Allen Park distillery to close
After 30 years, Union Distillers & Vintners N.A. will close in 18 months, leaving about 400 workers unemployed.
Company officials cited the results of a year-long manufacturing study that showed the company has too much production capacity.
"It was recommended that the Allen Park facility be closed," said Jack Shea, spokesman for United Distillers.

Spartan Stores to purchase Glen’s Markets
In keeping with its plans for growth and expansion in the supermarket industry, in January Spartan Stores, Inc. announced that it will purchase the Glen’s Markets supermarket chain. The transaction should be completed in 60-90 days. No purchase price was announced.
"Spartan is a perfect partner as we look to transition our stores for the future," said Glen’s Markets Chairman and Chief Executive Officer Glen A. Catt. "They are growth oriented and well run. They know the Michigan market and they know many of our associates and our customers."
Spartan has been in the acquisition mode. In November Spartan purchased the 8 Ashcraft Markets. Then in late December, they announced the planned purchase of the 13-store-chain of Family Fare. These purchases signify Spartan’s first return to retail ownership since the sale of its last corporate-owned store in 1994. Glen’s Market was founded in 1951 by C. Glen Catt, who operated a single supermarket in Gaylord, MI.

Earning daily bread is faster
For your customers who yearn for the good old days or complain about the high price of milk, according to the Federal Reserve Bank, earning our daily bread takes less than a third of the time it once did. The job time required to pay for a 12-item food basket has decreased from 10 hours to under two.

WIC Application Deadline Reminder
By now all current WIC authorized vendors in the southern part of the state should have received an application and instructions to apply for a new contract.
Please remember that your application is due by March 31, 1999.
Other vendors in the southern part of the state who wish to be considered for WIC authorization may also apply during this period by sending a written request for an application. Late applications will not be considered.

FOOD & BEVERAGE REPORT
An official publication of the Associated Food Dealers of Michigan and its affiliate, Package Liquor Dealers Association
February 1999
Working hard for our members!
TRY ONE

GREAT COLA TASTE
ONLY ONE CALORIE
New Year, New Challenges

By Joe Sarafa
AFD President

In these days of industry consolidations and mergers, retailers are faced with additional challenges—increased competition from supercenters, warehouse clubs, chain drug stores, and gas stations; and ever-increasing changes in government regulations.

However, each day we have the opportunity to compete for customers in the free enterprise system. We have the chance to do our best to serve our customers. We are truly blessed. In this time of changes and challenges, I find that customers still care about quality products, price, convenience and good service. The customer is still king.

From my experience as a former retailer, I know that some of the most enjoyable times that you spend each day is the time spent with your customers. Speaking to children, calling the customer’s name, listening to their requests and opinions and letting them know that you appreciate their business—they are all the little things that are important to your success.

The retail and wholesale food and beverage industry is an exciting and rewarding business. I look forward to working with you to meet the challenges of this new year and the next millennium.

Time for “Hollywood Nights”

I hope to see many of you at our annual Trade Dinner on Friday, February 12, themed “Hollywood Nights.”

This year we honor Don Gundle, retiring Chairman of Crossmark (see story on page 30). A special thanks goes to our Trade Dinner Co-Chairs, Lou Cranko of Acosta-PMI and Vic Ventimiglia of Vic’s World Class Markets. These gentlemen have done a great job. No detail has been overlooked and as we draw nearer, I can say that “Hollywood Nights” will certainly be a party to remember.

Notes of congratulations

On a personal note, I would like to welcome two new AFD members to our board of directors. Vic Ventimiglia from Vic’s World Class Markets joins us as a new board member and Marty Miller of Coca-Cola becomes an AFD advisory board member. I look forward to working with these fine gentlemen.

I would also like to wish Don Gundle an enjoyable retirement. Don has been a long-time friend and supporter of AFD, as well as a personal friend. We have appreciated his participation in our events, activities and programs and I hope Don will stop by often for coffee!

Congratulations goes to Bill Martin, who was recently appointed by Governor Engler as the new director of the Department of Corrections. It has been an honor and a pleasure to work with Bill over the years as Michigan’s Lottery commissioner and we wish him well in his new position. We also welcome the new Lottery Commissioner, Don Gilmer, and look forward to continuing the relationship that started when Don served on the Michigan House of Representatives.

See President’s Message page 5
Democrat Jennifer Granholm earned the confidence of the working class to become Michigan's first female Attorney General. Upon taking office last month, she says she begins “to fill Frank Kelley’s big shoes.” Kelley had such a phenomenal legacy of consumer protection and protecting the little guy. I will make sure that is preserved,” said Granholm. Although just 39 years old, Granholm is approximately two years older than Kelley was when he took the office in 1961. He retired after 37 years in office.

Prior to Granholm’s election last fall, Frank Kelley was quoted as saying, “Jennifer Granholm has demonstrated throughout her life, a commitment to people and the energy, capability and willingness to take on and solve the toughest people problems. She has been the outstanding Assistant U.S. Attorney and Corporation Counsel for Wayne County. I would be delighted to turn over my office to Jennifer Granholm.”

Granholm was the youngest person and the first woman to be appointed head of the Wayne County Corporation Counsel. She was head of 75 employees and a $9.5 million budget for Wayne County, the largest county in the state. What she did for the county, she now does for the state. Instead of representing the county, county officials and employees in 2,000 cases or matters at any given time, she now oversees 20,000 matters pending at any given time.

As attorney general, Granholm says she is the “top law enforcement officer of the state,” and with 600 employees in her office—of which 300 are lawyers—she runs “the largest law firm in the state.”

Our new attorney general was born in Canada and grew up in northern California. She graduated from the University of California at Berkeley with straight As and made Phi Beta Kappa. She graduated with honors from Harvard Law School, where she was editor-in-chief of the Civil Rights/Civil Liberties Law Review. She was the first person in her family to attend college.

After graduating from Harvard, she clerked on the Federal Court of Appeals for Hon. Damon J. Keith. She was a federal prosecutor for four years at the U.S. Attorney’s Office in Detroit, successfully convicting drug dealers, gang members, bank robbers and child pornographers and achieving a 98 percent conviction rate. Granholm named William Richards from that office as her new state deputy attorney general. “Bill was my mentor when I was at the U.S. Attorney’s Office, and I can think of nobody with better principles and who is as well respected,” said Granholm. Richards is a 14-year veteran of federal prosecutions and was former chief of the General Crime Unit at the U.S. Attorney’s office.

During her four years as Counsel for Wayne County, her office reduced by 87 percent the amount of money that county taxpayers had to pay in defense of lawsuits brought against Wayne County. In 1997, she was recognized for her efforts in Crime’s Detroit Business as one of the “Top 40 Under 40.” She also received the YWCA’s Woman of Achievement award that year. Granholm was destined to be Detroit’s rising star and she has blazed trails for her family, for the working class, for women and for young people in politics. There is speculation that she will be a candidate for governor in 2002 when Engler’s term limit is completed. But now, she is busy with her new position.

As chief law enforcement officer of the state, Granholm has a vast new spectrum of responsibilities. Her duties include representing the State and the Governor, protecting consumer’s rights, protecting consumer’s pocketbooks against fraud and unfair prices and rates, protecting the environment, overseeing the 83 elected county prosecutors throughout Michigan and directing criminal policy.

The attorney general’s office steps in when county court cases cross jurisdictional lines, such as Internet crimes. The office is setting policies and enhancing penalties regarding Internet crime such as child pornography and sexual predator offenses. One of Granholm’s platform issues is fighting child pornography.

“The penalty for possession of child pornography increased due to recently enacted truth-in-sentencing laws,” Granholm explains. This requires criminals to do at least the minimum sentence instead of being released on parole early. “It provides some reassurance to people to know that if someone is sentenced for 30 to 50 years, they are going to do 30 years,” Granholm adds.

See Granholm, page 5
President's Message

It is still illegal to post temporary signs
by Joe Sarafa, AFD President

In 1995, Detroit City Council passed an ordinance that generally prohibited the posting of temporary signs and banners on businesses within Detroit. Similar laws have been passed in many cities across Michigan. These laws were created because many stores were so cluttered with temporary signs that they presented an unsightly and blighting appearance.

The Detroit ordinance was passed with the support of the Associated Food Dealers of Michigan. A follow-up informational campaign before the ordinance was enforced, led to a very noticeable and positive change in Detroit's storefronts.

It is almost four years since Ordinance No. 28-94 took effect and it appears that some suppliers and distributors may have forgotten about it. I recently received a notice from the City of Detroit noting that some commercial premises sported new temporary signs.

This is a reminder that it is both illegal and unsightly to post temporary signs. You will be ticketed for violating the local ordinance.

Temporary signs include banners and other plastic and paper signs of a temporary nature. These signs are fine inside your store but should not be displayed outside - not on the building, not on a fence, not on sign poles, and especially not on utility or light poles.

Ordinance No. 28-94 does not restrict properly permitted and licensed signage of a permanent nature. Nor does it prohibit the occasional display of temporary signs. For example, signs for grand openings and other special events are permitted for 15 days as long as a permit is obtained from the Buildings & Safety Engineering Department.

If you have questions about sign placement within the Detroit City limits, contact Rory Bolger at (313) 224-3219.

Granholm, Detroit's rising star
continued from page 4

In addition, the sentencing guidelines recently signed into law narrows the variation of sentences for a specific crime. "With the new guidelines, there's not a huge amount of discretion for judges," says Granholm.

With this new legislation, there will logically be an increase of prisoners which requires more prisons. "I think we need enough prison space to accommodate the people who are convicted and who are violent criminals," she added. "I'd love to see our state invest resources in the front end for first time non-violent offenders, especially in the case of juveniles where you have a chance at getting them early," says Granholm.

She explains that the city of Boston has developed a very effective model for mentoring juveniles by establishing partnerships between schools, churches and police departments to help track juveniles and provide an adult presence. "We'd like to look at this in the next four years. It will require a lot of work and orchestration to establish the partnerships," she admits.

Changing criminal policy is another responsibility for Granholm who plans to work on a bystander law. This type of law would make it a crime to witness a child being assaulted and not report it.

Legislation requiring a criminal background check for caregivers to the elderly is on the agenda as well.

Granholm is married to Dan Mulhem, a Yale University and Harvard Law School graduate who is employed in leadership training. They have three children aged nine, seven and one. The family enjoys traveling to historic places throughout Michigan and playing basketball.

Granholm has risen through the ranks rapidly and attributes her success to her heroes and mentors. She has learned her lessons well and now Detroit's rising star is shining on the Michigan horizon.

STOP CASHIER THEFT!

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.
Makin' bread, in every sense of the word!

Breadsmith of Okemos has recipe for success

by Ginny Bennett

If you come to the Breadsmith bakery in Okemos and you are under five feet tall, or bring a small child with you, you'll get a special invitation to try a cookie. Everyone else is generously offered their choice of bread samples, big, warm, fragrant slices.

This is just one way Tom Beauvais builds customer loyalty for Breadsmith of Okemos. One outlet in a chain of 55 franchises nationwide, it has the third highest grossing sales. The store is approaching $1 million in sales after opening 20 months ago.

"It is just a little bakery," Beauvais says jovially. "I have to make each customer's visit to the bakery a fun experience because this bread is special. It's not for everyone. It is a little expensive, and customers have to go out of their way to buy it."

During my visit, grown-ups scrunched down trying to make themselves shorter than the counter so that they could qualify for a cookie. It's that kind of place; friendly, relaxed and inhabited by lovers of wonderful, crusty loaves of bread.

A simple baguette is $2.25, while specialty loaves run up to $4.95. No preservatives are added. A French or Italian loaf is comprised of just flour, water, salt and yeast. From there the Italian loaf is comprised of just flour, tomatoes, cheese or olives and ingredients like onions, sun-dried tomatoes, cheese or olives and walnuts, raisins, cherries, or almonds.

Bread is the primary product although Breadsmith has cookies, muffins, sweet rolls, and croutons everyday. French Vanilla bread, as rich as pound cake, was being sampled the day I was there. Seven loaves are standard fare with several other rotating choices available daily.

Colleen Seymour, one counter employee/baker added, "If there is a loaf, then there is a roll," meaning that each variety of bread dough is formed into both loaves and rolls. While many bakeries are closed on Sunday, Breadsmith is open seven days a week and has a line out the door after churches let out.

For Beauvais, who was semi-retired, opening the Breadsmith was a way of staying busy. He enjoyed cooking and baking all his life and a bakery looked like a fun hobby. However, a hobby for Beauvais, to anyone else would be a full-time occupation.

Although becoming a breadmaker is a relatively recent title, making "dough" is nothing new to Beauvais. Throughout his working career he has owned and operated numerous companies—all media related. He is a partner of Patten Corporation, an advertising agency in Bloomfield Hills, that developed the recognizible theme for a Merollis Chevrolet dealership commercial. He has also owned numerous radio stations. Currently he owns WPGR in Grand Rapids and is building a new station in Frankenmuth. These projects keep him busy a couple of days a week. The Breadsmith "hobby," however, has turned into a 60-70 hour-a-week commitment.

"Success gets in your blood and you want to do better every month," he explains. In addition, his wife Katherine works on the counter, does the payroll and handles personnel. Beauvais is particularly pleased and proud of the way his wife has stepped in and helped out. "Katherine stayed at home working to raise our four children and this is a new role for her," he says. A daughter, JoAnne, is the Breadsmith manager.

There are nineteen other part-time employees, including assistant manager Pat Robbins. Most are Michigan State University students. "With more employees, I could expand my business by one third to one half," says Beauvais.

As it is, the bakery is open almost around the clock. The mixing begins at 10:00 p.m. and production starts at 2:00 a.m. At 7:00 a.m. the freshly baked bread is displayed on shelves and they sell until it is gone by the late afternoon.

Beauvais, who is a big believer in advertising, says sales have grown almost entirely by word-of-mouth! In addition to walk in customers, Beauvais has a delivery route and regularly sells his product to MSU's University Club, the Kellogg Center, and Horrocks, a major Lansing fruit market.

A jolly baker, super friendly employees and taking plenty of time to chat with customers are only part of the mix. A frequent buyer card gives a free bread loaf of the customer's choice, after 12 loaves are purchased and the card is punched 12 times. Then that punched-out card goes in a bowl for a drawing. In December, 594 cards were redeemed.

Beauvais learned about Breadsmith by chance. Katherine was watching football on one TV set and Tom wandered into another room and began flipping channels on another TV set. His attention was held by the local PBS channel and an interview with the founder of Breadsmith.

Intrigued, Beauvais called the company and learned as much as he could about the franchise opportunity. Together he and Katherine found a nice landlord with a great location and easy in-and-out access to a busy corner near the intersection of Grand River and Okemos Road. They designed the bakery themselves. The franchise included baking lessons at the Breadsmith school in Milwaukee, Wisconsin. Beauvais says the two week training was very worthwhile.

Bread is a basic necessity. Beauvais knows that economical commercial loaves of bread are available everywhere. He believes that quality loaf the consumer is longing for is available at Breadsmith. He is determined to provide a superior product because he knows customers forego convenience and economy to come to Breadsmith.

With a little showmanship, Beauvais hopes to keep making bread, in every sense of the word!
Convenience Store Corner

No time to cook:
Hungry people reach for meal kits

Meal kits are the new and key component for the foodservice of the year 2000

This new 1990s Meal Kit marketplace was initiated by a pioneering lunch product, Kraft Food’s Oscar Mayer division’s original Lunchables, in 1989. Tyson Food Complete Meal Kits and Pet’s Old El Paso Soft Taco Dinner made powerful claims on the dinner menu in 1992.

The $1.2 billion market of 1998 was ignited by the 31 percent compound annual growth from 1993 through 1997, and the originating products still dominate their mealtime categories in 1998, according to The U.S. Market for Meal Kits, a Packaged Facts brand report from Kalorama Information, the market research publishing company. Sales of Oscar Mayer Lunchables, the originating product in the refrigerated lunch pack category, held 78 percent of dollar sales in 1997, with a rise to $434 million. Newcomer Pillsbury’s Green Giant’s Create a Meal! suddenly shares top billing in the dinner kit category with Tyson Foods and Pillsbury’s Old El Paso.

The 10-Minute Gourmet

According to the Food Marketing Institute, today’s cook doesn’t want to spend more than 20 minutes on meal preparation, a time expected to drop to 10 minutes by the year 2000. Preparation times for current dinner kits range from 2-3 minutes for Tanimura & Antle’s Hot Bowls to 30 minutes for Oven Roasted offering from Green Giant Create a Meal!

What’s quick for breakfast?

In summer 1998, Kellogg became a pioneer in the barely tapped breakfast kit market by launching Breakfast Mates, refrigerated single-serving cereals, packaged in a disposable bowl with a container of milk and a spoon. Meal kits are becoming an entrenched part of the American eating horizon, and with the right degree of name recognition and convenience, Kellogg might well have a winning combination on its hands.

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, Eshaki & Youngblood P.C. in Detroit is proud to announce that Thomas J. Gaichno — a recognized Michigan liquor law expert — has joined the firm. A former Michigan assistant attorney general, Gaichno represented the Michigan Liquor Control Commission for 23 years. He is qualified to help companies in metro Detroit deal with Michigan’s regulatory and administrative liquor law hurdles.

Abbott, Nicholson, Quilter, Eshaki & Youngblood, P.C., 300 River Place Suite 3000, Detroit, MI 48226-4291 (313) 566-2500 Fax (313) 566-2502 e-mail anqey@anqey.com

Member Commercial Law Affiliates With Independent Firms In Principal Cities Worldwide

AFD Food & Beverage Report, February 1999...
Foodservice industry explored at annual conference

Foodservice professionals from around the world will gather for the Society for the Advancement of Food Service Research (SAFSR) and Research Chefs Association Annual Conference at the Westfields Marriott in Chantilly, Virginia. "FEST 2000: Food, Equipment, and Safety Trends for Beyond 2000" will allow attendees to explore the financial forecast for the market ahead. Dr. Marvin Cetron, founder and president of Forecasting International, will present the keynote address. One of the world’s foremost futurists, he has been featured in numerous publications for his view on what the future holds for economic trends and implications for the foodservice industry.

For more information, contact Nick Vaccaro, Research Chefs Association, 304 W. Liberty Street, Suite 201, Louisville, KY 40202, (502) 992-0438.

Ecco D’oro gives contest winner a year’s supply of pasta and private tour of plant

Ecco D’oro Food Corp. presented Eleanor J. Froehlich, 72, with a year’s supply of Ecco D’oro pasta in honor of her award-winning recipe in the Great States of Pasta national pasta recipe contest.

The retired schoolteacher, who resides in Rochester, Michigan, submitted her original recipe in a contest sponsored by the National Pasta Association and Family Circle magazine. Ecco D’oro is a member of the National Pasta Association.

Ecco D’oro President Craig Smith and Chairman Bill Viviano gave Froehlich 50 pounds of Ecco D’oro pasta and a guided tour of the facility in Warren.

Livonia gets new supermarket

Bush’s supermarket opened in the Newburgh Plaza on Six Mile in Livonia, east of Newburgh in December. It replaces the Food Emporium, which closed two years ago. The site was vacant until Bush’s opening. The Livonia store is the chain’s 11th store and its second in Wayne county.

Midwest Wholesale Food’s Spring/Summer Show

Begin planning for your autumn sales with a trip to Livonia this spring. Midwest Wholesale Foods presents their Spring/Summer Food Show on Thursday, March 17 from 12:00 noon until 8:00 p.m. at Burton Manor, 27777 Schoolcraft in Livonia.

For more information, call Midwest Wholesale Foods at 1-800-552-6967.

Kmart looks for more store sites

Kmart is looking for potential store sites in Detroit and the suburbs with plans to develop 12 Super Kmart stores in 1999 and 25 Super Kmart stores in 2000 according to Laurence Anderson, Kmart Corp. executive vice president and president of Super Kmart.

Kmart used its new, 140,000 square-foot prototype design for the new Super Kmart store which opened in northwest Detroit in November. Most Super Kmart stores have 180,000 square feet. There are seven Super Kmart stores in metro Detroit, including the new stores in Detroit and Southgate.
Cheap pork makes farmers go belly up
Promoting pork at retail may help

Hog prices have plunged to record lows, forcing some farmers to quit and pushing others deeper in debt, wondering if they will ever dig out. Some have lost $2,000 a day, or two years' income in two months. Hog farmers lost about $2.6 billion in 1998, based on an average loss of $27 per animal, says Ron Plain, a livestock specialist at the University of Missouri. And although prices have rebounded slightly in recent weeks, no one expects a rapid reversal.

According to Dan Glickman, secretary of the U.S. Department of Agriculture, the pork producers are facing their worst financial crisis in over five decades. Glickman is seeking the help of food retailers and the livestock and meat industry to work to remedy the problem.

Glickman says the USDA is taking steps to help pork producers weather the storm. Our government has purchased more than $49 million since July, 1998 and has planned to purchase an additional $65 million over the next few months. Despite these efforts to move increased volumes of pork through the marketing chain, greater efforts are necessary. Glickman is calling on food retailers throughout the United States to consider additional creative marketing strategies that could stimulate sales of increased quantities of pork.

Prices of pork are at an all-time low. Glickman says that now is the time to promote pork. You'll be helping the hog farmer while giving your customers a true value.
For 83 years, the Associated Food Dealers has provided inspired leadership to the retailers, manufacturers and suppliers of Metro Detroit and the state of Michigan.

As we celebrate with you at your annual Trade Dinner, we salute your many years of success!

Best wishes from 7-Up Detroit!

See your 7 Up Representative for all your beverage needs!
Available from Anheuser-Busch in February...
INSTANT IMPACT. JUST ADD WATER.

HUNGRY FOR LIFE
THIRSTY FOR NAYA
WITH A NAME LIKE THIS

EXPECT SOME PRETTY BIG COMMISSIONS.

SEE HOW BIG BUCKS LIVES UP TO ITS NAME...FOR YOU!

The Michigan Lottery's newest $5 instant game offers players the chance to win up to $200,000 instantly! And with a retailer commission of 30c on every ticket you sell – $1.7 million worth of commissions in all – your customers won't be the only big winners!

Big Bucks makes its big debut on February 8. Sell it aggressively. Display it prominently. And think big!
Al’s Salvage Grocery saves hundreds of dollars with AFD insurance programs

Al Albert, owner of Al’s Salvage Grocery at 1421 Gratiot in Detroit saw the article in last month’s AFD Food & Beverage Report about AFD’s auto insurance plan with AAA and called to check rates. Albert switched to AAA. “It worked out good. We saved about $312 on three cars with AAA,” Albert said. He also switched his homeowner’s policy to AAA and reduced his yearly rate from $742 to $368. Find out how AFD can reduce your insurance rates by calling Judy at (248) 557-9600.

MLCC stings result in violations

Mark Smith, Director of Enforcement for the Michigan Liquor Control Commission, reported at a recent commission meeting that 350 decoy operations were conducted in October, resulting in 99 violations. In 47 percent of the violations, the store requested identification and then completed the sale anyway.

Boston Market files Chapter 11, changes name

Boston Market, formerly Boston Chicken, had been filling a niche of providing hot homestyle meals to customers in the home meal replacement category. Now with 900 stores, 750 of which are company owned, Boston Market filed Chapter 11 with $215 million in senior debt and $625 million in subordinate debt. Their franchise policy was acquiring too much debt due to loans to franchisees for opening locations. Another factor that contributed to their financial woes was due to marketing. The company strayed from the home meal replacement track. Now the company is focused on emerging from bankruptcy as soon as possible by reducing its debt, changing its name back to Boston Chicken and re-targeting the home meal replacement market with a strong concentration on chicken.

New members join AFD

The Associated Food Dealers of Michigan welcomes these new retail members who joined between October and December, 1998:

- Chris’ Lakeside Market
- Common Corners Mkt., Inc.
- Crawford’s Party Store
- David’s Liquor Shop
- Diamond Dot Market
- Drug Emporium, Inc.
- Glasgow Wine & Liquor
- Hass General Store
- Holiday Party Store
- Kwik Way Food Store
- Lakeview Market
- Merit Party Store
- Mona Lisa Shoppe
- Mottard Enterprises, Inc.
- New Detroit Liquor Shoppe
- Old Mill Party Store
- S.W.A.K. Inc. (Party Store)
- Sam’s Market
- Siemens’ Market
- Sugar Shack Party Store
- VZ’s Market Inc.
- Wanda Party Store
- Wilsons Market

ACOSTA-PMI Great Lakes Region

Providing the Service that Achieves Results!
Presenting the Jewel In the Crown

Crown Royal
SPECIAL RESERVE

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A Distinguished Blend From Canada’s Most Renowned Whisky Distillery

CROWN ROYAL SPECIAL RESERVE • IMPORTED IN THE BOTTLE • BLENDED CANADIAN WHISKY • 40% ALCOHOL BY VOLUME (80 PROOF)
JOSEPH E SEAGRAM & SONS. NEW YORK, NY
Lottery Welcomes Don Gilmer as New Commissioner

There are many changes afoot at the Michigan Lottery this winter, chief among them a newly appointed commissioner! Effective January 15, Gov. John Engler appointed Don Gilmer to replace the recently departed Bill Martin, now the director of the Michigan Department of Corrections.

Gilmer brings to the Lottery Bureau 22 years of legislative experience serving residents in Calhoun and Kalamazoo counties. In addition, Gilmer is currently a member of the Michigan Farm Bureau and a board member of the Michigan Association for Retarded Citizens, area chambers of commerce and numerous other community organizations.

Said Gov. Engler: "After a distinguished career as a state representative that spanned two decades, Don is well prepared for any challenges he may face as Lottery Commissioner. Michigan is fortunate to have someone with his leadership ability and experience in state government to take on this important responsibility.

Gilmer becomes the sixth commissioner to head the Lottery Bureau since its inception in 1972. On the heels of a record fiscal 1998, Gilmer said he plans to build on the positive trends already in place, namely a strengthened retailer base; a creative mix of on-line and instant games; and increased proceeds to the state School Aid Fund.

It was an easy decision to accept this appointment from Gov. Engler, said Gilmer. As one of the more mature lotteries in the nation, Michigan has years of experience from which to draw. I will do my best to work with Lottery staff and retailers to ensure continued growth on all levels.

Gilmer was born and raised on his family’s apple orchard in Augusta, where he still lives. He and wife, Lynn Weimeister, have three children: Laura, Steve and Jason.

Big Game, Big Changes

It's been just a few weeks since the Lottery unveiled changes for The Big Game; there are sure to be questions from players and retailers alike. Anytime we introduce changes to one of our games, it's crucial to get the correct information out to the public. By providing fast and accurate answers for your Lottery customers, you move a step closer to building relationships with a loyal customer base.

The game changes were implemented in mid-January and are expected to create Big Game jackpots that roll longer and grow more quickly. Prior to the game changes, The Big Game's highest jackpot approached $80 million.

The most significant Big Game change is the addition of a Cash Option for jackpot winnings. Now players may choose the payment option that best suits their needs: the Annuity payment, with equal prize installments over 26 years; or the Cash Option, in which a player collects the Present Cash Value of his or her jackpot share. (The Present Cash Value amounts to approximately half of the annuitized jackpot share.)

Cash Option is such a popular choice with players because it allows them to make their own investment decisions with the money the Lottery would have invested on their behalf to fund the annuity. The Cash Option was introduced to the Michigan Lotto game in July 1997; since then, consistently more than 63 percent of Lotto wagers placed are for the Cash Option. This is a game feature that Big Game players have requested for many months now, and we're glad to offer it!

See Lottery page 22
YOUR CUSTOMERS
WILL LOVE THE...

February 1, to February 27, 1999.

The Livin' Large Second Chance Sweepstakes gives Daily 3 & Daily 4 players throughout the state opportunities to use their non-winning Mid-Day and Evening tickets to win exciting cash prizes.

MORE CUSTOMERS!
MORE COMMISSIONS!
INCREASED DAILY 3 AND DAILY 4 GAME SALES!

Talk to your Michigan Lottery Sales Representative today to get all the Livin' Large details.

AFD FOOD & BEVERAGE REPORT, FEBRUARY 1999

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At AirTouch Cellular, we value our partnership with the Associated Food Dealers of Michigan. So we make it a priority to support AFD events and community programs. That's why AirTouch Cellular is proud to be a Platinum Sponsor of the AFD 83rd Annual Trade Show Dinner "Hollywood Nights"

Sponsored by:

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1-800-AIRTOUCH
The Hockey Beer For Hockeytown

Take Me To Your Cooler!
Fresh?

I’ll say!

For Your Good Health...

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Fresh Dairy Products Since 1950

1-800-686-6866 (option 2)
YOU'RE A DROP OF REFRESHMENT IN A THIRSTY WORLD.
Lottery
Continued from page 16

In addition, The Big Game Matrix changes to 5/50 + 1/36 with odds of roughly 1 in 76 million to match all six numbers for a jackpot win. Overall odds to win a cash prize are approximately 1 in 31.

Be sure to keep plenty of Big Game brochures on hand for your customers who have questions. If you have questions about The Big Game or anything else, let us know. Place a call to your Lottery representative and get the answers you need. We’re here to help make the Lottery a thriving part of your business!

Cigarette giants merge
British American Tobacco PLC, maker of Lucky Strike, Kent and other cigarettes, is expanding globally with the planned $7.48-billion acquisition of rival Rothmans International BV of the Netherlands.

The merger, announced in January, would create a tobacco maker with a 16-percent share of the world cigarette market, making it the second-largest global cigarette company after Philip Morris Cos. Philip Morris, manufacturer of Marlboro and other brands, has 17 percent of the world market.

Top 20 Brewery Shipments for Michigan
October 1998

<table>
<thead>
<tr>
<th>Brand</th>
<th>Year to date 1998</th>
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<th>% change</th>
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<td>2. Miller Brewing Co.</td>
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<td>8. Heineken USA, Inc.</td>
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<td>10. Distillers Prod. Sales (Seagram)</td>
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<td>34,043</td>
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Totals                      | 5,752,792         | 5,603,475         | 2.66     

Best of Luck for a Successful 1999

TRI-COUNTY Beverage Co.

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You won’t find better service or more competitive pricing for your insert advertising. Anywhere.

Stephens Nu-Ad Printing
Electronic Design, Imaging & Printing
17630 East Ten Mile Road • Eastpointe, Michigan 48021
Phone (810) 777-6823 • Fax (810) 777-1434

WE’RE HERE TO SERVE YOU!

- Full Service Printing
- Full Service Design Team
- Insert Advertising a Specialty
- State-of-the-Art Electronic Desktop Publishing System

The Stephen’s Nu-Ad Printing Family offers World-Class Printing at a Down To Earth Price.

22 AFD FOOD & BEVERAGE REPORT, FEBRUARY 1999
### Dan Abraham elected chairman of the board of NACS

The National Association of Convenience Stores (NACS) recently announced that Daniel Abraham was elected Chairman of the Association’s Board of Directors. Abraham is president of Garb-Ko, Inc., a Saginaw, Michigan based chain of 140 7-Eleven/Super 7 convenience stores. Abraham also serves as president of Savory Foods, Inc., a specialty gourmet bakery company. For over 75 years, Abraham’s family has served in the food and grocery business and is well-known for its distribution business in the upper Midwest. S. Abraham & Sons. The company became extensively engaged in the convenience store business in the 1970s.

Abraham is an alumnus of the University of Michigan, where he earned a Bachelor of Arts degree, Western Michigan University, where he earned a master of Business Administration degree, and The Thomas M. Cooley Law School, where he earned his Juris Doctorate.

---

### New Travel

**Michigan director**

Suzy Heintz was named director of Travel Michigan succeeding Richard Czuba. Heintz was formerly head of the Governor’s Southeastern Michigan office and former state Republican chair.

---

### Kelley receives fond farewell

*Three Governors he served pay tribute*

About 700 admirers, including the three living governors with whom he served gathered in December at the Hyatt Regency to pay tribute to Atty. Gen. Frank J. Kelley, the nation’s longest-serving attorney general.

Kelley, 73, announced in May that he’d voluntarily bring to a close a 37-year career as the state’s top law enforcement officer at year’s end.

The son of a Detroit saloon keeper, Kelley was elected to the post an unprecedented ten times—becoming a Michigan political legend.

Within a week of his retirement, Kelley announced forming a new law firm in Lansing with former state Representative Dennis Cawthorne and former Michigan Service Commission member William Ralls.

---

### Hobart

**Detroit Sales/Service Center**

43442 N 194 Service Drive
Belleville, MI 48111

- **New and Used Equipment Sales**
  - **Equipment Sales:** (734) 697-7060
  - **Service:** (800) 783-2601
  - **Parts/Supplies:** (734) 697-5444
  - **Film:** (800) 822-6236
  - **Warewashing**
  - **Cooking Equipment**
  - **Weigh/Wrap**
  - **HMR Solutions**
    - Authorized Repair Center for All Vulcan Products.

**15% SAVINGS ON HOBART SERVICE CHARGES**

Present this coupon to your Hobart service technician and save 15% on all charges. Valid at Hobart Detroit Branch only. One coupon per service call.

*Expires 6/30/99*
Ban on smoking in restaurants nixed

A Marquette city ordinance that bans smoking in local restaurants was struck down by a circuit judge because it sets tougher limits than required by the state health code.

Michigan law prohibits local governments from exceeding the statewide standards, ruled Judge John R. Weber. The ordinance banned smoking at workplaces and restaurants. Mayor Jack Leadbetter said the city would take the case to the Michigan Court of Appeals.

Though Marquette is the only Michigan city to ban restaurant smoking, other communities have been considering it because of the increasing evidence that smoking endangers nonsmokers health. The Centers for Disease Control and Prevention in Atlanta calls passive smoke the third-greatest cause of preventable death in the United States, including heart disease and cancer.

Under the Michigan Public Health Code, restaurants with fewer than 50 seats must designate at least 25 percent of capacity for nonsmokers. Restaurants with more than 50 seats, must have a minimum of 50 percent nonsmoking capacity.

People

Bouchard becomes Oakland County Sheriff

Senator Michael Bouchard (R-Birmingham) resigned to become Oakland County sheriff. He was to serve as the majority floor leader. Voters in the 13th Senate District will replace Sen. Bouchard in a special election on March 16.

Family Independence Agency director resigns

Marva Livingston Hammons resigned last month as director of the state’s Family Independence Agency to work for Colorado’s new Republican governor, Bill Owens. No new director had been appointed at press time.

Murray becomes State Treasurer

Doug Roberts, state treasurer since 1991, resigned to pursue opportunities in the private sector. Mark A. Murray was appointed by Governor John Engler as the new state treasurer and special policy advisor to the governor. Murray is formerly vice president for business and finance at Michigan State University. Prior to that he served as the director of Michigan’s Department of Management and Budget. Murray began his new post on January 10.

Cooperative risk assessment task force assigned

Officials from FDA, USDA, Centers for Disease Control and Prevention, National Institutes of Health, National Marine Fisheries Service, Environmental Protection Agency and the Joint Institute for Food Safety and Applied Nutrition have set up a cooperative task force to address the issue of risk assessment, including long-term research needs for food safety and establishment of a clearinghouse for food safety data. The establishment of this consortium was called for in President Clinton’s Food Safety Initiative. Public meetings will be held so the consortium can share its goals and objectives with industry.
Driving sales means making yourself heard! That's why Spartan Stores, Inc., offers high-impact, cost-efficient tools that will help you outshout the competition to increase your market share and average transaction size.

Our customizable programs and services deliver both immediate results and future dividends. Choose from...

- Promotional opportunities—grab attention and add in-store excitement.
- Marketing research—understand your customer... and your competition!
- In-store design and merchandising services—optimize traffic flow and product appeal.
- Meal solutions consulting services—put consumer trends to work for you!
- Marketing, advertising/printing and public relations services—build the image that will build your sales.
- Associate training programs—reap the competitive benefits of outstanding customer service.

Spartan Stores recently helped our store introduce many exciting new products and a fresh new look. The changeover, by nature chaotic and stressful, was softened by a Spartan-led effort that focused on both immediate and long-term concerns of our customers. This was a remarkable transformation—hard, yet well designed and smoothly implemented.

Hal and Jean Neiman
Owners
Neiman's Family Market

Visit our website at www.spartanstores.com
Discover great ways to pump up your volume via our new CD-ROM. Email mike_costello@spartanstores.com • 1-800-843-4422, ext. 8659
Dear AFD,

The I Care About Denby Student Government and the Kiwanis Club of Denby Technical and Preparatory High School would like to sincerely thank Mr. Ruel Williams of the Associated Food Dealers of Michigan for donating 10 turkeys for our Thanksgiving baskets. This donation from your organization greatly contributed to families who were in need.

Mr. Ruel Williams was more than happy to assist us in our endeavors and was a delight to work with. If there is anything that our organization can do to assist the Associated Food Dealers of Michigan, please feel free to call upon us. We may be reached at (313) 866-7200.

Sincerely,
Miss Lisa Thompkins, Student Government Advisor
Detroit Public Schools

Thanks to one and all, I appreciate you all for everything. God Bless You! Thank you for your generosity.
Mother’s Group, The Children’s Center, Detroit

Your thoughtfulness was especially appreciated and this is sent with special thanks. God Bless!
Rowena W. Gomer

Thanks a lot to Associated Food Dealers of Michigan.
Doreez

Thank you for that Thanksgiving present. And thank you for your kindness and respect.
Sincerely, Dora Gurevich

We send our sincere thanks to AFD and Southfield Human Services. Thank you for your kind attention and assistance! We wish you healthy and happy holidays.
Reznik family

You made our Thanksgiving dinner a great one.
Sam and Maggie Trice

I would like to thank each and every one of you. I would also like to thank Southfield Human Services for including me. Thank you again.
Claudia Pinkney

I received my Thanksgiving turkey and bread for which I thank you very much. Your gift was a delightful surprise but a very happy and thankful one. It certainly came in at the very best time. God bless all you in the AFD for the kindness shown to your Southfield citizens. Wishing all of you a very merry, healthy and prosperous new year.
Thank you again.
Edith Saunders

Thank you for the turkey and bread you gave me for Thanksgiving. Your generosity was greatly appreciated and made my Thanksgiving dinner complete. Thank you all again and wish you and yours a Happy New Year.
Katie Ruffin

Thank you AFD, Cole’s Market, Food Basket, In ‘N Out Food Store #11 and #12, People’s Food Market #1, Quick Corner Food Store, Sharp’s Pizza & Deli, Crystal Lake Family Food, M & K Market, Perry’s Deli, Save-A-Lot Food Stores, University Food & Drugs for your recent in-kind donation of 52 turkeys.
Your generosity ensured that Thanksgiving was truly special for our disadvantaged children and families. I know that these families are very thankful, as are we for your continuing involvement and support.
Michael S. Earl, President/CEO
Oakland Family Services

More letters, page 28
Congratulations on Your 83rd Annual AFD Trade Dinner!

Headsquarters
30095 Northwestern Highway
Farmington Hills, MI 48334
248-626-8300

A Premier Sales and Marketing Company
Legislature in session

The 90th Legislature welcomed 64 new House members. The House has a Republican majority of 58-52. Republicans also control the Senate and Governor’s office. Rep. Chuck Perricone (R-Kalamazoo Township) was unanimously selected to serve as Speaker of the House. “The new Republican House majority stands ready to lead Michigan into the new millennium,” Perricone said. “More jobs, lower taxes, quality education and protecting our children and seniors remain our priority.”

Rep. Mike Hanley (D-Saginaw) called for bipartisanship and cautioned Republicans to pursue a moderate agenda. While session has started and over 40 bills have been introduced, substantive action in either chamber is not likely to occur until after the Governor’s State of the State address on Jan. 28. One of the first issues to be taken up is a proposed income tax cut. Rep. Hanley said Democrats would propose an across-the-board personal income tax exemption and targeted tax breaks while the Governor supports a rate reduction.

House Republicans will reduce the number of committees from 28 to 23 standing committees. The Education and Colleges and Universities committees will be combined. Health Policy and Mental Health committees will also be consolidated. The Judiciary Committee will be divided into two committees, Criminal Law and Corrections and Family and Civil Law.

Phone cards can be profit center

Prepaid cellular phone cards are becoming one of the fastest growing communication methods. Now, customers can own a cellular phone with no monthly bill, credit check, deposit, or contract.

Airpage PRE PAY & TALK Cellular allows these customers to call local, long distance, and roam at low and competitive rates.

Retailers can sell Airpage’s PRE PAY & TALK Cellular cards or easy-to-program cellular phones. Or you can activate customer’s phones on the spot.

Airpage will provide signature, point of purchase displays, customer service and co-op advertising opportunities.

As one of the leading cellular phone distributors and factory authorized cellular service centers, Airpage also carries a full line of cellular phones and accessories at wholesale prices.

Call for details (248) 547-7777 or toll free 1-877-PRE N PAY.

M&M’s offers crispy handfuls

M&M’s Crispy Chocolate Candies have the same candy shell as plain M&M’s but are filled with crisped rice and milk chocolate. The makers of this new variety of the perennial favorite are spending more than $50 million in advertising. TV ads debuted during Super Bowl.

Letters

Continued from page 26

On behalf of the Cass Alumni Triangle Society, C.A.T.S., we would like to thank you for the generous support you gave to the C.A.T.S. 8th annual Holiday Food Basket Drive, which was held in December at Dempsey’s Place in Detroit.

You played a major role in making this annual charity event an outstanding success. Your donation of 52 turkeys and bread enabled the C.A.T.S. to accomplish their mission of providing holiday food baskets to needy families who are identified by Cass Technical High School counselors, and recommended to the C.A.T.S. holiday food basket assistance program.

Martha Hall-Harris
Founder/President
Cass Technical High School
Over 180 exhibitors will be MARKING DOWN THEIR PRICES for two full days, on essential items that you carry in your stores.

NEW PRODUCTS and services will be introduced. Be the first to know what's new in the industry, and get marketing and merchandising tips from the experts.

How are you planning to compete in the new millennium? Learn about new PROFIT CENTER ideas for your store.

Booth space is still available. Please call Danielle with any questions: (248) 557-9600
Don Gundle: Industry Leader, Humanitarian, Family Man

By: Danielle MacDonald

After 40 years in the food industry, with nearly 36 of those years in the food brokerage business, Don Gundle retired on December 31, 1998 as chairman of Crossmark. He and his wife Jeannine have seven daughters, six sons-in-laws, and 13 grandchildren, including four brothers and three sisters.

A large family was not unusual in those days," comments Gundle. "I vividly remember hitchhiking from Boston to Detroit with 12 cents in my pocket, arriving just two days before my wedding on December 29, 1956. The folks that picked me up bought me lunch. But I'm not sure they felt sorry for me because I was broke or because I was getting married," quipped Gundle.

Don's food career began in 1959 and in 1974, Gundle and Ross Brokerage Co. was formed. "I had to borrow $5,000 from my brother, and my partner, Doug Ross, got a loan from a credit union for start up costs," explained Gundle. "We virtually opened our doors with no manufacturers to represent. Doug and his wife had two children, and Jeannine and I just gave birth to our seventh daughter a year earlier. My annual salary was $3,200 in our first year of business. I'm sure our families qualified for food stamps, but both Doug and I were too proud to apply for assistance. Times were tough in that first year. Thank God our wives and families hung in there. We had a decent year in 1975, and we were proud of our accomplishments."

In 1963, Gundle formally entered the food brokerage business as a branch manager for the Paul Inman Company in Toledo, Ohio. In 1970 Gundle transferred back to Detroit and in 1974, Gundle and Ross Brokerage Co. was formed. "I had to borrow $5,000 from my brother, and my partner, Doug Ross, got a loan from a credit union for start up costs," explained Gundle. "We virtually opened our doors with no manufacturers to represent. Doug and his wife had two children, and Jeannine and I just gave birth to our seventh daughter a year earlier. My annual salary was $3,200 in our first year of business. I'm sure our families qualified for food stamps, but both Doug and I were too proud to apply for assistance. Times were tough in that first year. Thank God our wives and families hung in there. We had a decent year in 1975, and we were proud of our accomplishments."

In 1976, the Gundle and Ross Co. was presented with three opportunities to merge with major players in the food broker community. Ultimately, they decided to join forces with The Pfeister Company. "Our timing to focus on frozen foods could not have been better." In 1986, Gundle was promoted from vice president to executive vice president, and in 1987 he became the president and chairman of the board in The Pfeister Company. In 1997, The Pfeister Company board made a decision to merge their organization into Sales Mark. The company has subsequently been renamed to Crossmark and is headquartered in Dallas, Texas. "There were major consolidations going on in the food industry with food retail chains, wholesalers, and manufacturers," explained Gundle. "Technology was then, and continues to be, a costly but necessary part of our changing industry. In the past, food brokers were pretty much relegated to expansion from their headquarter market to neighboring markets. Consolidation, coupled with technology, has somewhat removed state and market boundaries to a broader geographic playing field."

Competing in the new information highway era was an important factor in the merger. But Gundle was also clear about the company's real assets, "The Pfeister board felt a very strong obligation to its employees," said Don. "To the best possible extent, we wanted to ensure our employees would have secure positions well into the future. Any company has a duty to protect its assets. With a service business such as ours, our employees are its assets." The Pfeister Company employed 680 people, a combination of full and part time employees. After the merger, Crossmark Companies employ well over 8,000 full and part time employees. Gundle considers it a privilege to have been the chairman of the board of Crossmark prior to his retirement in December 1998. "The brokerage industry has been very good to me and my family," said Gundle. Jeannine and I raised seven lovely daughters, paid for seven college educations, and were major financial contributors to six weddings.

By: Danielle MacDonald

After 40 years in the food industry, with nearly 36 of those years in the food brokerage business, Don Gundle retired on December 31, 1998 as chairman of Crossmark. He and his wife Jeannine have seven daughters, six sons-in-laws, and 13 grandchildren, including four brothers and three sisters.

A large family was not unusual in those days," comments Gundle. "I vividly remember hitchhiking from Boston to Detroit with 12 cents in my pocket, arriving just two days before my wedding on December 29, 1956. The folks that picked me up bought me lunch. But I'm not sure they felt sorry for me because I was broke or because I was getting married," quipped Gundle. Gundle was born in 1935 during a time when bread could be purchased for eight cents a loaf, a new Ford was priced at $625, and a good size new home cost about $3,400. Gundle was born and raised in Northwest Detroit, with four brothers and three sisters. "A large family was not unusual in those days," comments Gundle. "I vividly remember hitchhiking from Boston to Detroit with 12 cents in my pocket, arriving just two days before my wedding on December 29, 1956. The folks that picked me up bought me lunch. But I'm not sure they felt sorry for me because I was broke or because I was getting married," quipped Gundle. Gundle was born and raised in Northwest Detroit. He was assigned to the 4th Regimental Combat Team as financial specialist. "I was fortunate that my wife Jeannine spent 18 months with me at Fort Devens. We met a lot of civilian friends from Massachusetts, which we still maintain today, some 42 years later," said Gundle. "I vividly remember hitchhiking from Boston to Detroit with 12 cents in my pocket, arriving just two days before my wedding on December 29, 1956. The folks that picked me up bought me lunch. But I'm not sure they felt sorry for me because I was broke or because I was getting married," quipped Gundle.

Don's food career began in 1959, it took me longer than most to receive a formal education," said Gundle. His daytime work schedule from 1954 to 1956 and 1958 to 1960 was spent working at General Motors in both the Public Relations Department and the Motors Holding Division. Gundle's two year military duty was primarily spent at Fort Devens, Massachusetts. He was assigned to the 4th Regimental Combat Team as financial specialist. "I was fortunate that my wife Jeannine spent 18 months with me at Fort Devens. We met a lot of civilian friends from Massachusetts, which we still maintain today, some 42 years later," said Gundle. "I vividly remember hitchhiking from Boston to Detroit with 12 cents in my pocket, arriving just two days before my wedding on December 29, 1956. The folks that picked me up bought me lunch. But I'm not sure they felt sorry for me because I was broke or because I was getting married," quipped Gundle.

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After 40 years in the food industry, with nearly 36 of those years in the food brokerage business, Don Gundle retired on December 31, 1998 as chairman of Crossmark. He and his wife Jeannine have seven daughters, six sons-in-laws, and 13 grandchildren, including four brothers and three sisters. "A large family was not unusual in those days," comments Gundle. "I vividly remember hitchhiking from Boston to Detroit with 12 cents in my pocket, arriving just two days before my wedding on December 29, 1956. The folks that picked me up bought me lunch. But I'm not sure they felt sorry for me because I was broke or because I was getting married," quipped Gundle.

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Choice is in the air for natural gas customers

If you are a natural gas customer, you could be contacted by one or more marketing companies offering you savings or rebates on your future natural gas utility bills. In the past, your current natural gas utility company purchased and delivered natural gas to your home or business. Today, however, you may be able to save money on your monthly bills if another company can purchase natural gas more cheaply.

Your first reaction if approached by a marketing company representative or alternative gas supplier might be to question if it is legal or if you really do have a choice in determining which company supplies your natural gas needs. The answer to both questions is “yes.”

As is currently happening just as in the telephone and electric utility industries, CHOICE is in the air for natural gas customers!

The Michigan Public Service Commission (MPSC) recently approved Customer Choice Programs for three of the state's natural gas utilities—Consumers Energy Company, Michigan Consolidated Gas Company (MichCon), and SEMCO Energy Gas Company. These company programs offer residential and small business customers the choice of a different natural gas supplier. Traditionally, your natural gas utility company purchased the natural gas on behalf of their customers and delivered it to homes and businesses. With the choice option, you can select a different company to purchase the gas you need and have your present natural gas utility company deliver it to your home or business using its existing pipeline system.

It is important for you to realize that you will be signing a contract with the new company that gives it the right to purchase your natural gas requirements instead of your present gas utility company. Your present gas utility company, however, will continue to deliver your natural gas and provide the services that it does today.

Benefits of natural gas customer choice programs include:

1. The opportunity for other companies to sell natural gas in competition with Consumers Energy, MichCon, and SEMCO;
2. The opportunity for customers to obtain natural gas at a lower price.

Before switching to a new gas company, customers should ask:

1. What is the price of its natural gas?
2. What are the potential benefits or risks of switching to the new company?
3. Is there a charge for switching suppliers?
4. Is there an early cancellation penalty and, if so, when does it apply?
5. Where are the new company's offices located?
6. What are the billing options, and when is payment due?

The following are standard precautions customers should take when entering into new agreements or switching gas suppliers:

1. Read all materials provided by the potential natural gas supplier before signing anything.
2. Make sure to shop around and compare the prices of participating natural gas suppliers' with those of your current gas company.
3. Compare and contrast all benefits and options between suppliers.
4. Know all the terms of the contract, including its length, and if there is a price change during the contract period.
5. If a discount is offered, ask where it applies and whether taxes are included in the total price.

For more information about natural gas customer choice, contact the MPSC at 1-800-292-9555. Information is also available through the Internet at the MPSC's Web site under Gas Division: http://ermisweb.cis.state.mi.us/mpsc/gaschoice.htm. The MPSC is an agency within the Department of Consumer and Industry Services.
Unemployment taxes cut by $200 million

For the fourth straight year, strong cash reserves in the state’s unemployment insurance (UI) trust fund are producing tax cuts for most Michigan employers. There will be two cuts in 1999 - a 10 percent across-the-board reduction in employer unemployment tax rates plus a reduction in one of the rating components in an employer’s tax rate.

Who qualifies for the reductions?

The 10 percent cut applies to all “fully experience-rated” employers, which are generally those who have been in operation for five or more years. The state Unemployment Agency (UA) estimates that about 146,000 employers should qualify for this tax reduction. The cut will be either 10 percent of the employer’s rate or one-tenth of one percent, depending on which produces the lowest rate.

About 88,500 employers will qualify for a decrease in their tax rate’s account building component (ABC). The ABC compares historical benefit charges to taxes paid for each employer as a way to recover UI benefit payouts and to build solvency into the state’s UI trust fund. The current maximum ABC rate of three percent will be reduced to two percent. The multiplier in the ABC formula will be cut in half from 0.5 to 0.25.

How much will these cuts amount to?

Michigan employers pay unemployment taxes on the first $9,500 of each employee’s earnings. The amount of tax paid is based on the employer’s tax rate, which will range from 0.1 percent to 8.1 percent in 1999. The dollar amount will vary from $9.50 to $769.50 per employee for the year, a savings of $9.50 to $180.50 per worker over regular rates. The cuts give Michigan one of the lowest minimum unemployment tax rates in the country.

The UA estimates these tax cuts will save Michigan employers $200 million in 1999.

What is triggering these tax cuts?

The cash reserve in Michigan’s UI trust fund is prompting these tax cuts. The fund’s cash reserve triggers the 10 percent tax cut, if the reserve equals or exceeds 1.2 percent of all Michigan total payrolls as of the June 30 prior to the tax year. On June 30, 1998, the fund’s reserve was $2.5 billion, well over the required minimum.

The trigger level for the ABC cut is a comparison of trust fund balances to an amount equal to 1.875 percent of total payrolls. Michigan’s trust fund exceeded the required reserve by more than $400 million.

Fresh ideas in health care for AFD members

When you visit a salad bar, you make your own choices. You build your salad with ingredients to suit your taste and nutritional needs.

When it comes to health care coverage and the Blues, just as at a salad bar, you can make your own choices too...if you belong to AFD. You can choose from Managed Traditional, Blue Preferred PPO, and Blue Care Network HMO. Each has advantages that might better suit you at different stages in your life.

You can also select from side dishes, like prescription drugs, dental and vision coverage — all from the leading provider of health care benefits in Michigan. No other health care company has a larger network or better selection of doctors and hospitals.

With AFD-endorsed Blue coverage, you get the best coverage available at the best possible price and value. Contact AFD’s health care/salad bar expert Judy Mansur and let her “toss” around a few ideas for you. Her number is 1-800-66-66 AFD.

The UA estimates these tax cuts will save Michigan employers $200 million in 1999.
New restaurant opens

AFD welcomes the new Dearborn store Kahn Merjan, owned by Essam Naimi. Located at 6431 Miller Road in Dearborn, the restaurant features Middle Eastern cuisine.

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Gourmet chocolate sales enjoy continuing growth
American appreciation of gourmet delicacies steadily increases
Rising gourmet consciousness and a secure economy encourage the enjoyment of life’s little luxuries, and consumers are repeatedly trying an increasing variety of gourmet chocolate products.

An astonishing 14 percent yearly rate of growth of this market in 1997 is expected to increase to 18 percent in the year 2000, according to The U.S. Gourmet Chocolate Market, a report from the New York City-based research firm, Packaged Facts. The chocolate market reached $740 million in sales in 1997.

Acquisitions increase competition
Campbell Soup Co., which purchased Godiva Chocolatier in 1996, planned to add thirty new boutiques in the United States in 1997, while Lindt and Sprungli (USA) more than doubled its retail outlets—from 20 to 45—in the same year.

Suddenly, Lindt & Sprungli became the second-largest marketer of gourmet chocolates in the United States through the January 1998 purchase of Ghirardelli Chocolate Company.

More stores offer good chocolates
Following the examples of Williams-Sonoma and Starbucks, more types of retailers are adding the sales of gourmet chocolates to the product line. New organic chocolate products have allowed gourmet chocolates to enter the previously inaccessible market of health and natural food stores.

Don Gundle
Continued from page 30
I think I know better than Steve Martin about being the Father of the Bride.”

In addition to raising a family and running a company, Gundle has donated his time to various worthwhile causes throughout his 40 year career. Don has a very strong attachment to Rose Hill Center, which is a treatment and rehabilitation center for people living with mental illness. Gundle serves on Rose Hill’s board of directors. In addition, he is chairman of their current capital campaign to raise $2.5 million for an expansion program called Building Brighter Futures. “I’m very dedicated to Rose Hill as I have a friend with a mental disability that is a resident,” explained Don. He is also personal friends with the founders of Rose Hill, Dan and Rosie Kelly.

Gundle also has a long affiliation with the Muscular Dystrophy Association (MDA). His company has participated in the Aisles of Smiles fundraising program for many years. Gundle currently serves as vice president on MDA’s national board of directors.

Don says that one of the major highlights of his career was serving on the board of directors of the Association for Sales and Marketing Companies (A.S.M.C.) for six years. He was chairman of the A.S.M.C. board of directors in 1997.

Gundle’s post Crossmark work schedule is full with family, friends and deeply personal volunteer assignments. Gundle said that the industry has been very good to him. The truth is that Don Gundle was an important leader, advocate, and statesman for the brokerage community.

On behalf of the entire food and beverage industry, the Associated Food Dealers sincerely wishes Don and Jeannine Gundle a happy and healthy future. Thank you for your dedicated service to the industry.

ASSOCIATED FOOD DEALERS:
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Protect Your Business: Winter Storm Tips from Detroit Edison

A power outage is difficult to cope with. Rest assured that we're doing everything we can, before and after a storm hits, to get your business back on line quickly.

While Detroit Edison has a high reliability record, you just never know when Mother Nature may cause a power outage. That's why it's important to have a clearly defined emergency plan.

Educate key employees about their roles. Who is responsible for initiating and maintaining contact with Detroit Edison during a power outage? When and how will employees be notified of work schedule changes? Where can you obtain dry ice, temporary refrigeration or back-up power supply if needed?

Protect your business with some advance planning. Install an emergency lighting system and the appropriate battery back-ups for emergency lighting and security systems. Install surge suppression and uninterrupted power supply devices to protect sensitive electronic equipment.

Your phone system may not operate if power is out. What alternate methods are available for handling incoming or outgoing calls? If you plan to use a back-up power source, have an electrician permanently install the proper sized generator or the access outlets and transfer switch for a temporary generator connection.

Before a storm hits, shut off motor-driven equipment to prevent overheating and possible damage. If lights dim, computer pictures shrink, or motors hum louder, feel hotter or run slower, you're experiencing low voltage. Report it by calling 1-800-477-4747.

If you lose power

It's important to call 1-800-477-4747 to report your power outage. Don't assume we know you are without power.

If you plan to shut your business down, let us know where to reach you if there are additional questions or if a repair crew needs access to your property.

Unplug motor-driven equipment and sensitive electronic equipment to prevent an electrical overload when power is restored.

Keep refrigerator and freezer doors closed as much as possible. Cover open, refrigerated cases. If power will be out for an extended time, consider leasing a refrigerated truck or contact a dry ice distributor.

If portable heaters are being used, keep them well away from flammable materials and vent them properly.

To prevent pipes from freezing, open faucets slightly so they drip constantly.

For safety's sake

Keep away from downed wires and anything they are in contact with. Stay away from downed wires and anything they are touching, including puddles of water and fences. Be aware that metal fences could be electrified by a fallen wire some distance away. Report a downed power line by calling us at 1-800-477-4747.

If you are using a back-up power generator, make sure all circuits are disconnected from Detroit Edison lines. Protect your employees, your neighbors and our repair crews from the dangerous backfeed of electricity.

In case of flooding, disconnect power to all electrical equipment and outlets before stepping into standing water. Do not attempt to remove a fuse or turn off a circuit breaker while standing in water.

To obtain our brochure on coping with power outages, call us at 1-800-477-4747.
Scenes from the Ashby’s Sterling Ice Cream Tasting Contest

Sunday, January 17, 1999

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Scenes from the Ashby’s Sterling
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Sunday, January 17, 1999

Jenna, Justina, Neda, Missy, Melissa with Alaa and Janan Naimi (from left to right – Missy is the baby in front)
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