Promoting Holiday Shopping during troubled times • See page 3
What working women want • See page 6
Farmer Jack's new warehouse • See page 12
Meet Rep. Patterson • See page 24
“Chaser” away hangover blues • See page 27

2002, what lies ahead?
As we enter a new year, it is human nature to want to look ahead to see what the future has in store. Although AFD doesn’t have a crystal ball, we do see some trends that will influence our industry in the coming year.

Fast food at home
Dueling trends agree—convenience still rules American diets. Some 14 percent of Americans consume a diet comprised almost entirely of fast food, says a report released recently by Mintel Consumer Intelligence, according to American Demographics magazine. But tempering this data is another report, this one by The NPD Group Inc. Its sixteenth annual edition of “Report on Eating Patterns in America” shows that after nearly a decade of year-over-year declines in the number of meals Americans prepared at home, that number moved up last year for the first time since 1991-1992, the last recession. More people will be eating at home, but relying on meal kits and other ready-to-prepare items.

Foodservice will boost C-store sales
According to a study by the National Association of Convenience Stores titled, “The Outlook for the Convenience Store Industry Through 2005,” convenience store foodservice sales are forecasted to grow at an average rate of 5 percent through 2004. This is a faster rate than the expected 3.2 percent for the total foodservice market. In 2000, foodservice generated 26.4 percent of gross profit dollars according to the NACS 2001 State of the Industry (SOI) report.

See Predictions, page 4

Raising a glass to Michigan Wines!
Christopher Cook, wine writer for the Oakland Press, and wife Kathy Horn at Toast Michigan, AFD’s all-Michigan wine tasting. More photos on page 16.

MLCC holds public hearing
The Michigan Liquor Control Commission will hold a public hearing at 11:30 a.m. Wednesday, December 5, 2001, at the Lansing Office of the Commission, 7150 Harris Drive.
The Michigan Liquor Control Code, Section 215(2), MCL 436.1215(2) provides that two such hearings shall be held each year for the purpose of receiving the views of the public with respect to the administration of this Act. All government and enforcement officials, licensees, and any other persons interested in the operation of the Liquor Control Commission are welcome to attend.

Members of the Commission will conduct the hearing and a discussion of the Liquor Control Act and its administration will be followed by a question and answer period in which the public will be invited to participate.

AFD endorses Clear Rate Communications
4.9 cents/minute long distance phone program
AFD is pleased to announce a new long distance phone program. We have selected Clear Rate Communications as the official long distance carrier for AFD and its members.

Based in Oak Park, Michigan, Clear Rate provides long distance phone service to business and residential customers. Unique features like the Automatic Rate Reducer, which lowers your long distance rate once per year every year guaranteed, separates Clear Rate from the other carriers.

As is the case with all services endorsed by AFD, this long distance program is intended to save money for the members. Since there are many long distance carriers providing literally hundreds of service plans, AFD chose Clear Rate’s program for the competitive rate and clear terms:

- 4.9 cents per minute for all calls in the continental United States, including local-toll, in-state, and-out-of-state.
- Same 4.9 cents per minute program for toll-free numbers.
- No contract / no hidden or monthly fees / no monthly minimum requirement.
- Low international rates

Clear Rate's program for the AFD headquarters is a Clear Rate customer and is extremely pleased with the quality of service. If you would like to participate in this program, please call AFD at 248-557-9600. Clear Rate Communications and its authorized sales agency, AMT Telecom Group, can provide a complete analysis of your telecommunication needs.

Join over 1,000 industry leaders for An Evening in Paris, AFD’s Annual Trade Dinner & Ball Friday, February 8, 2002 Penn’s of Sterling Sponsorships are available, please call Michele MacWilliams at (248) 557-9600 for more information!

No Sunday on-line drawings for Lottery
Last month a front page AFD Food & Beverage Report story stated that Sunday on-line drawings could become a reality soon. Now, political issues may keep that from becoming a reality.

Visit our Web site at: www.afdom.org
President’s Message

Promoting holiday shopping during troubled times

By Joe Sarafy

President Bush has asked Americans to do their share to keep our economy moving forward by carrying on with our lives and heading back to the stores. Still, it is difficult to go back to the way things were before September 11. The lives of all Americans have changed. So how do we, as retailers, promote holiday shopping at a time when the nation’s emotions are still filled with outrage and grief? We must carefully review all of our plans for the holidays to make sure that we are promoting the season with a sense of respect and good taste.

Some companies have changed ads and promotions developed prior to the attack on September 11, eliminating any references that might be wrongly construed or that might create negative feelings.

There are ways that we can acknowledge what has happened and yet get people into our stores. “Several businesses have the American Flag prominently featured on displays or they have given small flags out to customers. The use of the American Flag denotes unity, family and support for our whole country,” says Linda Calhan of “Where it’s at” newsletter.

She adds that retailers can draw attention to their stores or displays through the use of bright colors. Put out yellow flowers, for example. Invite people in with welcome signs and banners. Use chocolate, ice cream or cookies as a give-away. She says that comfort carbohydrates like these increase feel-good adrenaline and serotonin in our bodies. Many of us are craving these high-sugar foods now to stay positive.

Thoughts on Thanksgiving

I want to thank all AFD members that contributed to our successful turkey drive. Helping others is one way to feel good about our business and our country. We all know that Thanksgiving is a time to give thanks for all that we have, but you may not know the important underlying factor which brought about our first Thanksgiving.

Our country’s forefathers, in the space of two years, (1621-1622) tried two completely opposite economic philosophies. The first, declared by Governor Bradford, was the common store house. Each family was to produce according to their ability, take according to their need. It was the first pure free enterprise system and became the pattern for American productivity and prosperity. Consequently, there was a bounteous harvest and general Thanksgiving was proclaimed.

Our Thanksgiving is so meaningful because it deals with free people freely worshipping their God. It also means that each person is free as an individual to set their own goals, obtain what they want and not be bound in growth by a common-store system which brought about our first Thanksgiving.

As we head into the holiday season, let us all give humble thanks for our freedom and be thankful to God for all that we have.

Most importantly, SMILE! It’s been researched and proven that when you smile, endorphins are released that make you, and the person you are smiling at, feel better.

So, if consumer confidence level is down and customers don’t feel that it is a good time to buy, you must think outside the box. First, get them into your doors with welcoming, colorful displays. Then, make them feel good through better service, bigger smiles, free chocolate, patriotic themes, and personal attention.

We must do the things necessary to change the mindset of our customers and move sales forward again.

The Grocery Zone

By David Coverly

As we head into the holiday season, let us all give humble thanks for our freedoms. Especially now, we must guard them zealously, every one!

By Joe Sarafy

President’s Message

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By David Coverly

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Predictions, from front page

Snacks, snacks everywhere!
We will see more snacking choices in the coming year. Frito alone is planning 50 new introductions for 2002. Expect the soft drink industry to also introduce many new products.

A push for renewable fuels
As the U.S. looks to lessen its strategically perilous dependence on Middle East petroleum, we will begin promoting processing technologies that could render fuel from agricultural wastes, grasses and indigenous crops. Conservation, wind and solar power will also become more prominent in our news.

“We have to realize that the United States’ fuel and energy distribution and transmission systems will almost certainly be subject to attack,” said former CIA director James Woolsey. “We ought to always be looking at ways to decentralize and make more flexible and less fragile our energy distribution network.”

Trading cards return to c-stores
The days when kids could barely wait to get out of the convenience store before tearing into a new package of baseball cards could be returning. After several years away, the trading card industry is again making its presence felt in the c-store channel.

Retailers’ ads will emphasize discounts, value
Following the lead of our automotive companies, major retailers will continue promotions ‒ introduced during the holiday season ‒ that stress value and low prices.

Wine coolers are cooling down
According to a Mintel market report, the Flavored Alcoholic Beverage (FAB) market has bottomed out and is expected to decline by 6 percent from 2000 to 2005. Many factors, such as high price point, FAB stereotype as a special occasion beverage and its association as a women’s drink are impeding the growth. Hard lemonade, which is still relatively new to the market, grew 52 percent between 1999 and 2000. Although it won’t keep up that pace, sales will continue to increase.

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AFD works closely with the following associations:
Spartan Stores, Inc.
disaster relief efforts grow

Spartan Stores, Inc. announced plans to partner with WZZM 13 in West Michigan to expand Project Patriotism, offering shoppers the opportunity to contribute one dollar for a paper American Flag, with proceeds going to the Families of Freedom Scholarship Fund. Overall, Spartan Stores, Inc. has raised and contributed over $70 thousand for the disaster relief efforts for victims of the September 11 tragedy.

7-Eleven testing sugar-free Slurpee

7-Eleven is testing a new sugar-free Slurpee formula at 106 stores in the Detroit area and 35 in Kansas City before rolling it out to the rest of the country next summer, the Wall Street Journal reported.

Coming up with a tasty, sugar-free version of the Slurpee has eluded the company for years, the Journal said. The formulation being tested was developed recently by scientists at Kraft Foods, Inc. The test product is a Crystal Light Lemonade Slurpee that has only eight calories for eight ounces, compared with 118 for a traditional Slurpee of the same size.

"The recipe is confidential for competitive reasons," said Mike Murname, director of channel marketing for Kraft Foods. The company is seeking to patent the formula and has additional sugar-free Slurpee flavors under development, including passion kiwi fruit, raspberry iced tea, and peach tea, the Journal said.

Philip Morris increases wholesale prices by 5¢ a pack

Philip Morris announced it is increasing its wholesale cigarette prices by 5 cents per pack, largely to cover a tax increase set to take effect Jan. 1, Reuters reported.

"The company increased wholesale cigarette prices by 5 cents per pack, effective with shipments on Monday, October 29," said Philip Morris spokesman Brendan McCormick.

Tobacco industry observers said the increase is partly due to a 5-cent increase in federal excise taxes. Wall Street analysts, who earlier had predicted a 10-cent-per-pack increase, had said the price increase is not expected to impact consumption or volumes. Other cigarette manufacturers are expected to follow Philip Morris' lead and increase wholesale prices, Reuters reported.

Smucker Quality Beverages wins environmental award

Smucker Quality Beverages Inc., manufacturer of organic and natural juices, was recently honored for its exemplary recycling program by the California Integrated Waste Management Board, the state's primary recycling agency. The Chico, Calif.-based company qualified for the Board’s Waste Reduction Awards Program (WRAP) through an innovative packaging redesign that has saved both the landfill space and money.

In 1990, the state of California mandated that businesses cut their landfill contribution by 50 percent by the year 2000. Smucker Quality Beverages has far surpassed this goal, voluntarily reducing its waste by nearly 90 percent. As part of an overall conservation effort, the company designed a new cardboard tray pack for shipping in lieu of a bulkier box style. This redesign has saved the company more than $300,000 in packaging costs.

Coke to buy Odwalla?

Rumored deal would add to a string of recent deals for soft drink giant

Coca-Cola Co. declined to comment on speculation it was in talks to buy Odwalla Inc., a U.S. producer of premium chilled juices and other all-natural beverage and food products.

Rumors that Coca-Cola might buy Half Moon Bay, Calif.-based Odwalla, whose products include fresh fruit and vegetable juices, dairy-free shakes and spring water, emerged last month after Beverage Digest reported the companies were talking.

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We're listening.
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What working women want

New research shows working women spend more for groceries, demand convenience and have a greater interest in ethnic and natural foods

Although nearly three-fourths of American households identify a female member as the primary household shopper, a recent Food Marketing Institute (FMI) white paper, What Working Women Want, reveals that women shop differently based on weekly hours worked. The report is based on data derived from FMI’s Trends in the United States: Consumer Attitudes and the Supermarket 2001. “This report clearly shows that shopping habits and priorities differ between working women and those that work part-time or not at all,” notes Janice Jones, FMI’s director of research. “The amount of money they spend, the types of services they use and the kinds of products they seek vary significantly between the two groups.”

The study examined the shopping habits and expectations of full-time, part-time and nonworking women. Among its findings about these shopper segments:

• Full-time working women - Women who work at least 20 hours weekly express a strong preference for certain services and products, including in-store banking or ATM machines, coffee bars, frequent shopper programs, prepared foods, and ethnic and natural foods. Of those surveyed, 91 percent shop at stores where ATM or debit cards are accepted, compared with 79 percent of part-time or nonworking women. These women, who are very concerned with a fast and convenient checkout, spend an average of $94.10 per week with $73.20 being spent at their primary store.

• Part-time and nonworking women - Women who work less than 20 hours per week are more likely to look for a pharmacy, video rentals, an in-store bakery or a sit-down eating area as additional services. These shoppers, who are especially concerned about customer service and personal attention, spend an average of $87.30 per week with $69.90 being spent at their primary store.

The two groups do show some common tendencies. Both consider high-quality produce, high-quality meats and a clean, neat store to be the top three factors when choosing a primary supermarket. The survey also shows that 91 percent of both groups shop at a primary store that offers private label or store brand products, and both groups regularly purchase these items.

Both shopper segments demonstrate economizing behaviors, although in different ways. Half of the full-time women surveyed participate in a frequent shopper program, compared with only 41 percent of women who work fewer hours or not at all. However, 65 percent of women working part-time are more likely to look in newspapers for grocery specials, versus 56 percent of full-timers.

“These figures show that both groups of women economize, but each has a different savings strategy depending on the time available,” said Jones.

The time required to shop also seems to influence the type of food that full-time working women buy. Forty percent report the regular purchase of prepared foods ready to heat and eat, compared with only 28 percent of women working 20 or fewer hours.

“Full-time, working women may want to serve good food at home but can’t always create an entire meal from scratch,” said Jones. “Partially prepared meals enable them to do so more often.”

Other factors may contribute to the differences between women who work full time and those working fewer hours. Full-time working women tend to be under 50 and have a higher household income. Those who work fewer than 20 hours are often older or they have young children at home.

“Bottom line, everyone wants to provide good meals for their family, but women working full time may need to adopt time-saving strategies to do so,” said Jones.
There are sleigh rides, and then there are sleigh rides.

HAPPY HOLIDAYS

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AFD Food & Beverage Report. December 2001...7
Blue Cross Blue Shield generic drug awareness campaign revolves around using “Generic Drugs – the Unadvertised Brand”

A major new effort by Blue Cross Blue Shield of Michigan to increase consumer awareness of the value of generic drugs is gaining national attention through stories in the Wall Street Journal and other publications.

This fall, Blue Cross Blue Shield of Michigan, with support from the Detroit Regional Chamber of Commerce and General Motors, launched a program aimed at reducing prescription drug costs by increasing the use of generics.

The effort, considered the most extensive of its kind in Michigan – and possibly the country – includes a campaign to educate consumers, physicians and pharmacists on the quality and value of “generic drugs – the unadvertised brand.”

In addition, the Blues have challenged retail pharmacies to develop in-store programs that encourage customers to try generic drugs. The independent pharmacy and chain pharmacy that show the highest increase in their generic dispensing rate during fourth quarter 2001, compared to the same time frame in 2000, will each be featured in an upcoming Blues public awareness/advertising campaign that promotes the value of “generic drugs – the unadvertised brand.”

Generic prescription drug is one way to combat rising drug prices and using generics can sometimes reduce the costs by more than half. A one percent increase in the sales of “generic drugs – the unadvertised brand” could save Blue Cross Blue Shield of Michigan and its customers $17 million annually. If the formula is extended to include the entire population of Michigan, the potential savings could grow to $30 million or more.

RX costs rising
Prescription drugs are attracting the most attention in health care today. That’s because increases in the cost and use of prescription drugs are a major factor behind the rise in health care premiums in recent years.

Last year, for the third year in a row, Blue Cross spent more for members’ prescription drug costs than for any other category of medical care spending – including in-hospital care, outpatient hospital care and physician fees.

The drug companies are spending billions on aggressive marketing and advertising for brand-name drugs. This has caused consumer demand for brand name drugs to increase, even though in some cases there may be inexpensive generics available. It is estimated that as much as 42% of the cost for a brand name drug goes back into marketing and advertising the brand. Ads have made a strong impression on consumers – how many of us remember the drug ad showing a woman smiling and running through a field of daisies?

“We believe that of the more than $1.7 billion Blues customers pay each year for brand name prescription drugs, as much as $500 to $600 million is pumped back into pharmaceutical manufacturers’ marketing campaigns,” said Atheer Kaddis, the Blues director of Pharmacy Services.

About Generic Drugs – the unadvertised brand
Generic medications, generally not advertised in the marketplace, must meet the same U.S. Food and Drug Administration standards for safety and performance as brand-name prescription drugs, yet they cost from 20-65 percent less.

Quality, safety and cost are three key features of generic drugs. To be considered a therapeutic equivalent by the FDA, a generic drug must have:
• Identical active ingredients as the brand name drug
• The same or similar speed of absorption of its active ingredients into the bloodstream
• Meet same specifications for strength, quality, purity and potency as brand name drugs

Another advantage of generics is they are considered “tried and true.” By the time brand name manufacturing patents expire, allowing generic versions to be marketed, the formulas have been widely used in the marketplace.

The cost benefit associated with choosing generics can be dramatic. Generic drugs often enter the market at prices 25 percent less than brand-name drugs. However, some drop to 60 percent less than the brand-name price within two years.

Several widely used name brand-name prescription drugs will lose their patent over the next year. One well-known drug, the anti-depressant Prozac became available in generic form in August.
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New Year brings new retailer commission structure!

Beginning January 1, 2002, the Michigan Lottery is implementing a new retailer commission structure for its instant games. The new commission structure is incentive-based, and is designed to help you increase sales and provide you with greater control over how much you earn.

With the new structure, retailers will earn a six-percent sales commission on all instant games, while the current instant cashing and bonus commissions will remain in effect. Each quarter, Lottery retailers will be measured on their percentage sales increase over the previous year’s same quarter. If the pre-determined goal is achieved for a particular quarter, the retailer will receive an additional one-percent commission on all instant sales for that quarter.

The additional one-percent commission is paid to qualifying retailers through their Lottery EFT account after the quarter comes to an end. Quarterly goals will be announced at least 30 days prior to the beginning of each quarter. The first quarter goal will be a two-percent increase in instant sales over last year’s first quarter.

For example, if a Lottery retailer sold $17,120 in instant tickets during the first quarter of 2001, a two-percent sales increase (i.e. $342 in added sales) during the first quarter of 2002 (January 1, 2002 to April 1, 2002) would earn that retailer an additional one-percent commission (i.e. an additional $175). That one-percent commission would be added to the six-percent commission ($1,047) that the retailer had already earned for the quarter.

We continue to reward our retailers with some of the highest-paying commissions in the country. This new program will pay out more commissions than ever before to our retailer partners. In the coming weeks, your Lottery District Sales Representative or Tel-Sell representative will be providing you with your historical instant sales information and will help you identify and achieve your goals each quarter.

Great Last-Minute Gifts! As you know, the Lottery has a wide variety of glittering games available for sale all year long. Each year, around the holidays, the Lottery introduces special holiday-themed instant tickets. This year there are seven such games — "$2,000,000 Holiday," "Blizzard Bingo," "Merry Millions," "Treasures Under The Tree," "Jingle Bell Bucks," "Dashing Through The Dough" and "Frosty’s Fortune" — all of which went on sale in November.

"$2,000,000 Holiday" features up to 26 different ways to win, incredible overall odds of just 1 in 2.37 and a top prize of a whopping $2,000,000. The other holiday games offer great top prizes too! "Blizzard Bingo" offers a top prize of $30,000; "Merry Millions" has a $1,000,000 top prize; "Treasures Under The Tree" offers a top prize of $25,000; "Jingle Bell Bucks" has a $250,000 top prize; "Dashing Through The Dough" offers a top prize of $5,000 and, finally, "Frosty’s Fortune" has a $15,000 top prize.

In addition to the holiday instant tickets, the Lottery is introducing three exciting new instant games in December. Players will be stashing cash in every corner of their homes when they win big with the $1 "Cash In The Corner," which hits ticket counters on December 16, with a $5,000 top prize! The $2 "Blazing Red 7s," which debuts on December 13, offers a red-hot $17,000 top prize. Finally, the $1 "Winning Pairs," which offers a $2,000 top prize, hits ticket counters on December 20. Also, don’t forget that the $2 "Cashword" was brought back to ticket counters all across the state on November 29, offering a $35,000 top prize.

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"This hearing is especially timely because our current federal food safety guidelines are ill-equipped to deal with today's challenges," Tim Hammonds, president and CEO of the Food Marketing Institute, testified today before the Senate Government Affairs Subcommittee on Oversight of Government Management. He called for the designation of a single federal agency to safeguard the food supply.

More than a dozen federal agencies currently regulate various parts of the food supply under 35 laws. "This patchwork quilt creates inconsistencies, gaps, overlaps and a duplication of effort that is becoming increasingly unworkable," he said. "Clearly, no one designing a regulatory system to maintain the wholesomeness and integrity of our food would ever design anything remotely resembling what we have today."

"Should a crisis arise — real or manufactured as a hoax — the deficiencies of the current system would become glaringly obvious. For example, let's assume a tampering hoax is staged. The public needs rapid reassurance from a credible source [that the product is safe]. Since it is rare that a single agency has complete jurisdiction over the entire scope of a major food safety problem, it has been our experience that none of the agencies step forward in times of crisis.

"Far more typically, the public is faced with a lengthy delay while our overlapping bureaucracies creak into some sort of action, culminating in a message to the public."

In May 2000, the FMI Board of Directors adopted a policy calling for the government to centralize food safety resources and oversight in a single federal agency. At today's hearing, Hammonds said the need for such a system was compelling then; now "it is imperative."

Designate Agency, Don't Create New One

Hammonds emphasized that FMI supports "designating a single food agency — not creating an entirely new agency. We believe too much expertise would be lost, too much of our existing credibility would be squandered, and too much time would be wasted if we attempt to create an entirely new agency from scratch."

"In our view, the best course of action would be to centralize resources, responsibility, and authority within one of the existing agencies and then elevate the status of this group to a level appropriate to our new challenges."
Farmer Jack Supermarkets open new warehouse

By Ginny Bennett

A who’s who among Michigan’s food and beverage industry joined Farmer Jack executives and a Livonia city official to recognize the opening of the new state-of-the-art Livonia Fresh warehouse with a ribbon cutting ceremony.

On October 24, 2001, a shipping dock was transformed into a stage, where dignitaries spoke to the crowd. The Midnight Riders Fife and Drum Corps led attendees into the front door where they were escorted on tours directed by bullhorn-wielding company spokespersons.

The Livonia Fresh Warehouse, located at 28400 Plymouth Road, represents a multi-million dollar investment in the city of Livonia and will create approximately 300 jobs. The facility was constructed on the site of a former General Motors plant and took nine months to build.

"The Livonia Fresh Warehouse will breathe new life into the Livonia area by creating new jobs and business opportunities," said Dennis Eidson, president and CEO of Farmer Jack. "It exists due to the cooperation and shared vision of many individuals from both Farmer Jack and the city of Livonia."

The new warehouse is 362,000 square-feet, about the size of eight football fields. With 34-foot ceilings, the facility is capable of shipping 1 million cases of food a week. Currently it is shipping 450,000 cases a week.

The warehouse stores produce, meat, frozen food and dairy products until they are shipped to Farmer Jack supermarkets throughout Southeast Michigan, Lansing and Toledo, Ohio. The facility was constructed on the site of a former General Motors plant and took nine months to build.

"The Livonia Fresh Warehouse will breathe new life into the Livonia area by creating new jobs and business opportunities," said Dennis Eidson, president and CEO of Farmer Jack. "It exists due to the cooperation and shared vision of many individuals from both Farmer Jack and the city of Livonia."

The facility uses the latest in food storage technology to assure that perishable foods are stored properly, guaranteeing their freshness when delivered to individual stores. It operates 24 hours a day, seven days a week.

Other features of the warehouse include:

- Technologically advanced banana-ripening rooms, which considerably extend the shelf life of the fruit;
- A climate controlled area for fresh flowers;
- A computer-controlled anhydrous ammonia refrigeration system that maintains temperatures ranging from 55 to minus 20 degrees.

Following the ribbon cutting and warehouse tours, a guitarist and an amazing display of finger foods, breads and desserts warmed up guests.

Farmer Jack Supermarkets operates 110 locations throughout Michigan, and the Toledo area.
MEETING FRIENDS?

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Crime Alert

New technology helps food retailers prevent organized theft

The Food Marketing Institute (FMI), in cooperation with Las Vegas-based Digital Data Development (DDD), announces the introduction of a new anti-fraud technology to analyze and identify the depth and breadth of organized retail theft, or ORT: Non-Obvious Relationship Awareness (NORA).

“Organized retail theft has long been a multi-billion dollar problem for the food retail industry,” said Chuck Miller, vice president of loss prevention services at FMI. “The difficulty in shutting down these rings has been that the individual thefts have been relatively small, and the resulting transactions have been difficult to identify and track — until now. We look forward to a swift rollout of the NORA system to retailers nationwide.”

Miller notes that ORT rings differ substantially from individual stealing. Their operations are centered on professional shoplifters known as “boosters,” who work in highly organized teams stealing low-weight, high-value and easily marketable products such as razor blades, film, baby formula and clothing. The boosters target specific retail establishments and hit them repeatedly in a short amount of time, quickly accumulating substantial merchandise. The stolen merchandise is then stored in large warehouses until it can be sold through dishonest distributors — in some cases back to the very retail establishments from which the merchandise was stolen.

Data collected by the NORA system helps retailers to:

- Identify boosters who share common addresses, phone numbers or identification numbers.
- Identify preferred items targeted by boosters for theft.
- Identify geographic markets and patterns where ORT is occurring.

In a trial demonstration of the NORA system, FMI members submitted shoplifting data and other operational information for analysis by DDD and another group, CDO Solutions. Key findings, now under investigation, include:

- Approximately 960 physical addresses were identified where two or more convicted shoplifters committed their crimes across multiple stores on multiple dates.
- The clear presence of a “Fagin” operation targeting Guess Jeans. The term is derived from Oliver Twist, the Charles Dickens’ novel in which five minors, under the command of an adult (Fagin), commit daily organized thefts.

“We took FMI’s data and developed theft trending models that produced a view of shared criminal facilities — an important first step in fighting ORT,” said Jeff Jonas, president and CEO of DDD. “Additional data from FMI members will further assist us in detecting potential fraudulent relationships between theft rings and dishonest product distributors who prey on legitimate businesses.”

The first phase was deemed so successful that FMI has commissioned a more extensive follow-up study to include many additional data sources that could produce quantitative data to help develop a variety of solutions to ORT problems.

FMI’s Miller added, “In addition to reducing the frequency and losses to ORT, our ultimate goal is to raise awareness of ORT and get manufacturers, retailers and law enforcement officials to help enact legislative changes if and where appropriate. Until more attention is brought to these critical issues, the general public will not understand the immense retail losses caused by ORT.”
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How to make good decisions most of the time

(Excerpt from Bottom Line)
Personal interview with Charles Foster, Ph.D., MBA, Director of the Chestnut Hill Institute in Boston, MA.

I have spent 10 years studying decision-makers... My research has led me to two conclusions:

A. Good decisions come from disciplined thinking. If you follow the basic laws of decision-making, most of your plans will work out. Think haphazardly when you make a decision and little of what you plan will pan out.

B. They are habit-forming. Each time you make the right decision, you gain the necessary self-confidence to keep making good decisions. That’s why it is critical to follow the laws of decision-making.

Here are seven rules for making great decisions:

1. Focus on the most important thing. This seems obvious, but it is the decision-making principle that is most often violated. People overload the decision-making process with so many variables that what’s really important gets lost.

2. Turn big decisions into a series of little decisions. Some decisions appear overwhelming. You want to focus on what’s most important, but there are so many unknowns that your focus gets blurred.

3. Base your decision on self-acceptance. Self-acceptance covers a lot of ground...
   - What you like.
   - What you’re interested in.
   - What your good at.

4. Any decision based on who you really are... how you really work... what you really like... probably will work out.

5. Consider all the good things your decision can bring. Decision-making for many people is an exercise in disaster avoidance.

6. Get what you need to make your decision a success. This rule gets broken again and again. A meeting ends with a decision to do thus-and-such, but no plans are made to implement the decision. If there is no passion to implement the decision—or if you know in advance that the resources you need won’t be available—you have not decided anything.

7. Consider all your options. I have never met a decision-maker, good or bad, who checked out all the options. Invariably, I come up with options never considered. Don’t assume you know everything there is to know about the decision— or if you know in advance that the resources you need will not be available—you have not decided anything.

Kraft names snacks, candy managers

Industry veterans fill sweet slots

Kraft Foods Inc. says that Denise Morrison, formerly executive vice president of Kraft Foods North America and general manager of the Confections Division, has been named executive vice president of Kraft Foods N.A. and general manager of the Snacks Division.

She replaces David Yale, who was head of this unit and has left the company to pursue other interests.

Also, Michele Buck, previously vice president of marketing for the Confections Division, has been appointed executive vice president of Kraft Foods N.A. and general manager of the Confections Division.
AFD members raised their glass to Michigan wines at “Toast Michigan,” our all-Michigan wine-tasting event

A great time was had by all at the Excalibur Banquet Center in Southfield on October 26.

AFD Board Member Ronnie Jamil (left) with brothers Wasim and Nathan.

Johnny Rodriguez and his Fiery Latin Jazz Band

Fox 2 News and WXYZ TV 7 covered the event

The Michigan Grape & Wine Industry Council was our partner

Detroit News wine and food writer, Sandra Silfven

Brian Savoie’s Coffee Connection was a popular stop!

A fine time was had by all!

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- Athens Liquor Store
- Beato’s General Store
- Big Al’s Dairy Royal (Restaurant)
- Comerica Bank
- Dock Side Party Store
- East Jordan Market
- Elk Lake Market
- Financial Corp.
- Fresh Approach Inc.
- Jim’s D & C (Bar/Restaurant)
- Jo Jo’s Party Shoppe
- LaPendu, Inc.
- Magic Supermarket
- Mama Mia
- Meredith General Store
- Michigan Youth Foundation
- North American Bancard
- Old Fort Travel Plaza
- Papa’s Original Pizza
- Si’s Party Shoppe
- Stacy, Inc. (Restaurant)
- Town Pantry
- Zwingman Enterprises (Restaurant)

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Top factors shoppers consider when selecting a primary supermarket.
Store Cleanliness: 87%
Quality of Produce: 87%
Quality of meats: 82%
Source: Food Marketing Institute Trends in the United States 2001

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Spartan employees walk 60 miles for breast cancer research

Spartan’s Mary Dechow and Janice Jones Holderead walked 60 miles this fall to raise money for breast cancer research. They were scheduled to walk from Bear Mountain, NY to Manhattan. Due to the national tragedy in New York, they opted to do their walk in their hometown of Three Rivers and decided to raise additional funds for the Red Cross. The net result: Nearly $12,000 raised for the Avon Foundation and $5,100 for the Red Cross.

Peoples State Bank appoints Sydney Ross to Board of Directors

Peoples State Bank, one of the tri-county area’s largest community-based banks, has announced the appointment of Sydney Ross to its board of directors.

Ross is president of General Wile and Liquor Company, a wine and spirits wholesaler/delivery company in Highland Park with facilities in Grand Rapids, Bay City, Gladstone, Michigan and Columbus, Ohio. The company, with 300 employees, sells and distributes domestic and imported products throughout Michigan and Ohio. Ross is also president of the Michigan Liquor Vendors.

In the community, Ross is a member of the Detroit Athletic Club, Detroit Golf Club, and the Hundred Club, which supports families of police officers and firefighters killed in the line of duty. He also serves on several committees of the March of Dimes and is a member of the Distinguished Clown Corps.

Ross attended Michigan State University. He and his wife, Elizabeth, have three children and live in Bloomfield Township.

Peoples State Bank is an independent, locally owned community bank, founded in 1909. The bank currently serves the tri-county area with 10 offices in Farmington Hills, Fraser, Hamtramck, Madison Heights, St. Clair Shores, Southfield, Sterling Heights and Warren. As of June 30, 2001, the bank’s assets were in excess of $404 million.

How do you get from power lines and pipe lines to shorelines and lifelines?

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This year, the DTE Energy Foundation will continue its tradition of service by donating millions of dollars to a wide range of non-profit organizations throughout the state. Along with that, DTE Energy employees will invest thousands of hours of their own time to support those charities they believe in. Because at DTE Energy we all believe that community is our greatest resource.

DTE Energy Foundation

www.dteenergy.com
Profits are up for food retailers

The supermarket industry posted its highest net profits in nearly three decades at 1.25 percent of sales, according to its 2000-2001 Annual Financial Review, just released by the Food Marketing Institute (FMI). Operating income, at 3.03 percent, was near the 10-year high of 3.05 percent.

"What is most impressive about these figures," said FMI President and CEO Tim Hammonds, "is that the industry earned them through efficiency, rigorous cost controls and strategic use of technology. Meanwhile, the percentage of disposable income spent for food at home continues to remain low (6.2 percent), along with food inflation."

Food inflation in 2000 was only 2.3 percent, more than a full point below the consumer price index increase for all items (3.4 percent), according to the Bureau of Labor Statistics.

The gains in efficiency were most evident in reduced inventory costs, which continued a long-term decline—from 27.56 percent of assets a decade ago to 22.19 percent. At the same time, capital expenditures remained high, at 2.99 percent of sales—the second highest level in five years. "These figures paint the picture of a resilient industry focused on efficiency and delivering the products and services that consumers demand," said Hammonds. "Food retailers are using technology and the Internet to reduce inventory and transaction costs. Stores and warehouses are becoming more energy efficient."

"Most importantly, they are putting the products on the shelf and delivering the services that consumers want and need. Food retailers are accomplishing this by analyzing scanning data and using category management to ensure that entire product groups mirror customer demand."

"They are providing one-stop convenience by adding gasoline pumps, full-line banking services, wellness centers, pharmacies, coffee bars, and prepared, ethnic and natural foods—all investments that will benefit the industry and our customers well into the future."

By virtually every measure, the industry’s financial performance improved:

- Return on equity — 13.42 percent, from 10.71 percent.
- Asset turnover — 3.21 percent, from 3.18 percent.
- Earnings before interest, taxes, depreciation and amortization (regarded by many analysts as the best measure of operating performance) — 4.92 percent, up from 4.78 percent and the second highest level in the past five years.

"This is not to say the industry lacks challenges," Hammonds cautioned. "Competition has never been more vigorous with just about every retail channel venturing into the business of selling food. In fact, the lines dividing the sectors of the retail industry are blurring, if not disappearing altogether. And we still face significant competition from restaurants, particularly from quick-service outlets. These factors and others continue to challenge the industry’s ability to achieve significant top-line growth."

"And for consumers, this relentless competition has produced an unprecedented level of choice in variety, value, nutrition and quality."

Industry Well Positioned for the Future

As to the future, Hammonds said, "The industry is well positioned. In a weak economy, people tend to eat out less and stretch their food dollars by purchasing store brands—all of which bodes well for the industry."

"In addition, while some of the first online food retailing ventures failed, many of these were bought by traditional retailers, creating, in effect, 'brick-and-click' operations. As the Internet generations become our primary customers, our industry will be ready—whether they want to shop in cyberspace, in our stores or both."
These instants are sure to heat up store traffic!

A great selection of holiday fun!

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  - Over $5.4 million in retailer commissions
  - Over $13.7 million in total prizes
  - Win up to 16 times • Win up to $1,060,000
- $5 Jingle Bell Bucks
  - Over $1 million in retailer commissions
  - Over $5.2 million in total prizes
  - Win up to 16 times • Win up to $250,000
- $2 Treasures Under the Tree
  - Over $4.8 million in total prizes • Win up to 10 times
  - Win up to $5,000
- $1 Dashing Through the Dough
  - Over $3.1 million in total prizes • Win up to $5,000

Happy Holidays from the Michigan Lottery!
Majority Floor Leader Bruce Patterson is dedicated to community service

Currently serving in his second term as state representative, Bruce Patterson (R-Canton) was elected by his House colleagues as the Majority Floor Leader. A position considered the second most important in House leadership ranks, the Floor Leader is the primary strategist for his caucus and keeps House Sessions moving by coordinating the daily agendas and calendars. Patterson is the chair of the Redistricting and Elections Committee, as well as the Oversight and Operations Committee.

He is the only House member chairing two standing committees during the 91st Legislature. He also serves as a member of the House Fiscal Agency Governing Board, Television and Oversight, Veterans Affairs Committees and the Legislative Council.

During his first term in office, Patterson was elected to the leadership position of Associate Speaker Pro Tempore. He was the first freshman in the history of the Michigan Legislature to serve as Associate Speaker. Also during that first term, Patterson maintained perfect attendance, not missing a single day when the House was in Session, where he also compiled a 99.7% voting record.

When asked about the recent re-districting which was required due to population changes reflected in the 2000 census results, Rep. Patterson said, "I think we came up with fair maps. Even our Democratic friends in the House and the Senate are happy with how well they turned out. This legislature is a marked departure from past legislatures in that even when it comes to an issue as partisan and contentious as redistricting it's possible for the two parties to work together for the good of the entire state — and not just one political party."

Patterson recently sponsored a bill to earmark a portion of the parking tax at Detroit Metro Airport for security purposes. "Unfortunately, due to heavy lobbying against the bill by the Wayne County Executive, it has been stalled for the time being. I expect the House to reconsider my plan in the future as we look for ways to make Detroit Metro Airport the safest airport in North America," says Patterson.

Patterson holds a Bachelor of Arts degree from Wayne State University (1969) and a Juris Doctorate (1972) from the Law School at Wayne State University. He has been a member of the State Bar of Michigan since 1972 and has also been a member of the American Bar Association.

He was enrolled as a Fellow in the State Bar Foundation of Michigan in recognition of his commitment to the profession and the people it serves. The representative was a successful attorney for over twenty years in the private practice of law. As an attorney he was active in several legal fields, including estate and financial planning, contract and commercial code law, domestic law, corporate and banking law, and general litigation. While in the private practice of law, Patterson rose from the position of associate attorney to vice-president and, ultimately president of the firm, McCabe, Middleton & Patterson, P.C., of Detroit, Southfield and Plymouth, Michigan. During his legal career with the firm, Patterson served as an arbitrator, mediator, and special magistrate, in addition to handling his personal clientele. He believes this experience serves him well in professionally addressing the complex issues that routinely come before the Michigan House of Representatives.

From 1991-1994 he was a member of the Eastern Michigan University Administration. Active in his native community throughout his adult life, Patterson was inducted into the Canton Township Hall of Fame in 1992 in recognition of his public service.

Prior to his election to the state Legislature, Patterson served two terms as a member of the Wayne County Commission. "I had been encouraged to run for the County Commission for quite some time and it seemed an obvious next step in serving my community," says Patterson.

"I got great satisfaction out of helping families and individuals with their dealings with Wayne County. I considered myself not just their commissioner, but their advocate. I was particularly proud of my efforts to stop Willow Run airport from being turned into a trade port, which would have had a devastating impact on the homeowners who live near Willow Run," explains Patterson.

Now, the representative is being asked to run for the state senate. "Although I haven't definitely made up my mind, I'm leaning toward it. The support and encouragement I'm receiving indicates to me that the people of Western Wayne County are pleased with my service. I am grateful for their support," beamed Patterson.

Particularly active in communities in the western Wayne and Washtenaw County area, Patterson has served on numerous community advisory boards and committees and belongs to several local chambers of commerce. The representative served two terms as president of the Canton Economic Club, was a member of the Board of Directors of the Educational Excellence Foundation for the Plymouth-Canton Public Schools and was vice-president and member of the Board of Directors of the Canton Community Foundation. He was the founder of the Minute Man Foundation (created to support Operation Desert Storm); is a member of the Irish-American Lawyers and is past chair of the American Arbitration Association.

In addition to the foregoing, Rep. Patterson has served as an honorary chairperson of the Western Wayne County Salvation Army capital campaign. He is a frequent sponsor of the Senior Citizens Kitchen Band and the Canton Place Senior Citizen high rise facility. In 1994 he was elected to the Schoolcraft College Foundation Board of Trustees.

Rep. Patterson's involvement in the Republican Party has been considerable over the last twenty-five years. It includes six terms as president of the Canton Republican Club, service on the Wayne 13th District Committee, the 13th District Republican Committee and the Michigan Republican Party's State Central Committee.

As a devoted father and family man, Rep. Patterson is proud of his wife, Phyllis, and their three children. Phyllis is a registered nurse at a major medical center. "We enjoy attending the numerous cultural and social events that our community has to offer. We also enjoy spending time together hunting and fishing," Patterson adds.

To reach the representative, call (517) 373-2575, email brucepatterson@house.state.mi.us or mail to State Rep. Bruce Patterson, P.O. Box 30014, Lansing, Michigan 48909.
FMI's 2002 MARKETECHNICS convention slated for Feb 3-5

Enterprise resource planning, biometric identification, wireless Web shopping and other technology-driven retail solutions will highlight the 2002 MARKETECHNICS convention, an information marketplace showcasing the latest methods of integrating state-of-the-art technology with merchandising operations. Presented by Food Marketing Institute (FMI), the tenth annual show will be held February 3-5 at the San Diego Convention Center.

The 2002 MARKETECHNICS will feature more than 5,000 retail technology developments. Exhibitors spread out over a 200,000 square foot exhibit floor. Complementing the exhibit showcase is a comprehensive education program that includes top industry experts examining the latest retail technology developments.

"Technology continues to impact store operations, from logistics to customer service," notes Brian Tully, FMI senior vice president of convention operations and administration. "The 2002 MARKETECHNICS convention will be a dynamic, invigorating display of these technological innovations and their applications."

According to Michael Sansolo, FMI senior vice president of research, education and industry relations, "The 2002 education program looks at the influence technology has on the way retailers communicate with both consumers and suppliers, and the resulting impact on a company's bottom line. From on-line shopping to best-of-breed technology for smaller operators, this program will focus on real issues that retailers face on a daily basis. It will also highlight what the future of retail technology might be."

DemoNet Expands Exhibit Floor Activity

All 2002 MARKETECHNICS exhibits are invited to step out of their booths to participate in DemoNet on the show floor. DemoNet is a theatre for multi-media presentations that allows exhibiting companies to explain and promote their technology-oriented solutions for the food distribution industry. The DemoNet area will also have computer terminals that attendees can use to access the Internet.

Microsoft Seminar

Microsoft will host an exclusive, free seminar for all attendees on Saturday, February 2, from 1:30 - 5:00 p.m. on the convention exhibit floor. Featuring retail industry experts, the seminar will provide instruction on how to build on existing technology to create highly efficient, integrated systems that collect, manage, organize and disseminate information throughout the retail enterprise. The seminar is designed for retailers, suppliers, independent software vendors and system developers.

Electronic Exhibit Returns Visitors to the 2002 MARKETECHNICS website can experience the show's electronic exhibit, a "cyber trade show" that allows buyers and other visitors to view an exhibit and its featured products before the show. The electronic exhibit offers many opportunities for exhibitors:

- Rotating listing of brands
- Posting of exhibitor press releases
- Product visuals and descriptions
- Direct e-mail access to exhibitors

- Exhibitor invitations to retailers
- Booth location information
- Presence on the MARKETECHNICS website before and after the show

Downloadable PDA Show Guide

New for the 2002 event, the electronic show guide enables attendees to download exhibits, educational sessions and networking activities to their own personal digital assistant (PDA). FMI hopes this new feature will allow for easier navigation on the show floor and for more efficient scheduling. Consistent with the show concept, FMI is encouraging retailers and exhibitors to use the FMI website to register and obtain program information. An electronic brochure is posted at the site, allowing retailers and exhibitors to obtain current program information online. Site visitors are also invited to subscribe to the free 2002 MARKETECHNICS e-newsletter, which provides frequent updates on the show.

For more information about the 2002 MARKETECHNICS, visit the FMI website (www.fmi.org) or contact FMI's convention department (tel: 202/429-4521; e-mail: fmi@fmi.org; fax-on-demand: 1-800-890-7469, extension 510).
The C Stands for “Comfort”

More than half—58 percent—of convenience store customers believed that terrorism will now be an ongoing part of their lives, and two-thirds believed that the war against terrorism will last several years. Two-thirds believed that the war against terrorism will last several years or longer, according to a nationwide survey conducted in mid-October. Conducted by Clickin Research Inc., the survey examined changes in c-store customers since September 11, and indicated that c-stores can fill a “comfort” need for consumers during troubling times.

“The results pointed out the reassuring role convenience stores can play with their customers,” said Martha Russell, president of Clickin Research. “Familiarity gives comfort, and daily and weekly routines of customers’ stopping at convenience stores are part of this. Convenience stores are part of consumers’ sense of community.”

Two-thirds of c-store customers agreed that the stores should contribute to their community, yet only 27 percent agreed that their favorite c-store was actively doing so. Frequent c-store users offered suggestions that the stores promote local events, sponsor school and community groups and collaborate with customers to contribute to both local and national charities.

Some 90 percent said they are visiting their favorite c-store with the same frequency as before September 11. A large majority of the c-store customers believed that most of the stores are behaving responsibly, that violence reported in the past several weeks at c-stores represented isolated events and that the government was doing a good job fighting terrorism at home and abroad.

Supporting the national mandate to continue life as usual, 72 percent of survey respondents claimed their spending habits have not changed since September 11. Yet, frequent c-store customers are willing to pay more for products and services that save them time and hassle. While customer expectations differ somewhat by store location, neighborhood and time of day of store visit, frequent c-store customers said they are annoyed by crowds at the cash registers and pumps, and that they are irritated by rude employees and poor service. C-store customers also said they are willing to pay higher prices for better customer service.

Austin, Texas-based Clickin Research is a market research company that specializes in designing, collecting, analyzing and reporting research data. Products include benchmarking, custom research and trending studies.

7-Eleven introduces dissolve-in-your-mouth breath strip

Called breath strips or breath sheets, the newest breath mint actually looks like a small transparent piece of film and it instantly dissolves in your mouth. Myntz! Instastripz Cinnamon will be introduced in 7-Eleven stores, following up on the Peppermint flavor introduced in April which became the company’s top-selling mint.

Myntz! was one of the first companies to introduce a mint film, the company said. Available in a 1-inch-square plastic package, Myntz! are sugar-free, aspartame-free, made of glycerin, and flavored with mint and cinnamon oils. Suggested retail price is $1.79.

“Some people want to be discreet and pop a mint in their mouth without the whole world knowing. Myntz! Instastripz don’t rattle around in your mouth. It’s an instant breath freshener that melts in your mouth without having a hard mint that you have to suck or chew for a few minutes,” said Jeff Hamill, vice president of merchandising at 7-Eleven, Inc.

A&P to Close 39 Stores

Grocery retailer Great Atlantic & Pacific Tea Company Inc., or A&P, said it was closing 39 stores in a bid to improve earnings and cut costs. As a result, the company said it expects to take charges of $115 million to $125 million, $100 million of which will be taken in the third quarter and the remainder in the company’s fourth quarter and first half of 2002.

The company also said that it expects its third quarter earnings to be between 5 cents and 8 cents a share. As a result, the company said it expects its third quarter earnings to be between 5 cents and 8 cents a share.

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New product solves hangover dilemma

By Karen Braschayko

"I love red wine but red wine doesn’t love me." How many times have you heard comments like this? It’s difficult to sell alcohol to someone who fears the morning after. However, retailers now have a product that makes hangovers a thing of the past.

Chaser is an all-natural, no-side-effects dietary supplement, not a drug. It prevents hangovers by absorbing the problem particles of alcohol while a person is drinking. Even so, it does not absorb the alcohol itself and has no effect on intoxication.

From eating excessive amounts of butter or honey before drinking as people tried centuries ago, to taking multiple aspirin at bedtime as many do today, humans have tried many remedies to prevent the backlash of drinking. None have worked. Chaser is the first product in 12,000 years to prevent and solve one of the most universal and troublesome of human discomforts, the hangover.

According to its manufacturer, Chaser is a tested and proven product, resulting from over fifteen years of development by Raymond C. Crippen, Ph.D., a chemist and inventor. Dr. Crippen’s impressive list of products includes Aspercreme and Grecian Formula 16. Chaser has been taken by people for five years, and double-blind clinical trials provide a 90% reduction in hangover symptoms. It is manufactured in Indiana and marketed through Living Essentials in Walled Lake, Michigan.

Chaser works like a sponge to absorb the harmful particles in alcohol before they can cause the body reactions known as a hangover. The problem particles, called congeners, are byproducts of the fermentation process. Congeners are what give alcoholic beverages their color and flavor, but the immune system fights to remove them from the bloodstream by releasing cytokines. It is this surge of cytokines in the body that causes the unwanted headache, nausea, and body ache called a hangover.

Chaser’s all natural, familiar ingredients can comfort even the pill-shy. Chaser contains only two ingredients, calcium carbonate and vegetable carbon. Calcium carbonate is the active ingredient in most calcium supplements and antacids, and vegetable carbon has been used for centuries and still today in hospitals to absorb toxins. Both ingredients are harmless, classed GRAS (Generally Regarded as Safe) by the FDA. The calcium carbonate and vegetable carbon are technologically activated to make them one hundred times more effective at absorbing.

Not only does it work on all types of alcoholic beverages, Chaser is simple to use: take two capsules one hour after your first drink. If you drink for more than three hours or have more than six drinks, take two more capsules.

By attracting, absorbing, and trapping congeners before they can do their damage, Chaser stops a hangover before it starts. There is no other mainstream product that works the same way, as prevention. All others, not only pain relievers but specific hangover treatments too, only work to relieve symptoms that are already causing a problem.

Word is spreading quickly. Chaser is currently being marketed in the Detroit area and three other cities. Awareness has already been built in the Detroit area; radio ads began last April, and television ads are set to broadcast soon. More and more Michigan stores are beginning to carry Chaser, and sales are fast and promising.

The Chaser product line is already in demand and expanding. A more specialized form of Chaser is already entering the market, Chaser for Wine Headaches. It is a different ratio of calcium carbonate to vegetable carbon that works even more effectively on wine. Chaser is spreading into other continents as well, selling in both European countries and Brazil.

I tried out Chaser for my skeptical self and passed it out to friends. Though I am quite alcohol sensitive, I had no headache or fatigue the morning after consuming more alcohol than I would normally drink. The representatives at the company said also that they had “tested it internally.”

The product’s website, www.doublechaser.com, offers free samples and serves as a contact for sales. Rise Meguiar, the Director of Sales, can be reached at (248) 960-1700, extension 204, or toll free at 1-888-960-9495.

Star Scientific introduces smokeless Cigalett

Star Scientific, Inc. will test market its “smokeless tobacco cigalett,” an innovative smokeless tobacco product that neither requires smoke to be inhaled into the lungs nor exposes others to second-hand smoke.

“Ariva” is a compressed, powdered tobacco product designed to dissolve in the mouth without expectoration, and to be used during situations when smoking is prohibited or inconvenient, the company said.

“Those who will use Ariva are adult smokers who increasingly find themselves in situations where they can’t smoke,” said Paul L. Perito, chairman, president and COO of Star Scientific.

Star Scientific said it believes Ariva smokeless cigalett pieces provide adult smokers with the opportunity to choose an alternative to use in all those environments where smoking is prohibited either by law or social custom.

“According to market research, we know that more than 40 percent of America’s 47 million smokers are looking for acceptable alternatives to cigarettes. Ariva gives them that alternative, as well as a critical benefit: they are not taking smoke into their lungs,” said Perito.

The cigalett pieces will be sold in 20-packs at a retail price of around $3, which is comparable to the cost of premium cigarettes and snuff, the company said. For more information, see Star’s website at http://www.starscientific.com.
Helpful numbers to keep on hand

Michigan Department of Agriculture 1-800-292-3939
Michigan Liquor Control Commission (517) 322-1400
Michigan Lottery (517) 335-5600
WIC (517) 335-8937
EBT Customer Service 1-800-350-8533
Food and Nutrition Service/Food Stamps Detroit (313) 226-493
Grand Rapids (616) 954-0319
Michigan Consumer and Industry Services (517) 373-1580
Michigan Department of Treasury/Tobacco (517) 241-8180
Michigan Department of Attorney General (517) 373-1110

To reach your representative or senator, call these numbers and they will give you the phone number for your district.

House of Representatives:
(517) 373-0135
Senate: (517) 373-2400

Delivers In More Ways Than One.

For more information on any of these excellent programs, call:
ASSOCIATED FOOD DEALERS OF MICHIGAN
18470 West Ten Mile Road • Southfield, Michigan 48075
1-800-66-66-AFD or (248) 557-9800

Classifieds

FOR SALE—Ice Cream Maker and Pizza Oven. Call Patrick at (586) 725-2006.
FOR SALE: HAZEL PARK—Well established small supermarket, about 6,000 sq. ft. Same owners for over 35 years. Money maker—easy to run. Call Tony for details, (248) 543-3918.
FOR SALE—12,000 sq. ft. supermarket located in pleasant Pinckney. Remodeled in 1989. SDD/SDM license. For sale easy terms—MUST SELL (517) 875-7055 after 5:00 p.m.
ITEMS FOR SALE: (1)4 Mow. (2) Jacks; (1) 20 Ft. Electric Conveyors, new; (1) 35 Ft. Conveyors; (1) 5 Ft. Showcases; (5) Salsi Leather booths; (1) 400 lb. Ice Freezer. More. Call for appointment. (313) 374-3039.
SHOWCASES FOR SALE—3 foot to 6 foot and 3 foot to 4 foot. Call Neil or (616) 252-4674.
PARTY STORE—Choice location. Beer, Wine. Detroit, Lotto. Upper area. Interested buyers inquire to P.O. Box 622, Lapier, MI 48026.
SOFT SERVE ICE CREAM MACHINE—Triple head, freestanding machine for sale, best offer. Call Art at (734) 875-7055.
SDD/SDM LIQUOR LICENSES NOW AVAILABLE: One in City of Livonia, One in City of Riverview. Must Sell! Call (248) 549-2901, x3033.
FOR SALE: LIQUOR STORE—Good location in Detroit on main thoroughfare. Also has deli and groceries. Beer, wine, lottery. Size: 4,000 sq. ft., business and property. For more information, call (313) 561-5350 evenings. Leave name, telephone number on answering machine.
KITCHEN HOOD FIRE SYSTEMS AND EXTINGUISHERS—Low discounts to all AFD members. New installations, remodeling, inspections, recharging and testing. Also serving auto paint booths and gas stations. All brands: Ansul, Pennchem, Rangeguard. Service Southeastern Michigan 24/7. Call Alan Ross at GALLAGHER FIRE EQUIPMENT—400-432-1540.
PARTY STORE FOR SALE—Beer, wine, Lottery, deli and grocery. Located on Grand River in Warren. Call Sam or Mike at (586) 751-6440.
FOR SALE—Party Store in Warren. Excellent location! Good business with GREAT income. Call Sam or Mike at (586) 751-6440.
ESTABLISHED PARTY STORE—Port Huron, MI. High traffic area. SDD, SDM and Lotto. Owner retiring. Leave message: (810) 985-5702.
PARTY STORE—Beer, wine, Lottery, deli and grocery. Located on Grand River in Warren. Call Sam or Mike at (586) 751-6440.
FOR SALE: HAZEL PARK—Good opportunity with strong potential for growth. $1,600,000+ sales, $100M+ cash flow. Owners retiring. Great Michigan location, SDD, SDM and Lotto. $1.6mm on books, $200,000+ to pay off bank loan. 3,350 sq. ft. of space and 1,020+/- sq. ft. three separate lakes in year-round resort area. Contact George at (313) 460-9194.
SPECIALTY WINE SHOP FOR SALE—SDF/SDM license. Possible easy terms—MUST SELL. Beer, wine, lottery. Size: 8,000 sq. ft. Same owners for over 30 years. Money maker—easy to run. Call (517) 373-0135 evenings. Leave name, telephone number on answering machine.
PARTY STORE—Beer, wine, Lottery, deli and grocery. Located on Grand River in Warren. Call Sam or Mike at (586) 751-6440.
FOR SALE: CONVENIENCE STORE—6,000 sq. ft. asking $200,000 building, $150,000 inventory, $25,000 approx. training. Call Chandler, (248) 261-3067 for more information.
FOR SALE: CONVENIENCE STORE—6,000 sq. ft. Asking less than $200,000. Building, $150,000, inventory, $25,000 approx., training. Call Chandler, (248) 261-3067 for more information.
FOR SALE—Major specialty food market located in Ann Arbor. Ml. 9,000 sq. ft. Store for lease or purchase or lease. 2 blocks from Blue Water Bridge. Beer, wine, grocery, pizza, ice cream. 85% remodeled. Includes two-family home next door. $299,000. Ask for Martha: 989-306-2672.
MID-MICHIGAN—Conversion store with gasolene, 3,300 sq. ft. of space and 1,070 sq. ft. three bedroom ranch home. Centrally located between three separate lakes in year-round resort area. Steel building, dual seal roof, new 24 ft. nine-door walk-in cooler, new 12 x 2 ft. walk in theater kitchen, live bait room, beer & wine license. Located across the street from the county park with 250-300 ft. of frontage. $290,000. Ask for Martha: 989-469-2631.
SPECIALTY WINE SHOP FOR SALE—SW Michigan location. SDD, SDM and Lotto $1.1mm revenues. $100M+ cash flow. Owners retiring. Great opportunity with strong potential for growth. $275,000+ inventory. The Stanford Company (810) 616-3411.
SPECIALTY WINE SHOP FOR SALE—SW Michigan location. SDD, SDM, $1.1mm revenues, $100M+ cash flow. Owners retiring. Great opportunity with strong potential for growth. $275,000+ inventory. The Stanford Company (810) 616-3411.
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FTC seeks to block Seagram sale

The Federal Trade Commission said that it will seek to block an $8.15 billion bid by liquor giants Diageo and Pernod Ricard for Seagram's wines and spirits business.

However, a deal could still happen by year's end. FTC agreed to hold settlement discussions with Great Britain's Diageo, France's Pernod Ricard and Seagram.

"We are encouraged by the FTC's willingness to have further discussions, which we will pursue..." said Diageo CEO Paul Walsh.

FTC voted 5-0 to oppose the merger over concern about lost competition in the rum business. Seagram's Captain Morgan Brand and Diageo's Malibu rum rank as USA's no. 2 and 3 sellers of rum, respectively behind Bacardi.

If Diageo bought Seagram's rum business, Diageo and Bacardi would have 90% of the U.S. rum sales. The next largest competitor would have less than 5 %. Pernod Ricard doesn't sell rum in the USA.

"This will create a dangerous likelihood of reduced competition and higher prices for consumers of rum," said Joe Simons, director of the FTC's Bureau of Competition.

"There are a lot of brands in the market, but most of them are very small," says former FTC antitrust official Marc Schildkraut. "The FTC decided the merger of the two larger brands will make a difference to competition."

The deal with Seagram's called for Diageo to get 61% of Seagram's liquor assets and Pernod to get the rest. Seagram's owns 250 wine and spirits brands. The proposed merger was announced in December.

Seagram's pulled out of the spirits business last year to team with wireless carrier Vivendi to create Paris-based Vivendi Universal, a global media and communications company.

If the Diageo-Pernod deal goes ahead, it will be a blow to another big liquor seller, Allied Domecq, which markets Canadian Club, Beefeater and Kahlua. It hoped to pick up the Seagram spinoff.

General Mills gets OK to purchase Pillsbury

Also, the FTC cast a 2-2 vote on whether to block General Mills' purchase of Pillsbury from Diageo.

FTC staff wanted to stop the merger because General Mills refused to divest the Poppin' Fresh Doughboy along with Pillsbury's baked goods division.

FTC commissioners reached an agreement with General Mills that the Pillsbury baked goods division would be divested and the firms would share the Doughboy. The FTC could still challenge the deal later - if it has the votes - although that is unlikely.

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Farmer Jack grounds WorldPerks program

Effective December 1, Farmer Jack will no longer be participating in Northwest Airlines WorldPerks program. Customers that were enrolled in the program continued to earn WorldPerks Bonus Miles through November 30, 2001.

In a letter to WorldPerks customers, Dennis Eidson, Farmer Jack Supermarkets president, said that the miles do not expire and that all accumulated miles will be kept. No reason for the cancellation of the program was given, although Eidson stated, "As we continue to work to reinforce our core values, we at Farmer Jack want to assure you that we are focusing on what's really important to you. We are dedicated to giving you the best quality for the best value and to provide you with the best shopping experience."

The National Grocers Association

SUPERMARKET SYNERGY SHOWCASE (S3)

Your National Grocers Association (N.G.A.) believes in the synergy necessary for retailers and their wholesalers to continue to be successful. We are proud to announce that the 41st President of the United States, George Herbert Walker Bush, will be the featured speaker at N.G.A.'s Opening Convention Keynote Session. In addition, your full registration "Value Package" covers the following convention events and programs:

- 3 Convention Keynote Sessions
- 6 Conference Keynote Sessions
- Over 50 Educational Workshops
- N.G.A./FDI Joint Marketing Conference
- Human Resource Management and Estate Planning Conference
- 3 Super Breakfast Sessions
- Supermarket Synergy Showcase (S3)
- Interactive Concept Show
- Store Tours
- National Best Bagger Contest
- Chairman's Reception and Gala featuring Lee Greenwood with Sandi Patty and the Nevada Gospel Choir
- Asparagus Club Dessert Party with "Comedian of the Year" John Pinette
- Opening Reception
- WGA Luncheon — "How to Make a Good Life Better" by Dr. Glenn Saltzmann
- Grand Prizes

In addition, N.G.A. is diligent in offering you the best advantages to attend as a group including:

GROUP DISCOUNT RATES — A FREE registrant for every 4 full registrants.

Low airline rates to Las Vegas — Plus additional DISCOUNTS from major airlines such as United (1-800-521-4041, code 56X00), and Southwest (1-800-433-5368, code R9517).

Guaranteed competitive room rates from the Paris Las Vegas Hotel and Bally's Hotel complex, which means that buses and cabs will not be needed to enjoy your favorite N.G.A. event!
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<thead>
<tr>
<th>AFD Supplier Members</th>
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<tr>
<td><strong>CANDY &amp; TOBACCO:</strong></td>
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<td>Philip Morris USA</td>
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<td>R.J. Reynolds</td>
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<td><strong>CATERING/HALLS:</strong></td>
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<td>Karen's Kafe at North Valley</td>
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<td>Southfield Manor</td>
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<td>St. Mary's Cultural Center</td>
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<td>Tina's Catering</td>
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<td><strong>DAIRY PRODUCTS:</strong></td>
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<td>County Fresh Dairies</td>
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<td>Golden Valley Dairy</td>
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<td>Super Dairy Inc.</td>
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<td>Tom Davis &amp; Sons Dairy</td>
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<td><strong>EGGS &amp; POULTRY:</strong></td>
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<td><strong>FRESH PRODUCE:</strong></td>
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<td>Sunstate Produce Inc.</td>
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<td><strong>ICE PRODUCTS:</strong></td>
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<td>Party Time Ice Co</td>
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<td>U.S. Ice Corp</td>
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<td>Blue Cross/Blue Shield</td>
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<td>Capital Ice Cream</td>
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<td>Godisho, Ramkey &amp; Assoc</td>
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<td>Frank McElroy Jr.</td>
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<td>North Point Ice Cream</td>
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<td>Rocky Houseaway &amp; Associates</td>
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<td>Beef Meats Products</td>
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<td><strong>NON-FOOD DISTRIBUTORS:</strong></td>
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<td>Insers</td>
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<td><strong>POULTRY:</strong></td>
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<td>Hamburger Station</td>
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<tr>
<td>Kowalski Sausage Company</td>
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<td>Hygrade Food Products</td>
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<td>Midland Meats</td>
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<td><strong>SERVICES:</strong></td>
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<td>Adirondack Distributors</td>
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<td><strong>SUPPORT THESE AFD SUPPLIER MEMBERS</strong></td>
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<td>(888) 642-4967</td>
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<td><strong>WHOLESALE DISTRIBUTORS:</strong></td>
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<td>E &amp; J Gallo Winery</td>
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<td>Delicato Family Vineyards</td>
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<td>Jim Beam Brands</td>
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<td>Hubert Distributors, Inc.</td>
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<td>Josulete Wines, Inc</td>
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<td>Michigan Grape &amp; Wine</td>
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<td><strong>STORE SUPPLIES/EQUIPMENT:</strong></td>
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<td>Advance Packaging</td>
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<td>National Wine &amp; Spirits</td>
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<td>Oak Distributing Company</td>
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<td>Baker's Bag Design</td>
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<td><strong>SUBURBAN NEWSPAPERS:</strong></td>
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<td>Booth Newspapers</td>
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<td>Detroit Newspaper Agency</td>
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<td><strong>SUPERMARKET DISTRICTS:</strong></td>
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<td>E &amp; J Gallo Winery</td>
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<td>Brown-Farmer Beverage Co.</td>
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**ADVERTISING VENDORS:**

**AUTHORIZED LIQUOR AGENTS:**

**Bakeries:**

** Beverages:**
We’re Looking for Talented People Who Can...

merchandise a store...design an ad...stock shelves...drive our trucks...print a flyer...bake bread...arrange flowers...keep our books...manage departments...sell groceries...program computers...write a brochure...display produce...cut meat...carry out groceries...develop a promotion...manage finances...install new technology...buy real estate...promote private label products...train our associates...prepare deli foods...select warehouse orders...fill a prescription...design a web page...help our customers...create marketing strategies...and much more.

Join Our Diverse Work Force!

If you’re interested in career opportunities, learn more about our company by visiting our website at www.spartanstores.com.

spartan stores, inc.
A publicly traded company.
Sherwood Food Distributors has joined forces with the Associated Food Dealers of Michigan for the sixth year, to host a mini-trade show within the AFD show. We have 36 booths offering outstanding show rebates, and incentives to our customers.

As you know, Sherwood Foods is the Midwest’s leading distributor of meat and deli products. It is our sincere pleasure to bring our major vendors under one roof. The main agenda of the SFD mini-trade show is to help you familiarize yourself with the product lines we carry and to offer you, our valued customer, special trade show pricing. We look forward to seeing you at Burton Manor on April 30 and May 1, 2001.

Products To Purchase:
- beef
- cheese
- deli
- pork
- poultry
- seafood
- turkey
- and many new merchandising concepts

Trade Show Hours:
- Monday, April 30, 2001
  5 p.m. - 9 p.m.
- Tuesday, May 1, 2001
  2 p.m. - 8 p.m.
Burton Manor
Livonia, Michigan

Overnight Accommodations:
- Holiday Inn - $109 - (734) 464-1300
- Comfort Inn - $72 - (734) 458-7111

Call Ginny at AFD at (248) 557-9660, or call your SFD sales rep at (313) 366-3100.

The law requires that you be at least 21 years of age to attend the trade show.
Cut Off This Panel & Send It To AFD By April 17, 2001.

Admission into the Trade Show is free for all SFD customers who preregister.

Name:_____________________________________________________________

First name_______________________________________________________

Last name:________________________________________________________

Store Name:_____________________________________________________________________

Address:_____________________________________________________________________

City________________________State__________County__________Zip________

Associated Food Dealers of Michigan 18470 West 10 Mile Rd., Southfield, MI 48075
Associated Food Dealers
of Michigan
18470 West 10 Mile Road
Southfield, MI 48075
Monday, April 30, 2001
Tuesday, May 1, 2001
We're working hard to provide great discounts at the AFP Trade Show:

AFD has been working hard for the Food and Beverage Industry for over 85 years.
Here's what you can expect when you spin AFD's Wheel of Fortune:

SAVINGS!

17th Annual Buying Trade Show
AFD’s Wheel of Fortune

You Win With Every Spin!
Associated Food Dealers of Michigan
1916 - 2001:
Working hard for the food and beverage industry for over 85 years.

AFD'S WHEEL OF FORTUNE

A Selling Trade Show attracting buyers from supermarkets, convenience stores, specialty stores, drug stores and gas stations.
“We exhibit every year because it gives us an opportunity to show, sample and sell our diversified product lines to both our current customers, as well as potential customers.”

WIN BIG at AFD’s WHEEL of FORTUNE 17th Annual Selling Trade Show—Where you always get a P for PROFITS and a Q for QUALIFIED BUYERS!

The AFD Trade Show is the perfect place to:

SELL!

INTRODUCE NEW PRODUCTS!

IT’S YOUR SHOW SPECIALS THAT MAKE YOU STAND OUT

The Associated Food Dealers of Michigan (AFD) is one of the largest trade associations in the country. We’ve been serving the food and beverage industry for over 85 years, and we have been hosting a successful trade show for over 17 years.

Call or e-mail Ginny at AFD for more information at (248) 557-9600 or gbennettafd@pop.net
Exhibitor Check List:
1) Choose Your Booth.
2) Fill Out The Contract.
3) Send Your Check To AFD.

Associated Food Dealers of Michigan
18470 West Ten Mile • Southfield, MI 48075 • www.afdom.org

Call or e-mail Ginny at AFD with questions.
(248) 557-9600 • gbennetafd@pop.net
“There are over 3,000 retailers at the AFD Trade Show, so it’s a great place to introduce new products.”

—Gary Davis
Tom Davis & Sons Dairy

HERE’S WHY THE AFD TRADE SHOW SELLS OUT EXHIBIT SPACE YEAR AFTER YEAR:

• Instant access to over 3,000 qualified buyers from grocery stores, convenience stores, specialty stores, drug stores, and gas stations.

• Ten no-conflict exhibit hours so you’ll never compete with convention programs.

A forced floor plan that moves retailers through the entire exhibit hall.

• Free promotional materials to help your sales team generate more business at your booth.

• Dedicated exhibitor support through: free ads in the Food & Beverage Report, inclusion in four targeted direct mail promotions that feature your new products and show specials, and a partnership program wherein your top customers receive complimentary registrations.

• Great name recognition, including a listing in the Trade Show edition of the Food & Beverage Report, which gives buyers information about new products, show specials, and where you’re located on the show floor.

• What About After the Trade Show?

• Member discounts and preferred booth placement in 2002.

• Listing in the Supplier Page of the Food & Beverage Report for one full year.

Valuable customer referrals to more than 8,000 retailers.

And much, much more...

CAN YOU SOLVE THE PUZZLE?

E
THESE EXHIBITORS FOUND REWARDS AT AFD’S SELLING TRADE SHOW IN 2000:

7 UP Detroit
AAA
Absopure
Acosta-PMI
AirPage
AirTouch Cellular
Ac’Wa Water
AMT Telecom Group
Amertek Pay Phone Systems
Anheuser-Busch
Anthony’s Pizza
Ashby’s Sterling Ice Cream
Awrey Bakeries
Bar-S Foods
Beer Maid Honey
BetterMade Potato Chips
Blue Cross Blue Shield
Brehm Broaster
Brown Forman Beverages
Canadian Consulate General
Central Alarm Signal
Central Foods, Inc.
Coca-Cola Bottling Company
Container Recovery
Coors Brewing Company
Corousel Systems
Cost Savings & Reduction Specialists
Credit Card Center
CrossMark Sales & Marketing
DDT Food Equipment
Detroit Edison
Detroit Newspapers
E & J Gallo Winery
Empipo
eSkype.com, Inc.
Faygo Beverages
Frito-Lay
Garden Foods
General Wine & Liquor
Germack Nut Company
Great Lakes Data Systems
Guardian Alarm Signal
Har & Bar Ice Cream Shop
High Falls Brewing Company
Hobart Corporation
Huron Web
International Sales Group
IntraState Distributors
J & B Financial Products
J. Lewis Cooper
Jay’s Foods
Kansmacker
Kar Nut Products
Kowalski Companies
KPN Technologies
Lauver’s Cash Register
LDMI Telecommunications
Local Color Brewing Company
Meadowbrook Insurance
Melody Farms
Metro Baking / Taystee Bread
Michigan Bankard
Michigan Lottery
Michigan National Bank
Miller Brewing Co.
Mr. Dew’s Gourmet Foods
National Bulk Food Distributors
National Food Equipment
National Wine & Spirits
Nationwide Communications
Niklas Distributors
North American Interstate
North Pointe Insurance
O.J. Distributing
Pabst Blue Ribbon
Party Time Ice
Pepsi-Cola
Piller Sausage
Potok Packing
Rocky Peanut
Seagram Americas
Seagram Beverages
Sarkozi-Hollymotic Equipment
Security Express
Select MI Wine & Specialty Foods
Serv-Tech Business Systems
Sherwood Foods (40 booths)
SoBe Health Refreshment
Spartan Stores
Strohs/Mooney Ice Cream
Suburban News / Magazines
Superior Dairy
Taylor Freezer
T.I. Spices
Tom Davis & Sons Dairy
TOMRA
Travelers Express
Tubby’s Submarine
U.S. Ice Corp.
Variety Foods
Vernors
WEC-DC Glaizer
Western Union
Wonder Bread / Hostess

CAN YOU SOLVE THE PUZZLE?

E   B

CLUE: How can you meet with over 3,000 qualified buyers in just two days?
<table>
<thead>
<tr>
<th>SHOW HOURS</th>
<th>Monday, April 30, 2001 5 p.m. - 9 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuesday, May 1, 2001 2 p.m. - 8 p.m.</td>
</tr>
<tr>
<td>BOOTH COSTS</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>STANDARD</td>
<td></td>
</tr>
<tr>
<td>BOOTH:</td>
<td>1 booth: $950 (1/4 page ad included)</td>
</tr>
<tr>
<td></td>
<td>1+ booths: $1200 (1/4 page ad included)</td>
</tr>
<tr>
<td></td>
<td>2 booths: $1800 (1/2 page ad included)</td>
</tr>
<tr>
<td></td>
<td>2.5 booths: $2150 (1/2 page ad included)</td>
</tr>
<tr>
<td></td>
<td>3 booths: $2700 (full page ad included)</td>
</tr>
<tr>
<td></td>
<td>4 booths: $3400 (full page ad included)</td>
</tr>
<tr>
<td></td>
<td>4+ booths: $3400 + $750 for each additional booth (full page ad included)</td>
</tr>
<tr>
<td>AFD Non-Members:</td>
<td>add $400 to the above prices</td>
</tr>
<tr>
<td>LOCATION:</td>
<td>Burton Manor, Livonia, Michigan</td>
</tr>
<tr>
<td>ELECTRICAL:</td>
<td>All electrical requirements must be made through Burton Manor. All electrical costs will be borne by exhibitors.</td>
</tr>
<tr>
<td>CORKAGE:</td>
<td>All beer, wine and liquor that will be sampled must be purchased through Burton Manor. The corkage is 15% on the wholesale cost. Exhibitors may bring in their own alcohol if it will be used only for display purposes. Please make arrangements at least two weeks prior to the show with Sales Manager, Susan Giffin at (734) 427-9110 ext. 25.</td>
</tr>
<tr>
<td>DRAYAGE:</td>
<td>Assistance with move-in is optional; there is no charge. Exhibitors utilizing storage space at Burton Manor prior to the show must make arrangements through Burton Manor; there is a charge.</td>
</tr>
<tr>
<td>INSTALLATION:</td>
<td>Monday, April 30, 2001 8 a.m. - 4 p.m.</td>
</tr>
<tr>
<td>DISMANTLE:</td>
<td>Wednesday, May 2, 2001 8 a.m. - 12 p.m.</td>
</tr>
<tr>
<td></td>
<td>Everything must be out by 12 p.m. (noon)—no exceptions.</td>
</tr>
</tbody>
</table>

**CAN YOU SOLVE THE PUZZLE?**

**CLUE:** How can you get out of the audience and into the game?

**EXHIBIT**