**Electric de-regulation is soon to be reality**

After several stalled attempts, electric de-regulation is now becoming a reality. Soon businesses will have the choice of who to buy their electricity from. AFD has partnered with two companies to provide AFD members with considerable savings on electrical costs, subject to certain restrictions. Call Dan Reeves at AFD, (248) 557-9600 to get in on the ground floor of this member-only benefit.

**Free seminar gives peek into the future of food industry**

The Associated Food Dealers of Michigan invites you to attend a special presentation for the retail food industry. The presentation will take place on Tuesday, October 26 at 8:00 p.m. in the Southfield Manor. This free seminar, sponsored by AFD, will explore the future of the food industry in Southeast Michigan and how competition will impact your business. This information is intended to be a valuable tool to take stores into the next millennium.

**Michigan’s Agriculture Ranking**

1st
- black beans
- blueberries
- cherries (tart)
- cranberry beans
- cucumbers (for pickles)
- Easter Lilies
- geraniums
- hanging flower baskets
- navy beans
- bedding petunias

2nd
- bedding plants
- celery
- dry beans
- other dry beans
- gladioli
- Niagara grapes
- hanging baskets, petunias

3rd
- asparagus
- dark red kidney beans
- carrots (fresh market)
- small red beans
- apples
- snap beans (processing)
- floriculture wholesale sales

4th
- sugar beets
- plums
- concord grapes
- cucumbers (fresh market)
- ice cream
- sweet cherries
- tomatoes
- grapes
- light red kidney beans

5th
- carrots (processing)
- mushrooms
- pears
- strawberries

**Tobacco taxes to increase**

New excise tax rates on tobacco products, and cigarette papers and tubes, become effective on January 1, 2000 and January 1, 2002. Per 1000 cigarettes, the excise tax increase from $12 to $17 on January 1, 2000, and then to $19.50 on January 1, 2002. As a result of the tax increase, a floor stock tax will be imposed on January 1, 2000 and January 1, 2002. Retail and wholesale grocers should monitor and manage their inventories in anticipation of the tax.

**Hollywood buys J&J**

On August 9, Hollywood Markets completed the purchase of J&J Market on Chippewa Road in Bloomfield Township. Bill Welch of Hollywood said that negotiations with Nash Finch, owners of J&J, began in May. Hollywood owns an 18,000 square-foot store just north of J&J, which they closed in order to move into the former J&J facility. They renamed the store as a Hollywood Market. Welch says the new store needs extensive remodeling which is being undertaken while the store remains open.
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Lansing (517) 321-0231
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Mt. Pleasant (517) 772-3158
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Pontiac (248) 334-3512
Port Huron (810) 987-2181
Saginaw (517) 755-1020
St. Joseph (616) 927-6904
Traverse City (616) 946-0452
West Branch (517) 345-2595
Check your inventory for "gray market" cigarettes

By Joe Sarafa
AFD President

The Michigan Department of Treasury informed AFD in September that there have been apparent violations of state law on the reimportation of "gray market" cigarettes.

It appears that cigarettes, which do not meet legal labeling requirements, may be for sale at Michigan retail locations. The Department is reviewing whether legal action may be necessary to correct this situation.

AFD retailers may inadvertently become involved in these transactions.

Legislation is expected this fall to ban import of these cigarettes into Michigan. Any retailer with this product on the shelf should be aware that if the bill is signed, it may have immediate effect.

The Department of Treasury is prepared to take prompt action. Furthermore, the cigarette companies have filed lawsuits against companies that they believe are peddling gray market cigarettes. (See related story in box to right.)

It is important to check your inventory for these products and dispose of them before action is brought against your store.

Philip Morris files gray market lawsuit

Philip Morris U.S.A. has filed suit against five companies and four individuals that have sold or distributed "gray market" versions of the company's flagship Marlboro brand cigarettes. The suit was filed in federal court in Indianapolis.

Gray market products are manufactured for export but reimported into the U.S. by a third party for domestic sale at a lower price. Gray market products are different from those manufactured for sale domestically. Differences include the absence of federally required health warnings, differences in packaging, quality control in the distribution process and the absence of "Marlboro Miles" required for participation in certain promotional programs.

The defendants in the suit are Allen Distributors, Inc.; Allen Food Mart, Inc.; Blue Grass Distributors, Inc.; Kocolene Marketing Group, Inc.; AF&E, Inc.; and four individuals associated with these companies.

Similar suits have been filed by R.J. Reynolds and Philip Morris in Illinois, California, Florida and Kentucky.

AFD family grows

Congratulations to Judy Shaba, AFD services director, and her husband Mazen on the birth of a son. Nicholas Mazen Shaba born on July 21, 1999.

Congratulations also to Danielle MacDonald, special events and publications director, and her husband, Alan on the birth of a son, Stuart.

Donna McDonald born on September 10, 1999.

The Grocery Zone
By David Covell

Well, that was my boss and get this, it turns out that National Fresh Celery Month is not a holiday!
A “Solution Selling” solution

By John R. Block

There is a lot of talk these days about “Solution Selling,” what some people see as the solution to making the supermarket easier for shoppers to shop.

The idea is to change the way the stores are designed, and put things together according to meals. So if you want to make an Italian dinner, you go to one place in the store and you’ll find everything Italian, from the bread to the pasta, from the sauce to the sausage.

That’s a great idea, on the surface. And in some cases it might actually work. If you’re shopping for just a meal or two, it might actually be more convenient. But it causes tremendous problems in store design, in store staffing, and it would be expensive to put freezers and coolers in various locations around the store. Then, you’d have to stock some products in more than one location—sometimes, several more. So it’s not as easy as it sounds.

It would be expensive to put freezers and coolers in various locations around the store.

As someone who shops in a supermarket at least twice a week, however, I think it could just cause more confusion. You usually go to a store with a pretty good idea of what you want, and if you’re familiar with the store you know where to find it.

To me, the solution is simple. And it’s one that may give independent retailers a built-in advantage. Just keep stores from getting too big that they take all day to shop.

I think back to when I was a boy and my grandfather ran a Red and White Grocery Store in Knoxville, Illinois. That was a small corner store, and it was successful for many years. Of course, times have changed—and they continue to do so. Most stores like his are a thing of the past.

Or are they? Today, they just look differently, and they’re called convenience stores. Many are carrying an increasing variety of products, and they are filling an important niche in the community.

But beyond that, today’s supermarket of 35,000 or 40,000 square feet is a much friendlier, easier-to-navigate environment than today’s monster mega stores that sell everything from toothpaste to tires. Even some of our so-called conventional supermarkets are much too big, supposedly so to provide enough variety. But it’s out of control. How many kinds of breakfast cereal do we really need?

In some stores, it’s getting ridiculous. You want to buy something, but to find out the price you have to carry the product three aisles over to a scanner on the wall. What happened to thinking about the customer, anyway?

Here’s a future scenario for you, and it’s not too much of an exaggeration:

Shopper in Aisle 7: “Excuse me, can you tell me where the spices are?”

Voice-activated kiosk: “What kind of spices do you want?”

...today’s supermarket of 35,000 to 40,000 square feet is a much friendlier, easier-to-navigate environment than today’s monster mega stores...

Shopper: “red pepper, poultry seasoning, and oregano.”

Voice-activated kiosk: You will find the red pepper and the oregano in the Dinner Sector, Ethnic subsection, Italian sub-sub-section, in Aisle 331. From the Italian subsection, walk one-tenth of a mile north, then go east in Aisle 332 approximately one-eighth of a mile. The spices will be on the rack to your right between the Italian sausage case and the canned pasta sauce. For the poultry seasoning, go to Dinner Sector, poultry subsection, in Aisle 331. From the Italian subsection, walk one-third of a mile north to the “Big Chicken” sign, then walk one tenth of a mile west. The poultry seasoning will be on a rack to your left, between the spiced stuffing mixes and the basting sauces.

For a printed map of the above directions, please press ‘Print Map’ on your Kiosk Keypad.

Thank you, and have a nice day.

The idea is to change the way the stores are designed, and put things together according to meals.
Returnables come under scrutiny

When Michigan voters approved the bottle deposit law in 1976, for pop and beer bottles, no allowance was made for iced tea, fruit juice or bottled water.

As a result, consumers routinely return cans for which they paid deposits but just as routinely throw the others out.

Now, as consumers’ tastes have changed, recycling advocates are pushing to expand the law to include non-carbonated beverages.

The state also is looking at the issue. It has awarded a $45,000 contract to the Tellus Institute, a Boston consulting firm, to study whether or how the Michigan law should be revised.

Supporters of an expanded bottle bill say the change is an overdue modernization that would bring cleaner streets and streams.

“We’re happy with the way it’s working. It has dramatically reduced the amount of litter on roadsides and diverted bottles and cans from landfills,” said Dennis Fox.

Critics say simply expanding the law would mean additional burdens to retailers and possible health hazards from bringing more dirty containers into food stores.

Michigan is one of 10 states with bottle recycling laws. Maine, where voters enacted a law the same day Michigan did, expanded theirs about a decade later to include non-carbonate beverages and now has the broadest program in the nation.

The Container Recycling Institute, a nonprofit group that promotes recycling, says states like Michigan should adapt their bottle laws to the times.

“The beverage market has changed rather markedly since Michigan passed its law,” said Pat Franklin, executive director of the Arlington, Va., institute. “These beverages—if they had existed 20 years ago—clearly would have been included.”

Tom George of Harbortown Market in Detroit says that expanding the law would force him to use more of his store to accept cans and bottles.

“If we had to take back everything, we probably would have to look at cutting down the number of items we carry,” he said.

Maine’s system, which lets consumers return containers to stores or redemption centers, has worked well, said Stan Millay of the Maine Department of Agriculture’s Division of Quality Assurance and Regulations.

The Tellus Institute expects to complete its study next year.

Curbside recycling on the increase

As a committed corporate citizen to recycling, The Coca-Cola Company Civic Action Network believes that comprehensive curbside and drop-off recycling programs are the best solution to litter and responsible solid waste management rather than current forced deposit proposals.

The April edition of BioCycle magazine presented the results of their annual “State of Garbage in America” survey. It found that curbside recycling programs in the United States have increased 5.6 percent since 1997. More than 139 million people now have access to curbside recycling in their communities. Also, seven of the top ten states with curbside recycling programs (serving more than 70 percent of its citizens) are not forced deposit states. These states include: Florida, Indiana, Maryland, Minnesota, New Jersey, Rhode Island and Washington.

This survey is based on data gathered from solid waste and recycling officials nationwide.
In 1899, our plant in Caro, Michigan, first opened its doors to process the proud harvests of local sugar beet growers into pure, natural sugar. Today, your family enjoys the same quality sugar your grandparents and great-grandparents were proud to place on their tables – Pioneer Sugar®.

While technology constantly reshapes our lives, people continue to make the Pioneer® difference. From the families who nurture the sugar beet crops to the men and women in our factories, we honor their commitment to quality and continuous improvement over the past 100 years.

The Pioneer® tradition continues...
Michigan’s Kowalski expands operations

Kowalski Sausage Co. is expanding operations in Hamtramck after receiving hefty tax abatements. The company also will benefit from a state grant program for cash-strapped cities to pay for infrastructure improvements. Kowalski will spend $2.3 million on its expansion and boost its 100-employee workforce by 10.

For financially strapped Hamtramck, the property and income taxes from the expansion project is badly needed.

The Hamtramck City Council voted to create an Industrial Development District which will allow Kowalski to apply for an abatement and grant 50-percent tax abatements over 12 years for the expansion.

Kowalski President Michael Kowalski said the company was at the crossroads. He said competition and trends in the meat-processing business forced the company to make expansion plans for its production area.

Kowalski has two plants in Michigan and are major producers of franks, sausages, bologna, smoked kielbasa, comted beef and Bavarian ham.

Cherries

European settlers began planting cherry trees along the St. Lawrence River and in the Great Lakes area after they arrived in the New World.

Their work helped lead the way for one of the state’s sweetest crops.

Today, some people think Traverse City should be called Cherry City. That may not be a far fetched idea for the Cherry Capital of the World.

An estimated 225 million pounds of tart cherries were harvested in Michigan in 1997.

Almost 78 percent of the nation’s red tart cherries are grown here, and the state ranks fourth in sweet cherry production with 27,000 tons harvested last year.

MDA recognizes Kroger for $1 Million in donations

The Michigan Kroger Company recently topped $1 million in donations to the Muscular Dystrophy Association over the past ten years.

Since 1989, Kroger has supported MDA with a variety of programs including product sales with Kroger suppliers such as Nabisco, A&W and 7UP; auctions; and a corporate lock-up, in which officials are “jailed” and secure donations for MDA during their confinement.

Kroger stores in southeastern Michigan also sell Shamrocks Against Dystrophy in February and March and Stars during August. The two promotions raised almost $86,000 for MDA in 1998.
Soybeans

Michigan farmers planted 1.9 million acres of soybeans in 1998, up 250,000 acres from the previous year.

And that number is likely to continue growing as soybeans become more popular.

Soy products are biodegradable and non-toxic, making them ideal for use as ink, paint thinner, fuel and wood substitutes.

Soybeans also are used for food products, such as soy sauce, tofu, soy milk and vegetable burgers.

Michigan Apple Contest for retailers offers $10,000 in prizes

In order to boost Michigan apple sales, the Michigan Apple Committee will hold a contest to encourage retailers to display and advertise Michigan apples and apple products from now through October 31, 1999. Multiple cash prizes ranging from $2,000 to $50 will be offered and everyone who enters will get a special prize. To qualify, retailers must advertise Michigan apples in the newspaper, on a flyer or circular, or in a radio or television commercial, or set up a special in-store display. Any promotional activity must use the word “Michigan” or the Michigan apple logo. Contact the Michigan Apple Committee at (517) 669-8353 for contest materials, rules and entry forms.

Blueberries

Seventy-six million pounds of Michigan blueberries were harvested in 1997. Nearly 45 percent of all the cultivated blueberries grown in the United States came from Michigan in 1997.

Sandy glacial soils and high water tables make Michigan’s western shoreline ideal for growing the tasty fruit.

Three Michigan vineyards take top awards

October is Michigan Wine Month as well as Made in Michigan month. Wines from three Michigan grape-growing regions earned “Best of Show” in the recent Michigan State Fair Wine Competition, Michigan Department of Agriculture (MDA) Director Dan Wyant announced. A total of 174 wines from 16 Michigan wineries were entered in the competition. The wine experts on the judging panel awarded 21 gold medals, 33 silver medals and 37 bronze medals.

The “Best of Show—White” honor went to Chateau Chantal for its 1998 Proprietors Reserve Chardonnay, produced from grapes in the Old Mission Peninsula appellation (a federally-recognized wine-producing region).

The “Best of Show—Red” award went to Penn Valley Vineyard’s Capriccio (NV). It was produced from a blend of predominantly Chambourcin and Chancellor grapes from the Fennville and Lake Michigan Shore area of Southwest Michigan.

And Best of Show—Specialty” was awarded to L. Mawby Vineyards’ Blanc de Blanc Brut Sparkling Wine. Winemaker and grape grower Larry Mawby has been producing wine on the Leelanau Peninsula of northern Michigan since 1975. He was recently named one of the US Great Sparkling Wine Producers by Wine Enthusiast magazine.

The Original Hunters Sausage by Kowalski

It’s what you’re looking for.

Look for it carefully in its new camo package.

Please contact the Sales Department at (313) 873-8200
Kroger reenters Detroit market

A new 54,000-square-foot Kroger store will open on the southwest corner of Gratiot and Lappin near Seven Mile Road in Detroit. Scheduled to debut in mid-2000, Kroger is eager to reenter the Detroit market and is looking for other possible sites.

Kroger closed its Detroit stores in the early and mid-1980s. The new Detroit store is one of many that will be built in Michigan by the end of 2000. Kroger's new store will be part of a 78,000-square-foot retail strip mall that will house other retailers and a Detroit Police mini-station. The strip will be called The Shops at Northeast Village which will be developed by Southfield-based First Commercial Realty & Development Co., Inc.

Kroger has its headquarters in Cincinnati and is the nation's largest supermarket chain. It was founded in 1883 and has 83 stores in Michigan.

Cucumbers

Some people believe rubbing cucumber slices on the skin makes it softer, helps bleach freckles and soothes sunburns.

Others enjoy the crisp taste of this low-fat, inexpensive and widely available vegetable.

Whatever the reason for buying them, Michigan farmers are pleased to be the top-ranked producers of cucumbers used for pickling and fourth ranked fresh market cucumber producers in the United States.

Growers picked 130,000 tons of cucumbers for pickling in 1998.

Free cherry promotion materials for retailers

The Cherry Marketing Institute (CMI), a national promotion organization for cherries, has new point of sale materials available to retailers to promote cherry products.

There are also ad slicks for February National Cherry Month and ad week materials for George Washington's birthday/President's Day.

In addition, CMI will supply free consumer recipe brochures for in-store distribution. New for this holiday season is a four-color holiday baking brochure. The brochure features recipes that use cherry pie filling, dried cherries, maraschino cherries and canned sweet cherries.

CMI, located in Lansing, Michigan, is funded by US cherry growers. Michigan produces 75 percent of the nation's tart cherries and 30 percent of the processed sweet cherries.

To find out more or to enroll your company, call Judy Shaha at 248-557-9600.
Available from Anheuser-Busch...
**New Kroger opens in Taylor**

A new Taylor Kroger that opened in September at 7000 Monroe is nearly twice as big as the store it took the place of at 9751 Telegraph. Equipped with self-service checkouts, ready-to-eat meals, and a flower, the store will feature U-scan Express lanes to allow shoppers with 15 items or fewer to scan their own goods, bag them and pay by credit or debit cards or by feeding cash or a check into the machine. The new state-of-the-art store employs 200.

**Amerisweet onions fill harvest gap**

There's a new sweet onion available that fills the gap between the end of the Vidalia sweet onion season and the beginning of the South American import season. The Amerisweet which took about 10 years to develop is cultivated near Grand Rapids. Mark Breimeister, president of AAA Produce Exchange Inc., in Sylvan Lake, helped develop the onion.

**Dry Beans**

With 315,000 acres of dry edible beans grown in Huron, Tuscola, Bay and other Michigan counties, it's no wonder our state is a leading producer of dry edible beans.

Almost half, or 150,000 acres, of Michigan's bean crop is made up of navy beans. Black, cranberry, kidney, pinto and other beans are also grown in Michigan. And more than 503 million pounds of beans were harvested from late summer to mid-autumn.

**Michigan Artesian water is new kid on the block**

Ak'wa Water started bottling Artesian water in June from a vast natural aquifer located beneath Ortonville, Michigan. The company was named Ak'wa, which is Greek for water.

"The pristine quality of all Ak'wa's product lines are guaranteed. We use state of the art filtering, bottling and testing equipment. We feel that both natural artesian and deionized spring water are the best to present to today's health conscious and educated consumers," says Dominic Bologna, Regional Sales Manager.

Ak'wa Natural Artesian Water and Ak'wa Purified Artesian Spring Water are available in 12 oz, 1/2 Liter, 1 liter, 1-1/2 liter as well as five gallon dispenser bottles and coolers. Ak'wa also provides custom design deionization systems for commercial and industrial applications. Both waters are available in house brands or private labeling. For more information, call Dominic or Mark Bender at (810) 752-0173.

**Celery**

Kalamazoo-area farmers took advantage of rich muck soils in the region more than 100 years ago and created the U.S. celery industry.

That heritage has not been lost, as the state continues to be the second largest grower, with 103 million pounds harvested annually.
Tender Harvest.

The organic baby food today’s moms want.

Organic baby food’s popularity is growing.
• The organic baby food industry has
grown 60% over the last 2 years!

Tender Harvest leads the way in organic baby food.
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A complete line of organic baby foods for
your customers.
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artificial colors, flavors, preservatives
or any added sugar or starch.

Tender Harvest baby foods drive overall sales.
• The average baby food buyer’s total
dollar ring is higher
when Tender Harvest foods and juices are
a part of their shopping basket.

Organic & Original Recipes from Gerber
AFD/AAA Partnership-Group rates, individual service

Since January 1999, 95 AFD businesses and their employees have saved money, time and worry through the AFD/AAA Group Services Auto Insurance Plan. In our continuing effort to provide you with quality service and programs, the Associated Food Dealers of Michigan is pleased to provide several ways to save money through the AAA Group Insurance Plan.

Insuring your auto and home through AAA is a wise choice since we are Michigan’s leading auto insurance provider. Even better, there are many ways you can save on your AAA Group Auto Insurance premiums. Discounts are available for insuring multiple vehicles or products (i.e. auto and home); installation of safety and anti-theft devices; maintaining a good driving record; and for new drivers completing AAA’s “Teaching your Teen to Drive” program.

The AFD/AAA Group Plan offers 24-hour claim service and competitive rates on both auto and homeowners insurance, as well as many membership benefits. These include 24-hour pre-paid Emergency Road Service; free maps, TripTiks® and Tourbooks® (personalized and regional travel guides); and access to AAA Travel for member-only discounts, upgrades and extra amenities on cruise, tour and vacation package arrangements. Membership also provides special discounts of up to 20 percent or more at retailers across the state and the U.S. through A^A's Show Your Card and Save® program.

Contact AAA Group Services at 1-800-AAA-MICH to find out if you qualify for these or other valuable discounts.

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Expires 12/31/99

Sugar Beets
Michigan sugar beet farmers harvested 160,000 acres of crop in 1998 and Michigan ranked fourth in the nation for production. It takes only 12 beets to make one pound of sugar, which is identical in chemical formula, nutritional value, taste, appearance and sweetening powers to cane sugars. Beets are made into various sugar products, including brown, white and confectioner's sugars. Beet pulp, a sugar beet by-product, is processed into cattle feed. Molasses, another by-product, is used to make citric acid, vinegar, yeast, antibiotics and other products.

Grapes
Michigan ranks fourth nationally in grape production, with nearly 61,000 tons of grapes picked from commercial vineyards. Cool spring breezes off Lake Michigan help grapes resist premature budding. Moderate evening temperatures in early autumn allow enough time for grapes to ripen on the vine. Harvest begins in August, and peaks in late September and early October. Concord grapes used to make jams, jellies, preserves and grape juice, are the most popular kind of grape grown here, with 45,000 tons produced in 1998. Niagara's also are popular and can be used for wines and fresh market sales.
7 Up Family-Pleasers in the 2-Liter Plastics:

The Taste Will Haunt You... till you get some more!

Stock Up Before They DISAPPEAR!

Not much of a TRICK...

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SEAGRAM AMERICAS - NEW YORK, NY
A Michigan Institution

Since the days of its fountain stores with marble counter tops, Sanders has become a Michigan institution. For the last 125 years, Sanders has provided the finest quality chocolates, candies, and its signature ice cream toppings to customers around Detroit and around the world. As we enter the next century, Sanders remains committed to continuing its tradition of offering the finest quality products and service.

To better serve its customers, Sanders has appointed NBFD Distributors as its only local full line, full service DSD distributor. NBFD, headquartered in Taylor, Michigan, carries the nation’s largest selection of confections, including bulk candy, dried fruits and nuts, snack mixes, boxed chocolates and upscale bars from manufacturers such as Toblerone, Lindt, Ghiradelli, and Guylain among others. NBFD also has the latest in kids novelties and interactive candy; they bring in new items on a daily basis to keep customers on the cutting edge. NBFD’s customers include leading chain and independent grocery, produce and candy stores throughout the country. Sanders chose NBFD because of the companies’ shared philosophy toward quality and customer service.

NBFD has recently strengthened its presence in the DSD segment to service its bulk candy programs in grocery stores throughout Michigan. The Sanders line is a perfect fit for NBFD, the “Candy Specialists.” NBFD will handle all your needs for Sanders products. Working with Sanders, they can provide a complete range of merchandising services, such as display shippers and special promotions. NBFD will also carry the full line of Sanders traditional holiday and seasonal products.

In addition to its professional merchandising field force, NBFD has an outstanding Customer Service Department in their home office in Taylor, MI. Their Customer Service Representatives can help with all your candy questions regarding their entire line of bulk confections and novelty candies as well as the Sanders line. In Michigan, you can reach NBFD at 313-292-1550.

Hometown Products. Hometown Service
Sanders is proud to announce the appointment of NBFD as a full line Distributor for Sanders products. NBFD will provide full seasonal promotions and more!

Celebrating its second century of quality products.

Attention new NBFD customers...
Mention this ad for $10.00 Off Any Purchase of $250. or More!
Expiration Date Nov. 30, 1999

Call for a catalog, or place your order today...
1 313-292-1550 or Fax 1 313-292-1822
Lottery Retailers Look Forward to Higher Commissions!

Editor's Note: As the driving force behind this commission increase, AFD thanks the Michigan Lottery for being a good partner.

Lottery Lowdown

I am pleased to announce great news regarding Michigan Lottery retailer commissions! Over the next few months, each and every Michigan Lottery retailer will be enjoying commission increases for both instant and on-line ticket sales.

Michigan Lottery retailers will receive a 7-percent sales commission for all $2 instant games introduced during fiscal year 1999-2000 (October 1, 1999 through September 30, 2000). That means you will receive a 14-cent sales commission on every $2 instant ticket you sell during this one-year period! You will also continue to receive the 6-percent commission on sales of all other Michigan Lottery instant and on-line games.

Lottery retailers will have their first opportunity to collect the increased instant ticket sales commission on October 11, 1999, when Monster Match – the Lottery's new $2 Halloween-themed ticket hits counters. Monster Match offers a top prize of $31,000 – a sweet treat your customers will surely enjoy!

Holiday-themed tickets have always been a popular item with customers, so keep an ample supply of Monster Match tickets on hand, and you're sure to scare up bigger commissions!

The sale of Monster Match tickets won't be your only chance to grab the new 7 percent sales commission in October! On October 25, Captain Cash, another $2 instant ticket, is set to sail onto ticket counters. Captain Cash is destined to be another popular seller, with up to 10 ways to win and a $25,000 top prize!

Bonus Commission Expands!

Michigan Lottery retailers will have a lot to celebrate in year 2000! In addition to the sales commission increase on $2 instant tickets, the Michigan Lottery is also expanding retailers bonus commissions beginning January 1, 2000. Redeemed prizes over $100,000 will earn the selling retailer a flat $2,000 bonus commission as of January 1. The $2,000 bonus applies to top prizes in The Big Game, Michigan Lotto, Keno, Cash 5 and the instant games. Additionally, retailers will continue to receive the existing 2-percent bonus commission on prizes between $601 and $100,000.

These increased commissions make Lottery ticket sales an even more profitable part of your day-to-day business. I encourage you to take advantage of both the commission increase and the bonus commission expansion by prominently displaying point-of-sale materials for $2 tickets and on-line games in your stores, informing customers when you sell winners and asking for the sale.

New Instants!

In addition to the introduction of Monster Match and Captain Cash – the $2 instant tickets mentioned above – October also marks the debut of three more exciting new instant games. The $1 Rake It In goes on sale October 4, and offers a top prize up to $5,000. On October 11, the $5 High Score will give players the opportunity to score a lot of extra pocket change with a $200,000 top prize. Good Times Roll, another $1 game debuting on October 18, offers a $3,000 top prize.
Y2K readiness and your business

In August the Chaldean Iraqi Association of Michigan sponsored a seminar on Y2K and Electric Choice. Approximately 200 members of the Association heard presentations from Detroit Edison's Y2K Program Manager, Jim Roosen and Electric Choice Program Manager, James Gessner. Here are excerpts from their presentations:

Y2K Program Progress
Three years in the making...We're Ready

They say those things you have to work the hardest for in life are those most worth having. Ask the numerous employees and business partners that worked on our Year 2000 Program and I think they'll agree. Three years of hard work by as many as 700 people on the project has paid off.

On June 30, the company sent two letters, one to the Nuclear Regulatory Commission (NRC), the other to the North American Electric Reliability Council (NERC), advising the groups that the company has all mission-critical systems necessary to generate and transmit electricity ready for the change to the new millennium.

The letters chronicle the successful outcome of a journey that began in 1996. During that time we inventoried, assessed, repaired or replaced, and tested about 140,000 critical software programs and susceptible devices involved in our operations to generate and distribute electricity.

Fermi 2 Continues in a Leadership Role

Out of the 103 nuclear plants across the country, Fermi 2 is one of 68 that achieved Y2K ready status by June 30, 1999. The company has completed work for those systems required for the operation of the plant as well as contingency plans to mitigate the impact of Y2K-induced events at key rollover dates. The Nuclear Energy Institute in communicating on Y2K status of the US. nuclear industry, reported that "no safety problem has been found that would cause an unsafe response and no component has been found that cannot be fixed in the nation’s nuclear facilities."

Our fossil fuel plants were year 2000 ready on May 30, well ahead of numerous other utilities. We tested individual power plant units by advancing control systems dates to 2000. The plants operated successfully in this induced "millennium mode."

We are a crucial link
We're very much aware of the crucial link we provide to almost every aspect of society. And we realize we have an obligation to serve our customers in our everyday work, as well as when faced with challenges such as those that Y2K brings.

We've worked hard to keep our customers informed of our progress via the media, bill inserts, brochures, our web site on the Internet and our Year 2000 Information Line, 1-888-464-3376. We've also shared our Year 2000 Program and progress first hand with more than 15,000 people who attended more than 100 seminars, forums and Y2K panels Detroit Edison either hosted or participated in across Southeastern Michigan.

What are customers doing to prepare?

One of the questions I pose to people who attend our presentations is: Do you know how Y2K may affect your household or business and have you taken steps personally to prepare? From minor inconveniences such as the incorrect time on a VCR to the

See Edison, page 21
by Ginny Bennett

Veno Hesano’s life has been a series of “it’s a small world” events.

One of the first was when Veno was a teenager. Even as a young boy working in his father’s store he had a vision of owning his own store one day. He eventually knew which store he wanted and today he is the owner of that store—Glass Bottle Shoppe at 9540 Greenfield in Detroit. He likes to tell how he passed by the store at the age of 15, pecked in and decided that one day he would own it. How he came to own it is a “small world” story, too.

Veno is the oldest of seven children. He has five brothers and one sister who all began careers working for their father. Sabrin, at Boulevard & McGraw Market in Detroit. Veno’s dream came true when, as a partner with his father, he purchased Glass Bottle Shoppe.

“Buying the store was a small-world story,” explains Veno. “When I met my wife-to-be Vicki, I was surprised to learn that her neighbor owned the store I had always wanted. Eventually the neighbor sold the store and then a few years later when it was again put on the market, I finally bought it.” That was 25 years ago on August 26, 1974. Veno bought his dad’s share in 1982.

Brother Romeo Hesano, owner of Pilgrim Party Shoppe in Plymouth, worked at Glass Bottle Shoppe until he went out on his own. The store is 4,000 square-feet now but was much smaller in the beginning. Veno bought the barber shop next door and expanded into the space. Eventually he built onto the original building. When the bottle law took effect in 1980, he was ready with ample storage area for the returnables. Although bigger now, the building looks about the same as it did when it was built in 1960.

The extra space allows for adequate storage and open areas behind the plexiglass. Within this storage area Veno demonstrates uncanny organizational skills. His backroom could be a model for other stores. The break area is neat and the bottle area is immaculate. When customers return bottles and cans they put them in a bin which is whisked away to the sorting area in the back room. All the drips are contained in the bin. Veno takes responsibility for keeping everything neat. “It is a lot of work,” he says. He is always at the store. “I have a system that works for me,” he says. “Deliveries must be rotated right away. Life would be simpler if I could learn to delegate,” he laughs. “Maybe I could rest more,” he says, knowing that it isn’t likely. He takes pride in how his store looks.

“I have a lot of respect for my customers,” says Veno. “I call them by name and treat them like I like to be treated—fairly.” One customer greeted Veno and when she left he said, “It is a small world, her mother and grandmother were clients at my father’s store and now she shops here.”

Veno Hesano has respect for AFD too, and the positive effect it has had on his business. He uses AFD services extensively. Hesano finds that he can rely on AFD staff to answer his questions and he gets personal help with programs like Blue Cross Health Insurance and LDMI long distance phone service. He serves as a trustee for the AFD Worker’s Compensation program.

Furthermore, two of the three Hesano children have won AFD scholarships. The oldest, Anthony, won an AFD scholarship in 1994. He is a graduate of Miami University of Ohio. The oldest daughter Gina, a Michigan State University senior, won an AFD scholarship in her freshman year. Dana, his youngest, enters MSU this fall. Veno’s free time is divided between an occasional summertime basketball game and his dedication to Detroit Catholic Central High School, his alma mater.

Like Veno, son Anthony also attended Catholic Central. Veno anticipated that his son would attend there and together with others formed a board of directors to provide for the school’s development. In return for the “great” education he and his son received, Veno has devoted much of his free time to giving back by fund-raising and has helped raise upwards of a couple of million dollars for the school.

Veno has kept his world small by choice. At one time he flew his own plane. Some years ago he owned a few Subway stores with a brother-in-law, but they have sold them and today he is content to make certain Glass Bottle Shoppe runs smoothly. It keeps him busy and probably will continue to, since none of his children have expressed an interest in working in the store. “They think it is too many hours,” says Veno. He agrees, but knows that it takes time to be as organized as he wants to be. Next, maybe he will work on his delegating skills.
Edison
Continued from page 19

ability to appropriately regulate the heat or air conditioning in your home via a programmable thermostat, use your personal computer, or ensure your security system works properly, it’s prudent to think ahead. Our Year 2000 Home Checklist brochure outlines some of the steps customers can take to prepare.

Teamed efforts
Meeting the Y2K challenge is a team effort, not something accomplished in a vacuum. Utilities working with other utilities, municipalities and major businesses, and corporations working together all share a common goal – the safety of their customers and communities. Earlier this year we hosted a series of seminars so state and local governments could learn not only about our progress, but also that of partnering groups in telecommunications, water and sewage, gas and state emergency organizations.

We continue to work with major utility industry associations and organizations, as well as customers, vendors and key units of government to gather information and share information on Y2K issues. The company also is in close contact with suppliers critical to company operations and is continually assessing their progress on Year 2000.

In April, we participated in a NERC telecommunications drill that simulated partial loss of voice and data communications required to operate U.S. and Canadian electric power grids. Our back-up telecommunications systems worked as designed and the drill assured us that our interconnected electric utility partners also were ready.

On Sept. 8-9, 1999, we participated in a second NERC drill designed to simulate operation of the electrical system under Y2K-imposed scenarios. The drill gave us an opportunity to rehearse for the Dec. 31 to Jan. 1, 2000 rollover. The objectives we set for the drill were passed with flying colors. Those objectives included demonstrating the ability to effectively deploy personnel, using backup communication systems and implementing some contingency plans.

What plans do our major customers have?
It’s also important that we know

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Key numbers for 1999

By Michael J. LoGrasso, CLU, ChFC
Sage/nark Consulting, Inc.

Each year new criteria mark the limitations to various Federal programs. Automatic cost-of-living adjustments are made to tax and Social Security benchmarks. Because of the range of and the timing of the release of that information, it can be difficult to track down some of the key financial figures that will uniquely identify 1999.

Knowledge is power! As we enter the last few months of 1999, knowing the rules can help you save money. This is true whether you wish to maximize a deductible contribution to a 401(k) plan, monitor a distribution from an IRA or are simply dealing with a Social Security benefit.

Use this chart to monitor some of the key financial factors that may make a difference in your tax returns for 1999. You have a couple of months left to talk with your tax advisor to make adjustments now that may benefit you at tax time.

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TAKE ME TO YOUR COOLER!
From produce to politics, Representative Shulman is a friend of small business

By Michele MacWilliams

Like many people in the food industry, Marc Shulman’s grandfather came to the United States and opened a fruit stand. Young Marc spent many hours working for his grandfather at the Ferry and Eastern Markets in Detroit.

“I grew up working in the produce industry and have a great affinity for the people in the business,” says Shulman.

A freshman legislator, State Representative Marc Shulman was elected to the Michigan State House to represent District 39 residents of Keego Harbor, Orchard Lake Village, and Commerce and West Bloomfield townships in November 1998. A Republican, he serves as chairman of the Joint Committee on Administrative Rules and vice chairman of the Family and Civil Law Committee. He also serves on the Criminal Law and Corrections; Family and Children Services; and Energy and Technology committees.

A graduate of Michigan State University and Cooley Law School, Shulman clerked for a federal judge at the United States District Court in Kalamazoo and began his own private law practice in 1981.

As an attorney practicing in Southfield and Madison Heights, he is senior partner responsible for business, commercial and FELA litigation. He formerly practiced insurance litigation for the state of Michigan as a special assistant attorney general.

Entering Politics

Why would a successful, busy attorney want to become a state representative?

“I had to go back into politics to right a wrong I committed years ago,” Shulman says with a smile.

“As a senior at MSU, I was a Senate page. One of the jobs we had was to go to the top of the capitol dome and hang the flag.” When it was his turn, young Marc inadvertently hung the flag upside down. He promised himself that he would come back one day, and hang the flag properly to do it justice.

Upon taking his seat in the House of Representatives, he was given the honor of hanging the flag, this time correctly.

Actually, the main reason that Marc Shulman ran for a House seat was to serve his state.

“I’ve always enjoyed helping people,” Shulman says. “I have a passion for this.” Shulman taught English and Social Studies in the Lansing school district while going to law school at night. “I enjoyed teaching and helping others. As a legislator I once again have an opportunity to help; to do some good,” he adds. “The exciting thing is, as a representative, you really, truly can make a difference and increase the quality of life for the people you serve.”

The half-mile rule

In one instance however, Shulman is set on not making a difference. Currently Shulman chairs the Joint Committee on Administrative Rules and is looking at the Michigan Liquor Control Commission’s request to eliminate the half-mile rule for liquor licenses.

“I believe this rule should remain. These small business owners purchased licenses with this understanding. To eliminate the law would have a great economic impact on many retailers. Whole businesses would be devalued.”

Representative Shulman doesn’t know why the MLCC wants the law eliminated, other than removing it is a step along the deregulation path. However, he believes the fact that liquor license purchases were made on the basis of this rule is an important reason to keep it intact.

“There is power in numbers and facing the MLCC on this issue will be more successful if the food and beverage industry makes its opinion known, loud and clear.”

Representative Shulman emphasizes. He wants all retailers to call, write, e-mail or fax their legislators to voice support for keeping the half-mile rule.

(Don’t know your representative’s number? Call the Clerk of the House at 517-373-0135 or go to www.michiganlegislature.org)

“Legislators will listen to their constituents. They are elected to represent them,” Shulman maintains.

He expects a vote on the half-mile rule sometime this year.

On Telecommunications

Representative Shulman is also involved with another important issue for businesses. On the Energy and Technology Committee, he is introducing a re-write of the telecommunications act; the goal of which is to open intralata rates for competition. Intralata calls are those made within the state, that are not a long distance call, but are out of the local calling range.

Because a couple large companies monopolize the intralata business, Michigan rates are 25 cents per minute in many areas, while intralata calls in Illinois are as low as six cents per minute.

Currently it is difficult for small phone companies to enter the Michigan local market. The bill would allow the Public Service Commission the power to make decisions and act as a referee, eliminating costly litigation that keeps competition at bay.

Caring for the elderly

On the Joint Task Force on Aged, the Representative is looking at pilot projects and tax incentives for taking care of our elderly. Working with our insurance industry, Shulman is looking into a possible option that would allow the elderly to take a portion of their life insurance policy and put it into long-term care insurance.

Representative Shulman is very cognizant of the needs of his constituents. Even though there is no budget for it, he maintains a district office so residents can call and speak to a staff member anytime during regular business hours. He is accessible to all constituents every Monday, when he sets up shop in the different town halls in his district.

He is currently working on two new programs that Representative Shulman is particularly proud of: a scholarship foundation and a grant for a cultural center.

His scholarship foundation is unique in that the funds will be split between the students and the students’ high schools. “This way the student can give something back to their school,” he adds.

The grant will be used to help build a Chaldean cultural center as part of an expansion of the clubhouse at Shenandoah Country Club.

Even though Representative Marc Shulman’s career has strayed from his roots in the produce business, it is obvious that his heart is still with those in the industry.

You can reach Rep. Shulman by calling his office at (517) 373-1799.
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Doubling sales using numerical displays

Studies show that retailers can dramatically influence their customers to purchase more using multiple-unit and quantity-limit pricing strategies. Shoppers buy more if they see a numerical display that mentions a specific purchase quantity number.

To determine the feasibility of using point-of-purchase displays to promote multiple purchases, the researchers at the University of Illinois, varied the in-store signage and displays in 89 supermarkets in Illinois, Pennsylvania and Iowa.

In the first experiment, the test item was sold with a temporary price reduction ranging from 9 percent to 44 percent signaled at the point-of-purchase with a 3.5-inch x 2.5 inch "bonus buy" shelf tag, which indicated the regular price as well as the deal price in single-unit or multiple-unit form.

Findings over the six-month test period show the multiple-unit sales over the single-unit control.

Adding Limits

Citing previous research, the study maintains that using signage to denote single-unit purchase limits increase purchase incidence by signaling the deal is good.

The researchers conducted a second field study using end-aisle displays of Campbell's soups for .79, instead of the regular price of .89. A sign was mounted behind each display announcing "Campbell's soup sale - .79 per can." Stores in the test included signage placed at the point-of-purchase stating: "no limit per person," "limit of four per person," or "limit of 12 per person."

The purchase limits were rotated each evening, ensuring that each store offered the sale under each limit condition.

Results from this experiment showed that shoppers who purchased soup from the displays that had no limit purchased 3.3 cans of soup; whereas buyers with limits of four and 12 purchased an average of 3.5 cans and 7 cans, respectively. The magnitude of the effect is large - limit 12 signage increased sales per buyer 112 percent, the report states.

As retailers and manufacturers look to increase volume sales, signage with multiple-unit pricing and quantity limit strategies should be considered.

-Grocers Headquarters

The AFD has teamed up with Southfield-based Star Insurance Company to provide workers compensation insurance coverage exclusively for AFD members.

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For more information about the AFD / Star workers compensation insurance program, please contact Judy or Liz at AFD, (800) 56-66-AFD, or for a prompt quotation, please call Cathy Markatos at (800) 482-2726, ext. 8221.

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Electronic Choice comes to Michigan

On August 30, a new era opened in Michigan’s electric utility industry as Detroit Edison began accepting bids from potential participants in the first phase of the Electric Choice Program. The program is designed to allow the state’s electricity users to choose their electricity supplier.

During the next year, there will be five separate opportunities or phases during which anyone can bid for capacity rights on Detroit Edison’s transmission and distribution systems. Each phase will make 225 megawatts (MW) of capacity available to residential, commercial and industrial customers, for a total of 1,125 MW of Detroit Edison’s system capacity.

The five bid phases are:

- August 30 - September 20, 1999
- October 29 - November 19, 1999
- December 27, 1999 - January 20, 2000
- February 28 - March 20, 2000
- October 3 - November 20, 2000

Beginning January 1, 2002, Electric Choice will be open to all Michigan customers.

Twenty-three other states have introduced competition to their residents, but Michigan is the only state with a multiple-phase bid format. This approach allows Detroit Edison to implement the program gradually and incorporate lessons learned. It also gives customers more time to learn about Electric Choice and their energy options.

Detroit Edison will remain responsible for the distribution, or the delivery portion of the electric system, as well as maintaining power lines and other equipment.

For more information about Electric Choice, visit the Detroit Edison Web site at http://www.detroitedison.com the MPSC Web site at http://www.ermisweb.cis.state.mi.us/mpsc/electric/restruct or call the Electric Choice Information Line at 1-877-413-INFO.

Executive Matters ...
from the President of Associated Food Dealers of Michigan

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Avoiding liability when releasing employees

Employer downsizing, merging, reorganization and the continual search for greater efficiency all mean one thing—employee turnover, and with it, the risk of litigation. Individual employees may be displaced for many reasons: job elimination for reasons other than general downsizing, technological innovation, or perhaps lackluster performance.

At the same time, employers have suffered greater and greater restrictions on their right to discharge employees. Title VII, the Age Discrimination in Employment Act of 1967 (ADEA), the Americans with Disabilities Act, and a host of state common-law wrongful discharge and implied contract causes of action have required employers to seek ways in which to avoid liability when reducing workforce size or terminating individual employees.

To minimize or eliminate the risk, many employers use a Separation Agreement or Release. Before offering any such agreement, you must consider whether the individual employee is likely to enter into such an agreement and, if so, whether the agreement is enforceable.

Determining validity

Some of the questions as to when a waiver of an employee's rights was enforceable under a Separation Agreement or Release were answered in 1990 with the enactment of the Older Workers Benefit Protection Act, which amended the Age Discrimination in Employment Act (ADEA) by codifying the minimum requirements for an enforceable, i.e., "knowing and voluntary," waiver of an employee's rights. Further clarification is contained in a proposed rule on ADEA waivers published last March in the Federal Register. The proposed rule addresses:

- The wording of waiver agreements
- Consideration provided in exchange for a waiver
- Time periods for employees to consider whether to sign or revoke a waiver
- Information employers must provide to covered employees about those covered and not covered by the termination program
- Waivers that settle discrimination lawsuits or charges filed with the EEOC

- The burden of proof in disputes over the validity of a waiver
- EEOC's enforcement powers

Based on government statistics, some 14,000 employers a year will use waivers and thus would be affected by the program. The deadline for written comments was mid-May, and a final rule should be published in the Federal Register by mid-1998.

Though the 1990 Act relates solely to the requirements for a valid waiver of an employee's rights under ADEA, its requirements on waivers may be logically extended to the waiver of other employees rights. For an agreement to represent a valid waiver of an employee's rights under the ADEA and presumably Title VII as well as state law claims, the waiver, at a minimum, must do the following (clarifications made in the proposed rule are in italics):

Valid waiver requirements

1. The waiver of the employee's rights must be in writing and must be written in such a manner that can be readily understood by the individual to whom it applies. The entire agreement must be writing; should avoid technical jargon and the use of long, complex sentences; and must not exaggerate any advantages or minimize any disadvantages.

2. The waiver must specifically refer to rights or claims arising under the ADEA. The agreement must refer to the ADEA by name in connection with the waiver.

3. The waiver must not result in the employee waiving rights or claims after the date the waiver is executed. This, however, does not bar the enforcement of agreements to perform future employment-related actions such as the employee's agreement to retire or otherwise terminate employment at a future date.

4. The waiver rights of the employee must be given in exchange for valuable consideration in addition to any payments or benefits the employee receives.

See Avoiding Liability page 50
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Associated Food Dealers of Michigan hosted a free picnic for senior citizens

**Thursday, August 26 on Belle Isle**

Despite rain showers, approximately 2,000 seniors enjoyed a picnic lunch and entertainment.

The Associated Food Dealers of Michigan (AFD) hosted a free picnic lunch on Belle Isle for Detroit's senior citizens. Called the “Senior Citizens Appreciation Day Picnic,” it took place at Belle Isle shelter 8, on Thursday, August 26, 1999 from 11:00 a.m. until 3:00 p.m. The theme for the picnic was Business and Community Together. There was plenty of food and beverages donated by members of the Associated Food Dealers of Michigan.

This is the ninth year that the grocers have teamed up to host this free picnic. Although rain showers kept the seniors under tents and the shelter, organizers still served approximately 2,000 lunches this year.

Hot dogs, snacks, salads, fruit, beverages and ice cream were served. This year the seniors also enjoyed square dancing lessons and bingo with prizes. Emergency medical services and blood pressure testing were on hand. The Detroit Police Department Junior Police Cadets and other volunteers helped serve the food and clean up afterward.

Retail food stores that volunteered to donate food and organize the party include Home Pride Food Center, Mayfair Market, New Super Fair Foods, Pioneer Supermarket, Value Save, and Value Center Market, to name a few.
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More Senior Picnic pics

Welcome To The Annual
SENIORS PICNIC
HOSTED BY
The Associated Food Dealers,
Councilman Gil Hill and Detroit's Chaldean Merchants

AFD's new Trade Show Chairs

Kevin Larsen (left) of I&K Distributing and Fred Pawlusiaik of Hiller's Food Emporium will co-chair AFD's next trade show, April 17 and 18, 2000 at Burton Manor in Livonia.

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Coca-Cola Bottling of Michigan celebrates Grand Opening of Detroit Sales Center

Coca-Cola Bottling of Michigan held a ribbon cutting ceremony on Tuesday, September 7 to celebrate the opening of the Detroit Center. The sales center is located at 1600 East Grand Blvd. (at Mt. Elliott). The facility employs over 100 workers.

The opening is evidence of Coca-Cola’s continued commitment to Detroit. Mayor Dennis Archer delivered remarks for the opening.

“We are proud to be an active member of the Detroit community. We look forward to having this new facility as the cornerstone of our commitment to Detroit,” said Percy Wells, Detroit Branch Manager.

Coca-Cola has bottled beverages in Detroit since 1902.
Retailers demand better deliveries

According to a report from Food Distributors International, retailers are demanding more when it comes to deliveries from food distributors. Need is now more important than cost to retailers and the burden is on distributors to meet transportation demands. Most distributors are working long weekends and longer weekdays, this results in an abundance of overtime for drivers. Many distributors are trying to work more closely with retailers to find optimal delivery schedules, according to this report.

The four key measures that can help both parties achieve optimal transportation results are:

1. The distributor knows, through good customer service, the on-time delivery performance of the fleet and the product service level.
2. Distributors should encourage retailers to accept deliveries during low activity periods, such as the weekend. Peak shipping times are Monday and Friday.
3. Establish auditing methods that measure unloading practices by both drivers and retailers and offer incentives for those with fast unloading times will improve performance.
4. With increasing awareness of food handling problems such as E.coli bacteria, proper temperature control is becoming increasingly important. - Youngstown Area Grocers Association

WIC vendor training sessions

For WIC vendors who did not attend a scheduled training session, a make-up session will be offered in the near future. Failure to attend a WIC vendor training session is a violation of the WIC Vendor Sanction Policy and could result in the termination of your WIC vendor contract and a one-year disqualification period.

If you have questions, contact the WIC Vendor Relations Unit at (517) 335-8937.

Miller assumes ownership of former Stroh’s plant

Miller Brewing Company now adds the former Pabst Brewing Company brewery in Turnwater, Washington to its roster of production facilities.

Miller assumed ownership of the Turnwater brewery Sept. 1 as part of the recent agreement between The Stroh Brewery Company, Pabst and Miller. The Turnwater brewery represents Miller’s seventh production facility—the company also operates breweries in Milwaukee, Fort Worth, Texas; Irwindale, California; Trenton, Ohio; Albany, Georgia and Eden, North Carolina.

Coupon circulation remains even

249 billion coupons were circulated in 1998, about the same amount as 1997. This is noteworthy after several years of decline. Sunday Free Standing Inserts increased their share of the market, and they are the largest vehicle. Other comments as reported in US Distribution Journal, May/June 1999:

- Average value increased from 67.9 cents in 1997 to 70.2 cents in 1998.
- 22 percent of the coupons require multiple purchases. This strategy is growing.
- The average time from drop to expiration was 3.1 months.
- 4.8 billion coupons were redeemed in 1998, down 2 percent from 1997.
- 81 percent of all Americans use coupons.
- 62 percent of shoppers use coupons to plan their shopping list.
- 64 percent use coupons to choose brands.

Data reported from MCH Nu World Marketing, Ltd., a coupon processing and promotion information management company.

FMI and IFT form partnership

Food Marketing Institute (FMI) and the Institute of Food Technologists (IFT) announced the formation of a partnership designed to enhance and promote food safety education programs throughout the retail food industry, and to facilitate the exchange of information about food marketing. The new partnership has four primary objectives:

- To enhance and promote food safety, wholesomeness and quality for the retail food industry.
- To be an authoritative source of scientific and technical information.
- To use and improve channels for dissemination of scientific and other information about issues related to retail food safety.
- To provide a mechanism for the exchange of information and ideas related to the retail food industry.

"A partnership between these two organizations establishes a way to disseminate information to food retailers on critical food safety issues, including irradiation, time and temperature controls, and microbial risk assessment," said Dr. Jill Hollinsworth, FMI vice president of food safety programs. "It will allow both organizations to combine their resources to develop comprehensive educational programs for supermarket food service workers and to inform IFT’s constituents about food marketing issues."

"The knowledge gained through our shared resources will benefit industry and consumer audiences alike, with the hope that food borne illnesses can be decreased or eliminated," added Dan Weber, IFT executive vice president.

FMI and IFT resources include representatives from government, academia and industry who are involved with food research and analysis.
Store openings surpass closings

**FMI's 1999 Facts About Store Development**

Amid signs of increasing productivity, a strong economy and a high level of consumer confidence, supermarket store openings topped closings in 1998, the positive balance since 1993. Average new store size also continued to expand to record levels of 57,000 square feet – up from 52,441 in 1997 – according to the Food Marketing Institute (FMI) study, *1999 Facts About Store Development*.

Approximately 4.2 percent of America’s supermarkets in 1998 were newly constructed, and 3.1 percent closed. In comparison, store openings were roughly equal in 1996 and 1997, and closings outpaced openings in 1994 and 1995. The addition of increasingly larger stores increased the overall average store size to a new high of 40,483 square feet, up from 39,620 square-feet in 1997.

Remodeling activities continued at a steady pace, which accounted for approximately six percent of stores taking the initiative. One in three remodeling projects expanded a store’s total selling space. Remodeled stores represented in the Facts study added 709,965 square-feet to total supermarket square footage.

At least three-quarters of the new stores opened in 1998, and many of the remodeled stores, feature a deli, scratch/bake-off bakery and fresh seafood – services that address consumers’ interest in fresh meal-oriented solutions. Greeting card aisles and floral/plant centers, one-stop shop – are also popular.

With the healthy U.S. economy and low unemployment, the cost to build a new store in 1998 increased to $106.50 per square foot, up 30 percent from 1997. Typical cost for equipment and fixtures rose by 40 percent to $45.68 per square foot, most likely a result of the industry’s efforts to offer consumers a broader selection of services and departments.

Eight in 10 supermarkets represented in this year’s Facts survey are leased. Among these stores, in 1998, the average minimum rent per square foot for existing stores was about 30 percent higher than in 1997 ($5.64 versus $4.38), which reverses a three-year decline in rental rates. It remains to be seen whether this is a long-term trend.

**Key facts cited in the study include:**

- **Percentage of stores new:** 4.2 percent
- **Percentage of stores closed:** 3.1 percent
- **Percentage of stores remodeled:** 5.8 percent
- **Median new store size:** $7,064 square feet
- **Median building cost of new stores:** $55.65/square foot
- **Median cost for equipment and fixtures:** $45.68/square foot
- **Median cost for decor:** $2.30/square foot
- **Median total construction cost:** $106.50/square feet
- **Median total capital investment per remodeling:** $1,215,000

**Smoking Section**

HE FEDERAL GOVERNMENT is using regulatory powers based on the consumer’s right to merchandise cigarettes. This time the talk isn’t about eliminating self serve or curbing display ads. No — the call is much more serious, with the government threatening to force retailers to place all tobacco products out of consumers’ sight.

Most U.S. retailers, however, seem oblivious to this threat on free enterprise or the right to merchandise a legal product. That’s because this battle isn’t taking place on American soil — at least not yet.

The fight is in Canada, where, unlike the U.S. Food and Drug Administration’s bid to regulate tobacco, the Canadian Health Authority already has oversight of the industry.

The “call of sight, cut of mind” proposal was first introduced in January by the Office of Tobacco Control, a branch of Health Canada. Although the agency has little in recent weeks, according to industry observers, the proposal is receiving serious consideration and could become law by year’s end.

“The battle in Canada is reminiscent of last summer’s contentious debate by federal lawmakers in the United States to pass a nationwide anti-smoking policy that threatened to radically restrict tobacco marketing. One central difference is that tobacco companies and retailers were able to successfully lobby U.S. lawmakers to delay the proposal.

In Canada’s case, Parliament is in the minority, with elected officials supporting a non-delegation parliament that affects thousands of people and millions of dollars.

Although the battle is north of the border, Hilburg and Keven Moore, STC’s director of store government affairs, says the rules that affect thousands of people and millions of dollars are coming to the United States.

“Canada is the birthplace of a lot of anti-tobacco ideas and it’s paying off,” said Hilburg. “Behind the counter is a serious issue. But if you put tobacco out of sight, the next step is out of the store.”

Mason added, “There really isn’t a realization in this country as to the extent of the problem. Once you’ve realized that the government is regulating your business, you’ve opened up the door to more of these kinds of decisions.”

**Franchise from View**

Retailers in Canada are currently required to merchandise tobacco behind the counter, but if the proposal becomes law, the majority of the country’s convenience stores would be forced to follow suit. A proposal to have tobacco products behind the counter was introduced in the Canadian Senate last year, and the measure now faces final debate in Parliament.

Stores that stock tobacco products must offer a "secret" or "mystery" purchase to customers in order to purchase an item. This makes it more difficult for customers to purchase tobacco products, and could result in lost revenue and the layoff of several thousand workers.

If the proposal becomes law, most sales stem from visual impact. Sales to those under the age of 18 will drop, and many retailers will have to restructure their marketing strategies.

Mason added, "The retailers who are fighting this proposal are those retailers who are marketing tobacco products in a non-electronic government agency that offer the retailers the benefits the large manufacturers and offer an incentive for the convenience industry to claim victory. But putting it behind the counter and out of sight doesn’t reduce underage smoking."
**Consolidation Trend:**

Five retailers now account for 40 percent of grocery sales

The ongoing consolidation trend among supermarket operators continues to be a major topic of conversation in the industry as the buying clout of these players increase. The nation's five largest food retailers now account for 30 percent of industry wide sales according to a Food Institute analysis of 1998 sales of those chains and data from the Bureau of Census. Just five years ago, it took the top 20 supermarket chains in the United States to reach the same percentage. Of course, nine of those 20 operators have since been purchased by the competition.

"To put it another way, in 1993, if you were selling your wares to food industry retailers, you would have had to call on 20 separate firms to reach 40 percent of the US market. Now, contacting just five of the players can do this," commented Brian Todd, Senior Vice President of the Fair Lawn, NJ-based trade association.

In 1993, the top five retailers in the US recorded sales of about $74 billion, accounting for 20 percent of industry wide sales of $370.7 billion. Last year, sales for the top five reached a record-high $167.3 billion.

How did they get so big?

Well, when there were indications that Wal-Mart, the nation's largest overall retailer, was moving into the food business in the beginning of the this decade, beyond the candy and convenience items it sold in its discount stores, the food industry was put on notice. The sheer size and penetration of that retailer raised the eyebrows of many supermarket chain executives. Known for their buying clout and demanding terms with manufacturers, Wal-Mart was viewed as the force to reckon with, or at least imitate. Its Sam's Clubs warehouse stores were gaining in popularity and Wal-Mart's first big forays into operating large super centers were proving successful. And, as they have been as they are now the nation's second largest food retailer, behind Kroger.

Since trying to expand into new markets by building new stores is difficult and extremely costly, growth via acquisition was the obvious solution for food retailers.

And acquire they did. Between 1994 and July 1 of this year, supermarket chains made some 169 acquisitions, according to exclusive Food Institute data from its annual Food Business Mergers and Acquisitions reports and weekly Food Institute Report. The largest deals, however, were made in the past year as Kroger acquired Fred Meyer Inc., and American Stores was swallowed up by Albertsons.
BEGINNING OCTOBER 1

RECEIVE A 7% COMMISSION ON NEW $2 INSTANT GAMES!

The Michigan Lottery realizes that a big part of our success is due to thousands of Michigan retailers just like you. That's why, with all $2 instant games introduced after October 1st, you'll see your commissions jump to 14 cents for every ticket you sell.

So be sure to stock up on our newest $2 instant tickets — Monster Match and Captain Cash — and see your profits soar!

MONSTER MATCH
On Sale October 11!
7% commission!

CAPTAIN CASH
On Sale October 25!
7% commission!
Call for free customer brochures

The U.S. Environmental Protection Agency has produced a brochure, Pesticides and Food.
It is the first step in providing consumers with information on the risks and benefits of pesticides used on food. It includes recommendations to help consumers reduce their dietary exposure to pesticide residues in a manner consistent with maintaining a healthy diet.

Pesticides are used to protect food from pests, such as insects, rodents, weeds, mold and bacteria. While pesticides have important uses, studies show that some pesticides cause health problems at certain levels of exposure. To protect your health, the Environmental Protection Agency (EPA) sets standards on the amount of pesticides that may remain on food, if pesticides are applied.

You can help your customer by giving them information for how to keep their food safe:

Pesticides: Healthy, Sensible Food Practices

Washing: Wash and scrub all fresh fruits and vegetables thoroughly under running water. Running water has an abrasive effect that soaking does not have. This will help remove bacteria and traces of chemicals from the surface of fruits and vegetables and dirt from crevices. Not all pesticide residues can be removed by washing.

Peeling and trimming: Peel fruits and vegetables when possible to reduce dirt, bacteria, and pesticides. Discard outer leaves of leafy vegetables. Trim fat from meat and skin from poultry and fish because some pesticide residues collect in fat.

Selecting a variety of foods: Eat a variety of foods, from a variety of sources. This will give you a better mix of nutrients and reduce your likelihood of exposure to a single pesticide.

If you or your customers would like more detailed information, please see our related web site at www.epa.gov/pesticides/food. To receive a shipment of the free brochures, Pesticides and Food, call 1-800-490-9198.

New York rules against sales tax laws on Native American retailers

Last month the New York Supreme Court ruled that the state does not have to enforce its sales tax laws on Native American retailers.
Specifically, to require Native American retailers to collect and remit the state excise tax from sales of tobacco and motor fuels to non-Native American customers.

Currently, some tribes are aggressively marketing tobacco and motor fuels as “tax free” and not charging the state excise tax.

The New York Association of Convenience Stores (NYACS), NACS, M.W.S. Enterprises and Sugar Creek Stores were plaintiffs in the case. Plaintiffs argued that the non-enforcement of tax collection constituted race-based discrimination against non-tribal retailers, and that if the tax was not enforced on tribal shops, it should not be enforced on non-tribal ones.

This failure of the New York court system further emphasizes the need for a federal legislative solution.

The National Association of Convenience Stores is actively working with Congressional leadership to craft a solution which will create price equalization at the street without causing economic hardship to tribes in need of revenue.

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Lottery warns retailers of new scam

By now all lottery retailers should have received a special message from the Michigan Lottery regarding a new scam that preys on inexperienced lottery terminal operators. The Lottery warned that retailers should be careful making wheel wagers. Daily 4 wheels cost up to $24 per draw, or $480 for 20 draws.

If the terminal operator doesn’t press the total key, they may charge the wrong amount. This can be a costly mistake! The Michigan Lottery advises all retail establishments to verify the total cost of the tickets printed and use the total key.

Half-mile rule gets attention

Editor’s Note: AFD received a copy of the letter below, written from Representative Stephen Ehardt to Jacquely Stewart or the Michigan Liquor Control Commission. Representative Ehardt echos the opinion of Representative Shulman and AFD regarding the half-mile rule.

September 7, 1999

Jacquelyn Stewart, Commissioner
Michigan Liquor Control Commission
State Secondary Complex
7150 Harris Dr., P.O. Box 3005
Lansing, MI 48909

Dear Commissioner Stewart:

It is my understanding that the commission is reviewing proposed rule changes and will soon present the changes to the Joint Committee on Administrative Rules.

I received a letter from the Associated Food Dealers of Michigan on this matter, and although they are not opposed to the rule changes, they are adamantly opposed to the one proposal to eliminate Rule 436.1133 concerning SDD’s - Specially Designated Distributors.

I strongly support the Associated Food Dealers position on this matter. By eliminating this rule, I feel it would create a hardship on many licenses. Thank you.

Sincerely yours,

Stephen R. Ehardt
State Representative
83rd District
Y2K Food industry update

The US grocery industry has been focused on Y2K issues for several years to ensure that there are no disruptions in the supply of America's food and essential packaged goods in the new year. Both Grocery Manufacturers of American (GMA) and Food Marketing Institute (FMI), which represent the entire US food and consumer products industry from manufacturer to supermarket retailer, report that their members are confident in the industry’s Y2K readiness.

In March, the CEOs of GMA and FMI, C. Manly Molpus, and Timothy Hammonds assured the US Senate Special Committee on the Year 2000 Technology Problem that the basic infrastructures of the industry are ready for the transition to a new millennium. GMA President & CEO C. Manly Molpus said, “Bottom-line: the preliminary results show the majority of food manufacturing companies have completed the correction of potential Y2K problems in their critical systems. Our industry has been quietly tackling this issue for some time and feels well prepared to deliver food to consumers when the new millennium arrives.” According to a GMA survey, manufacturers are expected to spend approximately $1.8 billion to fix any Y2K problems, with average companies spending more than $27 million.

On the retail side, FMI President and CEO Tim Hammonds said, “The supermarket industry—more than any other—is well accustomed to operating in the most trying of circumstances, including earthquakes, floods and ice storms. Like every business, our computers go down from time to time, yet supermarkets continue to stay open, with full inventory of products using contingency plans that have withstood the test of time.” Hammonds added that the vast majority of supermarkets expect to be Y2K compliant on front-end systems such as scanners (96 percent) and scales (91 percent) by the end of this year. Furthermore, more than 75 percent have already completed their preparedness efforts and now are engaged in Y2K testing.

Both FMI and GMA executives are confident that there will be an ample food and consumer product supply in the stores on and after January 1, 2000.

-Taken from Preface of “Framework Y2K: Business Contingency Planning” by GMA and FMI

AFD MEMBERS
We want to hear from you!

Did your store recently celebrate an important anniversary? Are you providing a service that is unique?

If you represent a manufacturer or distributor, does your company have a new product, new package for an old product, a new variety of your existing product or any other product-related news? If so, we want to feature your company or its products in this magazine!

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.

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For information about Blue Cross coverage available to AFD members, please call Judy Shaba at 1-800-66-66-AFD.

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AFD Food & Beverage Report, October 1999
The Redeeming Quality of Coupons

According to a new report from NCH NuWorld, coupon distribution and redemption trends are on an upswing. In 1998, 249 billion coupons were distributed. Also, the face value of coupons has increased slightly to an average of 70.2 cents per coupon compared to 67.9 cents in 1997. The trend to require consumers to buy multiple products to receive the discount continues. According to NCH NuWorld, 22% of coupons today required multiple purchases.

Total redemption for 1998 was at 4.8 billion coupons, and while this is down 2% from 1997, the numbers indicate a slowing down of the rapid decline of coupon use and redemption of the past five years. In-store coupons can be found on the Internet, and many consumers are now going online and printing out coupon value lists complete with barcodes. The consumer takes the list to the store (in this case Giant Eagle), selects items from the list for purchase, and presents the bar coded front page to the cashier for scanning. Once scanned, any items on the list will be discounted at the register. No clipping is required, no sorting through coupons in the store, and no store sorting for manufacturer redemption. Is this the wave of the future? Maybe for some, but by and large, consumers still rely on clipping their own coupons.

Recently found on the Internet was an offer to receive $1,000 worth of grocery coupons for a one-time price to the consumer of $9.95. The list of manufacturers was impressive, but no other details regarding expiration date and specific product offerings were listed. Why purchase coupons that you might otherwise be able to get for nothing just by following the supplements, newspapers, and magazines? Just out of convenience (or laziness), and we may not be alone!

Who are your future employees?

According to the National Grocers Association, 85 percent of people entering the workforce will be women, minorities, and immigrants. Older people will remain in the workforce. Future employers can visualize a workforce that is much more diverse than in the past. This kind of change may be unsettling for employers accustomed to a more "traditional" labor pool, but a properly managed, diverse workforce can be a real asset to a business serving a more diverse population.

Did you know that:

- By the year 2000, approximately 47 percent of the workforce will be women.
- Of the 38 million working women of childbearing age, 80 percent will become pregnant during their careers.
- By the year 2005, ethnic minorities will account for 47 percent of the nation’s population.
- During the 1990’s, the number of people over age 75 may grow by as much as 29 percent.
- By the year 2000, at least 70 percent of the workforce will not be college graduates.
- Sixty-eight percent of employable people with disabilities are currently unemployed. In the future, those with disabilities may be seeking employment in increasing numbers.
- Nearly 12 percent of today’s workforce assists elderly parents. The number is projected to grow between 30 percent and forty percent of employees by 2020.

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Building Quality in a Growing Market
Discover Security Express Money Orders

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- Low Cost
- Money Orders In Seconds
- Speed Reporting and No Bookkeeping
- Expert Sales Consultation

Security Express Money Orders
1-248-304-1900
Successful safety orientation

Safety orientation programs for new employees are important for at least two reasons: 1) OSHA requires such training and 2) getting new employees oriented to safety is just good business practice. Here are 10 steps for a good safety orientation, suggested by the Bureau of Business Practice.

1. Know what to do in an emergency. Make sure you cover fire and emergency evacuation procedures from day one. Tell workers whom to call and how to sound the alarm. Walk them through two different escape routes and show them where to meet outside.

2. Follow established rules, procedures, and safety signs. Make it clear that failure to do so is inviting an accident. Emphasize your commitment to safety and point out that, if necessary, rules will be enforced through progressive disciplinary action.

3. Wear required personal protective equipment. Go over the PPE that is required, as well as the hazards this equipment will protect against. Then communicate that the employee is required to wear it right, wear it every time, with no excuses.

4. Handle hazardous materials according to instructions. Discuss specific substances workers are using and go over the labels and MSDSs. Cover the hazards, PPE, safe handling procedures, and emergency procedures in case of a spill. This training is vital for new workers and whenever new substances come into the workplace.

5. Operate equipment correctly. Workers should only use equipment for which they’ve been trained and authorized. They should never maintain or repair equipment unless they’ve been expressly trained and authorized to do so. Instructions should be followed exactly, including no gloves or jewelry around machinery and exact compliance and lockout/tagout procedures.

6. Avoid taking safety risks. Make it clear that it is never acceptable for an employee to take shortcuts, ignore near misses, or engage in horseplay.

7. Remove, repair or report safety hazards right away. Emphasize that everyone has personal responsibility to correct safety problems. Communicate that you expect workers to respond immediately to hazards.

8. Report accidents promptly. Make sure workers know what steps to take to report accidents, including what emergency number to call and being prepared to state the location of the accident, give their name and phone number, describe what happened, and stay on the phone until they’re told it’s okay to hang up.

9. Contribute to work zone safety. Communicate your expectations that individual work areas be kept neat and clean, and that all employees help keep common areas free from clutter and other housekeeping hazards that could result in an accident or injury.

10. Take training seriously. Inform workers that safety training will be an important and ongoing process. They can expect it whenever new processes or procedures are introduced, and whenever their safety performance needs refreshing. -- FMI

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Miller delivers NFL excitement

Retailers whose customers are "Hungry for Football and Thirsty for Beer" can turn to Miller Brewing Company for a promotional banquet this NFL™ season.

The four-window "Hungry for Football, Thirsty for Beer" off- premise promotion, featuring Miller Lite and Miller Genuine Draft, serves up a feast of opportunities for retailers throughout the NFL season, starting with the NFL Football Guides on Labor Day weekend and running through Super Bowl XXXIV™.

In addition to the NFL Guides, this year’s football promotion includes cross-merchandising and couponing opportunities with Bugles™, Cheez Mix™, and Gardetto’s™ snack foods, where legal.

Legal drinking age consumers can purchase the popular NFL inflatable chair via order forms in the football guides, where legal.

Display materials take retailers through first kickoff, regular season, holiday/playoff and Super Bowl seasons. Special materials for each season include large display spectacles, display enhancers, inflatables, cross-merchandising/ snack food point-of-sale materials with coupons where legal, local NFL team-identified materials, banners, case cards and other pieces.

Dear AFD Members,

I am pleased to announce that Party Time Ice Company is now the exclusive distributor of "Ryan's Express" premium packaged firewood. Our product consists of high-quality hardwoods, has a handle for easy lifting and is UPC coded.

I am prepared to offer the following firewood proposal:

A) • Price of $3.59 per unit
  • 2-Pallet minimum (60 units/pallet)
  • Pre-priced @ $5.59/each=40%

B) • Price of $3.99 per unit
  • 1/2 Pallet minimum (30 units)
  • Pre-priced @ $5.59/each=33%

C) Delivery available as of September 13, 1999

I would like to take this opportunity to thank all of our customers for their continued patronage. Sincerely,

Martin G. McNulty
VP/Sales

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Plastic or Paper

Fifteen years ago, 92% of the nation's groceries were carried home in paper bags. Today, it's only 20%.

Interestingly enough, in a survey conducted by Willard Bishop Consulting, 60% of consumers say they prefer paper. In that same survey, consumers stated that they would drive an average of 5 miles out of their way to shop at a supermarket that offered paper handle bags. This could simply mean that the difference lies not just in what the bag is made of, but whether or not it has handles.

Legal drinking age consumers can purchase the popular NFL inflatable chair via order forms in the football guides, where legal.

In connection with Miller Lite’s position as an official beer sponsor of the NFL and the Super Bowl, specific NFL team-identified point-of-sale materials for all 31 NFL teams will be available once again this year.

"Miller's strong relationship with the NFL provides a bonanza of merchandising advantages to retailers nationwide," said Joe Jones, director of brand promotions. "This year's point-of-sale materials offer natural incentives for legal drinking age consumers to purchase Miller products. We want to make the football season one of the most profitable ever for retailers throughout the country."

Display materials take retailers through first kickoff, regular season, holiday/playoff and Super Bowl seasons. Special materials for each season include large display spectacles, display enhancers, inflatables, cross-merchandising/snack food point-of-sale materials with coupons where legal, local NFL team-identified materials, banners, case cards and other pieces.

48...AFD Food & Beverage Report, October 1999
Spartan names new vice presidents for Valuland

Spartan Stores, Inc. assigns three vice presidents for its Valuland Inc. subsidiary. David Hogoboom, senior director of operations at Family Fare markets, will be vice president of operations for Southern Stores. Spartan bought the 13 Family Fare markets in western Michigan and renamed them Southern Stores.

Glen B. Catt, president of Glen’s Markets, will be vice president of operations for Northern Stores. Spartan bought the 20 Glen’s Markets and the eight Ashcraft’s Markets, combined them and named the new chain, Northern Stores.

Sally Lake has been promoted to the position of Vice President Sales and Marketing for Valuland. She was previously Director of Marketing for Spartan. Lake has been with Spartan since 1985. She will report to the President of Valuland, who will be determined in the near future.

John Sommavilla

named Vice President of Purchasing for Spartan

John Sommavilla has been promoted to the position of Vice President of Purchasing for Spartan Stores, Inc. In this capacity, he will be accountable for all areas of purchasing. The promotion was effective June 23, 1999. John was previously Director of Perishables Procurement.

John’s extensive purchasing and operational knowledge and skill, coupled with the ability to provide strategic leadership for Spartan’s purchasing staff, will be vital as Spartan strives to meet the ever-changing needs of the consumer.

John began his Spartan career in 1985 as a supervisor in the Grocery Warehouse. He transferred to the buying department a year later as a buyer/merchandiser for Grocery, Frozen, and Dairy products. In February of 1992, he was promoted to Manager of Frozen & Dairy Inbound Operations in January of 1994. He was promoted to Director of Perishables Procurement in August of 1996.

Michigan cherry innovator earns award

Don Nugent, President and CEO of Graceland Fruit Cooperative, was named the National Ag Marketing Official of the Year during the recent North American Agriculture Marketing Officials (NAAMO) conference held in Traverse City. The award is given to an individual who embraces the challenges in the industry with a vision for better days and better ways.

Nugent’s family began farming in Benzie County in 1881. He received a bachelor’s degree in agriculture from Michigan State University, and participated in the innovative Kellogg Foundation Farmer Study program.

To leverage Michigan’s position as the nation’s number-one tart cherry producer, Nugent founded Graceland in 1973. Two years later he began working to develop a dried cherry, not knowing the project would take 10 years to complete. Today, Graceland has expanded to dry cranberries, apples, blueberries, strawberries, peaches and tropical fruits, making it the largest infused dried fruit manufacturer in the world.

Graceland is Benzie County’s largest manufacturing employer. Nugent’s work to expand Michigan fruit markets has been recognized not only by NAAMO, but also the Michigan Manufacturers Association, which last month selected him from all types of entrepreneurs to be its 1999 Michigan Manufacturer of the Year.

Grandma Shearer names Jay Bonner route salesman of the year in Michigan

Annually, Shearer Foods honors their top employees in the areas of sales, production and warehouse. Winners are selected by votes cast by fellow employees. This year, Shearer’s named Jay Bonner as Route Salesman of the Year at their Livonia Distribution Center. Jay attributes his success to hard work and determination. In three years, he has doubled his sales figures by building a solid customer base through rapport, salesmanship and leadership.
Avoiding liability when releasing employees

Continued from page 32

Employers care not required to give employees age 40 or older more consideration than that given to those younger than 40.

The employment must be advised in writing to consult with an attorney prior to executing the document.

6. The employee must be given a period of at least 21 days to consider the agreement. When a waiver is sought in connection with an exit incentive (usually voluntary or other termination program usually involuntary), the employee must be given a period of at least 45 days to consider the agreement. Exit incentives or other employment termination programs include voluntary and involuntary programs. A program exists when an employer offers additional consideration for the signing of a waiver to two or more employees.

The 21 or 45 day period runs from the date of the employer's final offer. Material changes to the final offer restart the running of the 21 or 45 day period as long as the employee's decision is voluntary and not induced by employer fraud, misrepresentation, or threat.

7. The agreement provides that the individual may revoke the agreement at any time for seven days after execution and that the agreement is not effective unless executed during the seven day revocation period. The seven day revocation period cannot be shortened by the parties, by agreement or otherwise.

For waivers sought in connection with an exit incentive or other termination program, you must inform the employer of the following: the required information must be given to each person in the decisional unit who is asked to sign a waiver agreement.

a. The class, unit or group of individuals eligible or selected for the program

b. The class, unit, or group of individuals eligible or selected for the program

c. The class, unit, or group of individuals eligible or selected for the program

d. The class, unit, or group of individuals eligible or selected for the program

e. The class, unit, or group of individuals eligible or selected for the program

8. For waivers sought in connection with an exit incentive or other termination program, you must inform the employee of the following: the required information must be given to each person in the decisional unit who is asked to sign a waiver agreement:

a. The individual to whom the information must be given

b. The individual to whom the information must be given

c. The individual to whom the information must be given

d. The individual to whom the information must be given

e. The individual to whom the information must be given

9. The law in your state may impose additional requirements for a valid agreement. Be sure to consult with counsel regarding additional requirements.

Standard provisions

Although every general waiver and release agreement must be tailored to specific circumstances, at minimum, these standard provisions should be included virtually all agreements.

- Consideration
- Confidentiality
- Non-admission clauses should be used
- The employee should represent that he/she has not filed any claims, lawsuits, etc.
- Non-disparagement clauses prohibiting the employee from disparaging the employer or company representatives
- Non-compete clauses may be desirable for upper-level or sales employees
- Offset clauses: include the right offset, rescission, or terminate consideration in the event the agreement is breached
- Waiver and release provisions: specifically enumerate which rights and/or claims are being waived or released, (e.g., age discrimination or title at risk discrimination) in clear and conspicuous language
- An entire agreement clause should be included (i.e., language to the effect that the entire agreement is encompassed within the provisions of the document)

10. Choice of law and venue: agree on state law that will apply to disputes over the agreement. Choice of venue may or may not be enforceable.

11. Integration and savings clause: determine whether there are existing non-compete or other agreements that should either be superseded or integrated into the agreement.

Consideration

The greater the amount of time an employee takes within the 21 or 45 day period described above to review and sign the agreement, the greater the likelihood that it will be regarded as a valid waiver. This issue must be reviewed carefully. If there are any general reductions in force or reorganizations resulting in more than one termination at the same time, an employer may be required by law to provide a 45 day contemplation period and the information discussed above relating to exit incentives and other termination programs. Failure to do so will invalidate the agreement and its release provisions. Should there be any doubt as to where a termination falls under the law, consult with counsel to discuss your obligations.

In addition to the reasonable period of time for consideration, the law requires that the person have seven days from the signing of the agreement to revoke his/her decision. For this seven day period, the agreement is unenforceable, so any consideration given in exchange for entering into the agreement should be held until the period expires.

Conclusion

This newsletter is only a brief overview of the complex issues involved in drafting separation and release agreements. Given the risk of litigation from employees, you are urged to consult with legal counsel rather than attempt to do it yourself.

Current employment issues

The seven day revocation period

The law in your state may impose additional requirements for a valid agreement. Be sure to consult with counsel regarding additional requirements.

It is a good practice to review any employee's personnel file prior to releasing the employee. This will ensure that the employee's performance is good and that the employee has no pending disciplinary actions.

Avoiding liability when releasing employees

Continued from page 32

...
Why you should carry the new breed of moist snuff:

- **ROOSTER** is an exciting brand positioned for category growth.
- **ROOSTER** is the only brand with a **SMOOTHER cut** and **BIGGER can** (+25% more tobacco).
- **ROOSTER** features a **BIGGER can** at a smaller price.
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- High impact Point-of-Sale
- Advertising campaign positioned to attract new adult consumers

For More Information About How To Grow Your Moist Snuff Business, Consult Your U.S. Tobacco Co. Representative

1-800-421-EARN
Verifying a customer’s I.D.

When to look and what to look for is often the dilemma faced by some cashiers when verifying proof of age prior to completing the sale. Here is a summary of the procedures for verifying a customer’s I.D. which you can cut out.

Verifying I.D.

If you have reason to believe that a customer is under the minimum age requirements, you must ask for proof of age. Only official identification that shows the person’s date of birth and photograph should be accepted.

What is an Acceptable I.D.?

Acceptable forms of identification include birthdate and a photo and are either a Driver’s License or Passport.

When an individual presents anything other than his or her driver’s license, you must request a second I.D. to verify the first one. These are not proof of age, only to verify information on the primary I.D.

The following secondary I.D.s can be used to verify information on a passport or state identification card: Social Security Card, Student Identification Card, or Work Identification Card.

DO NOT ACCEPT a copy of a birth certificate as it has no photo.

DO NOT ACCEPT purchased I.D. cards as they may contain fraudulent information.

DO NOT ACCEPT any I.D. that appears to have been altered or tampered with.

How to check I.D.

1. Check the birth year and make sure it has not been altered (smudged, typed over, erased, etc.)
2. Compare the photo to the person. There should be a reasonable match.
3. Check to see if the physical characteristics match the presenter (eye and hair color, height and weight)

If, for any reason, the I.D. is not satisfactory, DO NOT MAKE THE SALE. Important: If you believe the I.D. to be false, you must return it to the customer because only a law enforcement officer can take it away from the person.

If a customer can not, or will not, present proper proof of age and identification once you have asked for it, DO NOT MAKE THE SALE.

Defer to a supervisor if you have questions, or the customer becomes indignant.

Unclaimed lottery prizes

If your store has sold a top winning ticket that still has not been claimed by its rightful owner, be sure and ask your customers if they’ve checked their tickets lately. All unclaimed prizes revert to the state School Aid Fund after one year from the date the prize was awarded. Following is a list of the other current unclaimed lottery top prizes:

<table>
<thead>
<tr>
<th>Draw Date</th>
<th>Game</th>
<th>Prize</th>
<th>Winning Numbers</th>
<th>Retailer &amp; City</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/10/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>13-27-32-43-50 gold 02 (match first five)</td>
<td>Tamarak #3</td>
</tr>
<tr>
<td>8/10/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>13-27-32-43-50 gold 02 (match first five)</td>
<td>Mickey’s Gas &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mini Mart</td>
</tr>
<tr>
<td>8/10/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>13-27-32-43-50 gold 02 (match first five)</td>
<td>Perky Pantry Mobil</td>
</tr>
<tr>
<td>3/3/99</td>
<td>Cash 5</td>
<td>$100,000</td>
<td>04-10-21-26-39 (match all five)</td>
<td>Speedway #1</td>
</tr>
<tr>
<td>7/13/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>01-22-33-40-47 gold 02 (match first five)</td>
<td>Dayton Shopping</td>
</tr>
<tr>
<td>7/2/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>06-26-39-40-47 gold 08 (match first five)</td>
<td>Diner #1</td>
</tr>
<tr>
<td>6/29/99</td>
<td>Keno</td>
<td>$250,000</td>
<td>04-09-11-18-20-23 (match all five)</td>
<td>Rite Aid Circle</td>
</tr>
<tr>
<td>5/25/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>12-35-36-38-39 gold 30 (match first five)</td>
<td>Rite Aid Circle</td>
</tr>
<tr>
<td>5/17/99</td>
<td>Cash 5</td>
<td>$100,000</td>
<td>14-19-26-35-36 (match all five)</td>
<td>Rite Aid Circle</td>
</tr>
<tr>
<td>4/30/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>01-23-25-29-39 gold 05 (match first five)</td>
<td>Westside Beverage</td>
</tr>
<tr>
<td>4/16/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>01-07-10-16-36 gold 36 (match first five)</td>
<td>Traverse City</td>
</tr>
<tr>
<td>4/2/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>08-25-26-28-35 gold 25 (match first five)</td>
<td>Boulevard Food Center</td>
</tr>
<tr>
<td>4/29/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>08-25-26-28-35 gold 25 (match first five)</td>
<td>Detroit Cooking</td>
</tr>
<tr>
<td>3/4/99</td>
<td>Cash 5</td>
<td>$100,000</td>
<td>09-16-24-33-35 (match all five)</td>
<td>Lincoln Park</td>
</tr>
<tr>
<td>2/5/99</td>
<td>Big Game</td>
<td>$150,000</td>
<td>02-08-14-21-27 gold 33 (match first five)</td>
<td>Rich’s Country Store</td>
</tr>
</tbody>
</table>

For more information about any unclaimed Michigan Lottery prize, you can call the Lottery’s Public Relations office at (517) 733-1237.
House passes bill regulating internet alcohol sales

The House passed the 21st Amendment Enforcement Act (H.R. 2301) by a vote of 310 to 112 which would authorize state attorneys general to enforce state laws regulating the importation or transportation of alcohol in federal court. Thus, state attorneys general could prosecute out-of-state companies in federal court if businesses ship alcohol to an individual in violation of state laws. Currently, 39 states have laws limiting or banning direct shipments of alcohol to their states. The goal is to prevent the unlawful sale of alcohol over the Internet, telephone or through mail-order catalogues. Similar legislation was introduced in the Senate and included in the Juvenile Justice bill (S. 254) that passed the Senate on May 18. –N.G.A

Health Insurance Deductions

Under current law, health insurance costs for the self-employed will not be fully tax deductible until the year 2007. However, the Federal omnibus package accelerates deductibility starting in 2003 based on the following formula:

- 1999 to 2001 = 60%
- 2002 = 70%
- 2003 = 100%

Special Occupational tax repeal bill introduced in the house

Congressman Dave Camp (R-MI) introduced legislation (H.R. 2735) to repeal the special occupational tax on alcohol. The Special Occupational Tax (SOT) is an annual tax imposed by the federal government on all businesses that manufacture, distribute or sell alcoholic beverages. The tax is a fixed amount paid for each business location. It is estimated that approximately 800,000 retail establishments are subject to the tax. N.G.A. strongly supports repeal of this special occupational tax. Not only is the imposition of these taxes unfair and inequitable to small business, but the collection of the tax by the Bureau of Alcohol, Tobacco and Firearms (BATF) is inefficient and counterproductive. Urge your representatives to cosponsor and pass H.R. 2735.

Senate gives green light on lawsuits

In July, Senators Bob Graham (D-FL), Tom Harkin (D-IA), Ernest Hollings (D-SC), Dick Durbin (D-IL) and Judd Gregg (R-NH) agreed to trim out language from the Commerce-State-Justice appropriations bill barring the Justice Department from filing a lawsuit against the tobacco companies. As a result of the agreement, Senator Graham withdrew his amendment which would have struck the same language. In this move, the Senate as allowed the US Department of Justice to use its funding and given it unprecedented authority to sue the tobacco companies or any other legal industry. The National Association of Convenience Stores opposes the amendment and is greatly concerned at this amendment would have given new government-sponsored lawsuits against legal businesses.

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* Source: National Security Survey
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