that don’t. In fact, for the average customer, market baskets with specialty foods are almost twice as high as those without.

The real acid test is comparing market baskets with a specialty foods to total weekly spending. This analysis reveals that top customer market baskets with specialty foods are almost 9 percent higher than average weekly spending for top customers. When you consider that specialty food products account for about 8 percent of that market basket, it’s clear that specialty foods drive up top customer spending.

5. Specialty foods represent profitable sales for the retailer.

Not only are specialty foods important to retailers because of their own better customers, but specialty foods also represent value to the bottom-line because that are generally sold at regular retail price. Specialty foods are typically a higher-margin product for retailers. Our market basket analysis illustrates that customers tend to pay full price, i.e., full-margin, for specialty foods.

When it comes to the impact on the bottom line and the appeal to their better customers, retailers can’t ignore the value of carrying specialty food products.
Value-Added Products gaining popularity in traditional departments

Today it is possible to find a preparation shortcut for every meal - melon balls for breakfast, sliced vegetables for kids' lunches and chopped chicken for a stir-fry dinner. FM\'s Trends in the United States - Consumer Attitudes and the Supermarket. 1998 reveals that over 65 percent of shoppers purchase some type of value-added product at least once a month. Items such as pre-cut, clean and ready-to-cook vegetable items and pre-cut, cleaned and bagged salads continue to grow in popularity. And, retailers are anticipating further growth.

According to recently released Food Marketing Industry Speaks 1998 data, almost 17 percent of produce department operators feel that the greatest growth area would be value-added produce. Another department experiencing growth in the value-added product arena is the meat department. Speaks data reveal that value-added meat products would amount to 14 percent of meat sales by the year 2000, compared to 6.7 percent on 1997. Washing, chopping, shredding and packaging are what add value to the fruit and vegetable products. Speaks data show that the most prevalent value-added produce item offered is coleslaw.
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