NACS sees hot summer sales • See page 8
Meet Rep. Paul Giehlge • See page 10
A summary of the Child Labor Laws • See page 20
Are there bubbles in your milk? • See page 22
Gourmet International brings Europe to your store • See page 28

Legislative Update
Committee recommends repeal of SOT
In May, the Joint Committee on Taxation released the results of a two-year study on tax simplification that calls for elimination of the special occupational tax (SOT) on alcohol and passage of legislation to repeal the tax.

With over 98 percent of all SOT revenue coming from retailers, the tax hits supermarkets and convenience stores especially hard. It is imposed on all businesses that manufacture, distribute or sell alcohol products. Liquor and beer retailers pay to the Bureau of Alcohol, Tobacco & Firearms (BATF) each July 1, an annual tax of $250 per store that sells alcohol, while wholesalers are charged $500 and producers $1,000.

A bipartisan group of House members, led by Reps. Dave Camp (R-MI) and Robert Matsui (D-CA), introduced legislation (H.R. 984) that would repeal the SOT. A companion bill is expected in the Senate.

INDEPENDENT’S DAY
IN JULY, WE SALUTE OUR INDEPENDENT SUPERMARKETS AND CONVENIENCE STORES, WITH “REVOLUTIONARY” WAYS TO FIGHT FOR MARKET SHARE AND WIN PROFITS.

There is opportunity in urban renewal
Retailers are discovering that inner-city neighborhoods, once crucial to the industry’s growth, have again become vital centers of attention. Two key factors are re-establishing the nation’s urban centers as important retail centers for the 21st century:

1. Untrapped financial power.
2. Willingness of politicians and community organizations to work with retailers to bring companies back to the inner city.

Urban renewal scenarios with supermarkets in prominent roles are being played out in New York, Philadelphia, Miami, Boston, St. Louis, Milwaukee, New Orleans, Oakland, Sacramento, and Los Angeles. Inner-city residents have retail purchasing power of more than $331 billion.

“U.S. European and Japanese retailers are searching for new channels, says Carl Steidtmann, chief retail economist, PricewaterhouseCoopers, New York. “They’ve exhausted the opportunities in the suburbs, so they are looking for opportunities for expansion, such as the Internet and newly developed markets. Seen in that light, the U.S. inner city has many possibilities.”

See Urban renewal, page 29.

Mark your calendar for 2 important AFD events!
• September 25 & 26, AFD Beverage Journal Holiday Show at Burton Manor (See page 25 for details.)
• October 26, “Toast Michigan,” AFD’s all-Michigan wine tasting at Excalibur Banquet Center in Southfield. Call AFD (248) 557-9600 for details on both!

AFD wins two awards
The Associated Food Dealers of Michigan is proud to announce that it has received civic awards from the City of Southfield and the United Way.

AFD received the City of Southfield Standard of Excellence Award for being a community model for Exemplary Property Appearance in 2000. AFD’s office building is located on 10 Mile Road, west of Southfield Road. In addition to its exterior appearance, AFD has recently completed a remodel of its interior.

AFD’s second award, from the United Way, was in recognition of the outstanding support which AFD and its employees have given to the organization in 2000.

It’s Tee Time at Wolverine!
We look forward to seeing you at AFD’s annual Scholarship Golf Outing on Wednesday, July 18 at Wolverine Golf Course. If you haven’t registered yet, call Michele (248) 557-9600 for your tee time!

Congress passes President Bush’s tax plan
On June 7, President Bush signed into law the $1.35 trillion tax cut bill. Included in this plan is repeal of the estate tax over the next 11 years.

While this tax cut is not perfect, it is a significant step towards completely eliminating the estate tax and jump-starting our sluggish economy. The tax cut reduces, then repeals the state tax, cuts personal income tax rates, decreases the contribution limits for IRAs and 401(k) plans and puts money in the hands of our customers.

• It reduces the estate tax rate from 60 percent to 50 percent in 2002 and then to 45 percent by 2007; at the same time, it increases the unified exemption from $675,000 to $3.5 million by 2009 and eliminates the death tax completely in 2010. In addition, it reduces the gift tax to 35 percent over 10 years.

• It reduces income tax rates to 10%, 25%, 33% and 35% between July 1, 2001 and 2006. From 2006 to 2009, it phases out personal exemptions and itemized deductions for upper-income taxpayers, making the effective tax rate 33 percent in 2009.

• It raises the contribution limits for both IRAs and 401(k) plans to $5,000 and $15,000 respectively in 2006.

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• It raises the contribution limits for both IRAs and 401(k) plans to $5,000 and $15,000 respectively in 2006. For 401(k) plans, the limit would increase to $11,000 in 2002 and then by $1,000 per year to $15,000 in 2006.

The major shortcoming of this proposal is that it was passed as part of a “reconciliation,” which means it sunsets in 2011. If Congress does not act to make it permanent before then. Using the “reconciliation” procedure was necessary to pass the tax cut. Under Senate rules, “reconciliation” requires 51, not 60, votes. If 60 votes were needed, the proposal, especially the elimination of the estate tax, would not have passed.

See the tax changes, year by year on page 17.
We should oppose Senators Kennedy and McCain healthcare bill

By Sam Daio

This month, I am using my column to tell you about a few important and timely issues. The first is about Federal healthcare legislation. The Senate recently began debate on Senator Kennedy’s (D-MA) and McCain’s (R-AZ) healthcare legislation that would expand the right to sue healthcare plans at the state level and provide civil penalties up to $5 million. Both S.283/S.1052 would allow patients to sue healthcare plans for damages in both federal and state court. Because the Kennedy/McCain bills would allow patients to sue their health plans for damages in both federal and state court, judgments in federal courts could be as high as $5 million and economic damages would be unlimited. Caps on judgments in state courts would be left to state law.

Senators Bill Frist (R-TN), John Breaux (D-LA) and James Jeffords (I-VT) have introduced S.889, a patient protection bill containing strong language requiring exhaustion of the external review process by independent, impartial healthcare professionals before an individual can sue and limits any such lawsuits to federal courts. S.889 prohibits punitive damages and puts a $500,000 cap on non-economic damages. President Bush said he would veto the Kennedy/McCain bills. S.283/S.1052, in their current forms. The President has said, “I support the Patient’s Bill of Rights. I just don’t support one that will encourage lawsuits, that will hurt consumers, and hurt people trying to find quality healthcare.” According to Congressional Quarterly, the Frist bill “carries a White House endorsement.” What do you need to do? Call your senators’ offices immediately and tell them: To oppose Senators Kennedy’s / McCain’s bills that will allow lawsuits in federal and state courts and permit assessments of civil penalties of up to $5 million. Increasing the exposure to lawsuits and liability will add costs to healthcare plans that will be passed on to healthcare purchasers in the form of higher premiums.

Another important issue is the recent debate on legislation that would allow patients to sue for damages in federal and state courts. These bills, which are currently being debated in both the Senate and House, would allow patients to sue healthcare plans for damages in both federal and state courts. The Senate has already passed a bill that would allow patients to sue for damages in federal courts, while the House has a similar bill that is currently being debated.

It is important to note that these bills, if passed, could have a significant impact on healthcare costs and access. Healthcare providers and insurance companies have expressed concerns that these bills could lead to an increase in legal expenses and a decrease in the availability of healthcare services. As a result, it is crucial to voice your support for the bills that would provide a balance between patient rights and the need for a stable healthcare system.

We should support bills that would provide a balance between patient rights and the need for a stable healthcare system. These bills would help ensure that patients have the right to sue for damages in federal and state courts, while also protecting the ability of healthcare providers to offer services at reasonable costs.

The AFD Chairman's Message: We should oppose Senators Kennedy and McCain healthcare bill.
Pepsi, Unilever to market juice-tea blend

Joint venture adds to Pepsi's noncarbonated beverage offering

PepsiCo Inc., moving to expand its portfolio of noncarbonated beverages, is introducing a new drink through a joint venture with Unilever PLC that will blend tea and fruit juice, says the Wall Street Journal. The new drink, called Matika, will be introduced in selected U.S. markets in August and will come in five flavors, including Skyhigh Berry, Dragonfruit Potion and Mythical Mango.

The Holidays are coming – be prepared!

See the newest trends in the beverage industry at AFD's Beverage Journal Holiday Show on September 25 and 26 at Burton Manor in Livonia. Taste the new and the tried and true, and order the best-sellers right on the spot. Special pricing is available only to attendees!

AFD members will receive two free tickets to the Holiday Show. For more information call Ginny Bennett at (248) 557-9600.

Gillette cuts 600 more jobs

CEO James M. Kilts said that many of Gillette’s problems were “self-inflicted wounds” and that previous management set unrealistic financial goals and then turned to short-term fixes to achieve them. Kilts also announced the cutting of 600 more jobs worldwide and outlined strategies to escape what he called Gillette's “circle of doom” resulting from the unrealistic goals. “Our short-term focus is to stabilize market share, aggressively reduce costs and improve organizational effectiveness,” Kilts said.

– The Boston Globe

Calendar

July 18
AFD Scholarship Golf Outing
Wolverine Golf Course
Michele MacWilliams
(248) 557-9600

September 25-26
AFD Beverage Journal Holiday Show
Burton Manor, Livonia
Ginny Bennett
(248) 557-9600

October 22-24
Discover Food Safety Solutions
2001 International Food Safety Congress
(312) 715-1010, ext. 368

October 26
“Toast Michigan,” all-Michigan wine tasting
Excalibur Banquet Center
Southfield
(248) 557-9600

October 28-30
Produce Marketing Association Convention
Philadelphia, Penn.
1-800-456-2753

Statement of Ownership

The AFD Food & Beverage Report (ISSN 082-970; ISSN 0894-3567) is published monthly by the Associated Food Dealers of Michigan at 18470 W 10 Mile, Southfield, MI 48075. Material contained within The AFD Food & Beverage Report may not be reproduced without written permission from the AFD.

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POSTMASTER: Send address changes to AFD Food & Beverage Report, 18470 W 10 Mile, Southfield, MI 48075.

ADVERTISERS: For information on advertising rates and data, call AFD, Ray Amyot, 18470 W 10 Mile, Southfield, MI 48075. (248) 557-9600 or (517) 386-9666.

AFD works closely with the following associations:

IFDA
NCA
GMA
NACS
PIAE

AFD Food & Beverage Report, July 2001
### News Notes

**Heinz to buy brands from Borden**
H.J. Heinz Co. has announced it will buy Borden Foods Corp.'s pasta sauce, dry bouillon and soup businesses. The deal includes Classico pasta sauce, Aunt Millie’s pasta sauce and Wyler’s bouillons and soups. Terms of the deal were not disclosed. – Associated Press

**Nestle starts new youth campaign for Nescafe**
Nestle is launching a $30 million global advertising blitz for Nescafe instant coffee targeted at the 16-to-24-year-old demographic. The campaign — which springs from market insight gathered last year — began in June on television, radio, posters and the Web. – The Wall Street Journal

**Head & Shoulders to get new look**
Procter & Gamble is set to start the biggest restyling of its Head & Shoulders dandruff shampoo, with the aim of broadening the 38-year-old product’s appeal beyond dandruff control. Two new conditioner products and new packaging will be launched in July. – The St. Louis Post-Dispatch

**Coca-Cola buys into kvass market**
Coca-Cola is acting quickly to counter the growing popularity of kvass — an Estonian drink made from stale bread, sugar and yeast — by buying the rights to the Linnuse Kali and Pilskalna brands from AS Orol Foods. – The St. Louis Post-Dispatch

**Senator alleges oil industry scheme**
Since the mid-1990s, oil companies may have acted to suppress refinery capacity and control gasoline supply in an effort to drive up gasoline prices and boost profit margins, says a report released by U.S. Senator Ron Wyden (D-Ore.). The report is allegedly based on internal oil company documents that the senator says raise serious questions about anti-competitive and anti-consumer practices among the nation’s leading oil companies. Wyden’s report, “The Oil Industry, Gas Supply, and Refinery Capacity: More Than Meets the Eye,” charges that oil companies may have worked to artificially contrive tight supplies.

**P&G to benefit by Gucci alliance**
Procter & Gamble has brought Domenico De Sole, the man whose partnership with Gucci designer Tom Ford turned the fashion house around, onto its board of directors. P&G wants to use De Sole’s knowledge in marketing high-quality, premium brands, and Gucci will benefit from P&G’s inside track on world-dominating mass-market lines. The partnership could lead to collaboration on beauty products.

**White Rose sues Suiza, Dean**
White Rose Inc., a Colorado soy-milk maker, has sued Suiza Foods and Dean Foods. White Rose says the proposed merger of Suiza and Dean would trigger a major contract violation by illegally giving Suiza, its largest competitor, a stake in White Rose. The $1.5 billion merger would transfer Dean’s 36% stake to Suiza. – Chicago Tribune

**Fed official: economy has hit bottom**
A Federal Reserve official has said that manufacturing is “bottoming out” and that producer prices are rising slightly. Reports suggest that the current state of the economy remains sluggish and that customer demand is still soft. – Chicago Tribune

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### General Wine & Liquor Company

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CALL 1-800-668-9571
AFD Trade Show links Lake City supermarket to show specials and savings

By Ginny Bennett

I met Paul Foster when he attended the AFD's September 2000 Holiday Beverage Show and I was pleased to find out that he returned from "up north" to the Metro Detroit area for the recent 17th Annual AFD Trade Show.

"I wouldn't miss it for anything," says Paul, president and CEO of Foster's Super Market, a Spartan Store in Lake City. Foster's owns another store in Reed City.

"Where else can I see all the new products available and talk to distributors face-to-face? I especially like to see what is new from the beverage companies since that is something I buy in large quantities over the summer season."

Foster's Lake City store is located in Missaukee County on Hwy 55 between Cadillac and Kalkaska. Approaching Lake City from the east takes travelers through farm lands and open country.

"The only thing that might keep me from coming to an AFD Show would be the first day of hunting season," Paul warns. "My boys and I wouldn't miss that." Fifteen-year-old Jeffery and Soon-to-be-twelve-year-old Patrick can enjoy hunting and fishing practically in their backyard. The Foster family enjoys the surrounding countryside and the beautiful beaches of Lake Missaukee. Paul proudly speaks about the improvements made to the lake to clean it up. A sewage system around the lake has made a big difference. The state plants Walleye and perch, and there is no size limit on Pike to ensure a lively catch.

"Cleaning up" is a natural for someone who has respect for the wilderness, and Foster's Super Market is a proud participant in the "Adopt-a-Road" program.

Paul Foster, along with his partner Carl Quist, spends a lot of time and effort making Lake City and the surrounding area a nicer place to live. Carl's wife Christie works at the store and along with the three Quist daughters, the two families have a lot of personal reasons to participate in community activities. They like to give back to the hometown people that support the store. Foster's sponsors a variety of fun family events. Paul has been active in the Chamber of Commerce and leads store support to the local Band Boosters, Athletic Boosters, two softball leagues, two soccer leagues and to the local municipal ski hill, Missaukee Mountain. Foster's believes in supporting these community organizations that their customers care about. The ski hill wouldn't exist if it weren't for donations and fundraisers. Foster's donates both products and services.

In return, the community shops at Foster's. Their trade area extends 25 miles to the north and covers the entire county.

Lake City's Foster's is just under 30,000 square feet, the Reed City store is 15,000. Both are Spartan Stores. "Spartan gives outstanding service to a store like ours," Paul says candidly. He seems very pleased with the choice they made when the store first opened at the Lake City site in 1971. Most grocery items are purchased through Spartan, with deli and bakery items prepared on site and...
Some of the programs Paul has taken away from the AFD Trade Show in the last five or six years have been the lottery, liquor and services like videos, fax and ATM's. He compared surveillance equipment, pre-paid cell phones and pre-paid phone cards which were of interest to him at the past show. Paul likes the opportunity the show offers to compare prices and plan while talking face-to-face with the company representatives.

Foster's is entering it’s busiest season. When fall comes it will be time for another AFD Trade Show. "I have to go," Paul says, "because practically all the decisions I make about what to sell in my liquor department, I make when I am there."

Foster's is entering its busiest season. In summer the store business triples. When fall comes it will be time for another AFD Trade Show. "I have to go," Paul says, "because practically all the decisions I make about what to sell in my liquor department, I make when I am there."

AFD exhibitors will have plenty of savings and show specials on display. The AFD Beverage Journal Holiday Show will be held September 25 and 26 at Burton Manor in Livonia.

Use our energy to power your business.

Use yours to manage it.

What does it take to become a vital energy resource for a diverse community? A willingness to listen, learn, and become involved.

At Detroit Edison we’re doing all three.

Our Ethnic Marketing group understands that small business owners have unique needs. That’s why we’re listening to local entrepreneurs and learning about their specific needs – to help them maximize electricity efficiency and minimize costs.

We’re also working with large- and medium-sized businesses and we’re educating business owners about electric utility industry deregulation, so that they understand their options in the future.

But our involvement stretches beyond the bottom line. We’re supporting cultural diversity by dedicating resources to educational and civic groups and organizations. It’s all part of our efforts to provide personalized service to a very valued group of customers.

At Detroit Edison, we’re excited about becoming more involved in multicultural business communities. We’re waiting to hear from you. If you have an energy-related issue or concern that you’d like to discuss with a representative, contact our Ethnic Marketing group today. Call 1.888.777.5925.

AFD Food & Beverage Report, July 2001
NACS Sees Hot Summer Sales

C-stores will ring up more beverage, snack and phone card sales

Consumers will buy more different types of beverages, more snacks and prepaid phone cards and cell phones this summer, based on summertime sales projections by convenience store retailers, according to survey results released by the National Association of Convenience Stores.

Expect to see increased sales for beverages, ice, coolers, picnic supplies and bug spray, among other items, adds NACS. It is projecting that picnic supply sales will increase up to 80 percent. It is also anticipating strong demand for convenience products and services such as prepaid telecommunications products and ATMs.

"With convenience stores selling roughly 60 percent of the gasoline purchased in the country, and most Americans planning at least one major driving vacation this summer, travelers throughout the summer will use convenience stores as the one-stop shopping place to fuel up and feed up," says Carl Bolch Jr., NACS chairman of the board and chairman of RaceTrac Petroleum Inc., Atlanta.

Bottled water sales are expected to surge, as c-stores now sell one of every five bottles of water purchased, the association says. Retailers also expect continued strong demand for energy drinks, as well as juices. One hot-selling drink for kids is the new "Bug Juice," notes Steve Broadus of Streeter, Ill.-based Broadus Oil Corp. of Illinois, which operates PitStop Stores. And retailers say that soda and beer sales always increase in the summer. The latest trend for fountain beverages is iced teas in cups sized for upzipped servings to fit car cupholders. The same trend holds with coffee, says NACS, as cup sizes are increasing to as much as 24 ounces.

Retailers say that they've seen a trend toward consumers treating snack foods like "portable meals," eating four or five times a day, and "grazing" on snacks like meat snacks—which have tripled in sales in nine years, energy bars and muffins and cookies.

Prepaid telecommunications products will continue to see strong demand. C-stores expect another strong summer of sales for prepaid telecommunications, with hot-selling items like prepaid phone cards and even prepaid cell phones, which grew 24 percent in sales over the last year. And with nearly 70 percent of stores having ATMs, retailers also expect strong demand by vacationers for ATM services.

This data comes on the heels of an Associated Press poll, however, that showed that three in 10 Americans say the rise in gasoline prices has affected their vacation plans this year—either by causing them to cancel trips, cut back their plans or change their mode of transportation.

Stop That Rolling Watermelon!

Watermelon never has been considered a convenience food because it is big, unwieldy and prone to rolling away. Japanese farmers have created a square variety, guaranteed to fit in refrigerators and not to roll out of shopping carts. The square melon is the result of a growing technique in which farmers place a segment of vine bearing the bud inside a square glass. At 10,000 yen per fruit ($82), think it will catch on?

Spaghetti-Os developer dies

Ralph A. Miller, 73, an instrumental research chemist on the Campbell’s Soup team that developed some of the company’s most popular products — including the Chunky Soup brand, Prego and Spaghetti-Os — died June 9.

— Associated Press

8....AFD Food & Beverage Report, July 2001
This Bud's for you.
Representative Paul Gieleghem works to keep returnables out of Michigan landfills

By Kathy Blake
State Representative Paul Gieleghem, (D-31) Clinton Township, is sending a message to other states and Canada concerning use of Michigan landfills, "Recycle or keep your own garbage." Gieleghem introduced a bill that will ban carbonated beverage containers from being dumped in Michigan landfills, thereby imposing tough standards on the flow of imported trash from out of state. "Because of Michigan’s bottle deposit law, trash generated in Michigan is over 98 percent free of containers subject to the deposit. Other states that have lesser or no bottle deposit laws are generating trash that is filled with beverage containers and then shipping it to Michigan landfills," says Gieleghem.

About 18 percent—9.4 million cubic yards—of the garbage dumped in Michigan landfills last year came from outside state borders. Michigan is the fourth-largest recipient of imported waste in the United States. This is mostly due to the fact that Michigan landfills charge less than other states, according to Gieleghem. Michigan averages $10-$20 to process a ton of garbage while landfills in other states charge up to $65.

Canadian companies currently dump a total of 4.2 million cubic yards per year throughout the state. Indiana and Ohio send 2.3 million cubic yards per year.

Gieleghem serves on the House Committees on Education, Land Use and Environment. Another environmental issue he was concerned with was the Clean Michigan Initiative (CMI). He recently was successful in amending the state budget to require an annual report detailing how the CMI funds are spent and the impact they’re having on environmental clean-up projects. The amendment requires the DEQ to produce an annual report to the Legislature on the expenditure of the proceeds of the bonds issued under CMI.

Gieleghem, a lifetime resident of Clinton Township, represents the cities of Mt. Clemens and Fraser and the majority of Clinton township. The township is developing a South Gratiot business association network. "An important issue for Macomb county is development. We need to preserve some of those open spaces and maintain the older communities’ tax base which has been declining," says Gieleghem.

Sewer infrastructure is a development problem facing the district. In the late 1980s, sanitary overflow pumps were installed in Clinton Township and forgotten. The beaches of Lake St. Clair have been closing periodically since 1994 due to sewage overflow from these pumps. Clinton Township is paying a $250,000 fine and is in the process of correcting the problem. "We need to eliminate these illegal pumps," says Gieleghem. "We should either take the sewage to Detroit’s waste treatment facilities or build retention and treatment facilities here," he explains.
Another environmental issue is wetlands development. "If someone owns land and wants to develop it, 90 percent of permits are either approved on the first or second request," worries Gieleghem. The water has to go somewhere. "We're eliminating our natural filtration by directing the flow of water into drains and into Lake St. Clair. I don't think we're doing a good job of protecting our wetlands," he adds.

Rep. Gieleghem has helped introduce resolutions asking the federal government to continue funding COPS (Community-Oriented Policing Services) program. "The COPS program puts officers in neighborhoods, interacting with residents, small business owners and young people," Gieleghem said. He said the COPS program has put more than 100,000 police officers on the streets across the US.

In addition this year, Rep. Gieleghem re-introduced legislation from the previous session that would create a matching grant program at the state level to help more Michigan communities take advantage of the COPS program. COPS funding requires local matching dollars. If passed, his legislation sets aside $40 million in general funds to provide matching grants for local law enforcement organizations.

Gieleghem was elected in 1998 and during his first term he was Minority Whip. He co-chaired the Democratic Task Force on In-Home Care and he served on task forces on nursing home reform and educational quality.

He says that as our population ages, the need for workers to take care of the elderly increases. Nursing homes are struggling to get by and keep workers. Medicaid and Medicare are too slow to reimburse the homes. Traditionally, nursing home workers aren't paid well. Gieleghem helped institute a wage increase because these jobs don't attract an abundance of qualified workers.

"We need to associate respect for these types of professions along with fair compensation. There are people who are doing wonderful work," says Gieleghem.

"Rep. Tom Kelly put together a community college credit program for nursing home care workers. This is a major step in the right direction," says Gieleghem.

"The problem is there are many people who aren't doing good work. For this reason, nursing home administrators are encouraged to call the state police and obtain a criminal background check on employees," he explains.

In another move to protect the elderly, a bill passed recently regarding timely investigations of reports of theft in nursing homes. The bill calls for investigation within 10 days of complaint and conclusion of investigation within 30 days.

Notification to all involved parties would be required within 10 days afterwards.

"People don't want to be in nursing homes, they want to stay at their own home and finish their life, dignified," Gieleghem laments.

The legislature has been working on alternatives such as expanding in-home services and providing tax breaks for people who care for elderly in their home.

Gieleghem attended Clintondale Community Schools. He developed a taste for politics at the ripe age of eight, when a friend of the family ran for office. Representative Gieleghem graduated with an Associate of Arts degree in business from Macomb County Community College and a Bachelor of Arts degree in public relations from Wayne State University.

He worked at his family's full service catering business in high school and paid his way through college cooking in restaurants. His first paid political job was for a petition drive to lower property taxes in 1991 in which he collected 15,000 signatures. In 1992, he worked on a campaign and was nominated and elected as an electoral college delegate representing the voters of Macomb and St. Clair counties.

He was also a legislative aide to State Senator Ken DeBeaussaert. Rep. Gieleghem is a member of the Belgian American Association, the Selfridge Air National Guard Base Community Council and numerous civic and environmental groups.

The representative lives in Clinton Township with his wife and newborn daughter. His wife was actively involved with his campaign and attends events with him. For fun, the couple enjoys biking.

To reach Representative Gieleghem call him at (517) 373-0159, email: pgieleghem@state.mi.us or write: The Honorable Paul Gieleghem State Representative P.O. Box 30014 Lansing, MI 48909-7514

Stop Losing Money Handling Bottles And Cans!

TOMRA's New DUO Does It Faster, Easier And Saves You Money.

- DUO costs less than $12,000
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By accepting, compacting, sorting and bagging up to 830 containers, it cuts clutter up front and adds more storage in back. It eliminates mis-redemption by only recognizing bar codes from the brands you sell. And, as a sales and traffic builder, DUO allows customers more time to shop.

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Letters

Dear AFD

Just a note to say the annual trade show was great. It must have been a big success! Thanks for the invitation to the special luncheon with Michael Skupin. Marty and I really enjoyed it. And a special thanks to Ginny for such a great article she wrote about our company in the AFD Food & Beverage Report. We had comments from customers, distributors and other business people, saying how much they liked it.

Thanks again,
Charles Knowlton
Vice President,
Party Time Ice Company

Dear AFD

Now that the dust has settled from this years food show, I would like to take this opportunity to express my gratitude to you and your fine organization for your commitment to making this show a successful event. Your assistance to our company was very much appreciated and recognized. Our working "partnership" for this show has been instrumental in creating a pleasant venue for customers and suppliers to see the multitude of items we carry. You can certainly count on us to continue to participate in future sales events of this kind.

Ernesto Ostheimer
Sales & Marketing Director
Wholesale Division

Dear AFD

Congratulations on receiving the City of Southfield Standard of Excellence Award for your property located at 18470 Ten Mile Road.

As one drives through the City of Southfield, the investment that businesses such as your have made in our community have helped make Southfield a wonderful place in which to live, work and play. I am very proud of everything that your business has achieved and wish you continued success.

Again, congratulations on being a model for maintaining exemplary property appearance in our community.

Sincerely,
Nancy L. M. Banks
City Clerk
City of Southfield

12.....AFD Food & Beverage Report, July 2001
It's a great day for a drive . . .
or a chip . . . or a putt!

AFD Scholarship Golf Outing 2001
Wed., July 18, 2001 • Wolverine Golf Course

Hole Sponsor Packages:
Complete Eagle, Birdie and Par sponsorship Packages and General foursomes are now available.
All packages include: continental breakfast, BBQ lunch, dinner reception with open bar, snacks and beverages on the course, green fees with cart, free use of driving range and door prize eligibility.
Additionally, you are automatically qualified for all gaming holes including: longest drives, hole-in-one for $10,000 and more.

Call Michele MacWilliams at (248) 557-9600 to reserve yours.

Any way you slice it . . .
...it's time to plan for the future. Start now with an AFD Scholarship Golf Outing Sponsorship and help educate kids from YOUR industry. This year, AFD plans to award at least 30 academic scholarships.

But we need your help!
Call Michele at (248) 557-9600 to make your Goodie Bag and/or Prize donations.

Swing Into Summer and Get on the Right "Course" for Education!
Lottery retailers help stop thefts in Kalamazoo County

As a former state representative serving Kalamazoo County and a current resident there, I was disappointed to learn of a recent string of thefts throughout the county. However, as the Commissioner of the Michigan Lottery, I was pleased to discover the actions of two Michigan Lottery retailers helped put an end to the crime spree.

Recently, police detectives searched for a group of teenagers who had broken into, and stolen property from, over 70 homes and businesses in Kalamazoo County. The detectives finally got the break they were looking for when a friend of one of the suspected thieves attempted to cash a $25 winning “Bingo Mania II” Michigan Lottery instant game ticket at Munchie Mart Food Store #4 in Kalamazoo. Kim Audette, a clerk who works at Munchie Mart, was unable to validate the ticket through the Lottery terminal at her store and suspected that the ticket might be stolen. When the customer left the store, she quickly wrote down his license plate number and reported it to the local police. The stolen ticket led police to the group of teens that had stolen tickets from Valley Mart in Kalamazoo. Once they began to investigate the theft further, the detectives discovered that the teens were the individuals who had been involved in the other thefts.

While I commend Audette’s actions, she would have not have had reason to believe the ticket was stolen if it had not been reported stolen in the first place. Larry Nichols, who owns Valley Mart, reported that instant tickets were stolen from his store immediately after the theft occurred. He knew the exact game, book and ticket numbers that were stolen because he kept very careful track of his instant game inventory.

These Lottery retailers have set a good example for all the other Lottery retailers who might find themselves involved in a similar situation. I encourage you to pattern your actions after the retailers mentioned here, so you will be prepared if this ever happens to you.

To be prepared, it is critical that you keep an accurate inventory of your instant game tickets. That includes writing down what you have in inventory every day. This action will not only provide protection in the event of a burglary or robbery, but guard against internal theft as well.

Once you discover tickets have been stolen, you need to contact the Lottery’s security department immediately by calling (517) 335-5775 during Lottery business hours or 800-592-4040 after hours.

If you suspect that a customer is attempting to redeem a stolen ticket, you should follow Lottery ticket validation policies. It is very important to only pay customers their prize winnings after you have validated the ticket through your Lottery terminal or GVT and received a message from the computer system that it is indeed a valid winning ticket.

I strongly encourage you to remind your employees of these policies and start keeping track of your instant tickets if you are not doing so now.

Michigan Millions “Super Play” Promotion. The Lottery’s Michigan Millions game debuted just over four months ago, and during that time the Lottery has awarded over $38 million in cash prizes to lucky Lottery players all across the state.

This month the Lottery is giving players a free opportunity to win big with its Michigan Millions game.

See Lottery, page 32
NEVER MISS A GENUINE OPPORTUNITY
Do you ever get the feeling you've tasted anything this pure, this refreshing, before? Not likely.

Experience refreshment again for the first time. See your American Bottling Representative for more information.

Acosta and Marketing Specialists merge

Acosta Sales and Marketing Company and Marketing Specialists Corporation, two of the nation’s largest sales and marketing agencies serving the consumer packaged goods industry, have reached an agreement to consolidate Marketing Specialists’ business into Acosta. Acosta will assume no debt of Marketing Specialists under the consolidation agreement.

Marketing Specialists filed a voluntary petition for protection under Chapter 11 of the U.S. Bankruptcy Code in May. Since the bankruptcy filing, Marketing Specialists and Acosta executives have been meeting to discuss an agreement that would allow for the transition to Acosta of as much Marketing Specialists business and as many associates as possible. “We’re committed to giving our clients world class sales and marketing services. As we carry out this consolidation, that class of service will be the foundation on which we will build,” said Gary Chartrand, Chairman & CEO of Acosta. “Our companies have similar cultures. We are confident that we can blend the strengths of both into a team that will be even stronger for the benefit of our clients. This agreement solidifies our position as the industry leader. Our current associates and our future associates from Marketing Specialists will benefit greatly from the combined strength of the consolidated company.” added Chartrand.

The agreement had to be approved by the bankruptcy court in Texas. Creditors of Marketing Specialists must pursue recovery from Marketing Specialists through the bankruptcy court. “We wanted to move quickly to protect as many of our associates and all of the manufacturers we represent. We felt that Acosta was the logical company for us to approach for that purpose,” said Marketing Specialists president, Gerald Leonard. Acosta and Marketing Specialists executives said the arrangement would expedite the transition of many Marketing Specialists associates. They said the agreement also would allow for an orderly transition of business, thereby minimizing disruption of services to manufacturers, retailers and consumers.

Both companies provide outsourced sales and marketing services to manufacturers of consumer-packaged products. Acosta, which has approximately 9,200 employees at 66 locations, is headquartered in Jacksonville, Florida. Marketing Specialists, with 5,700 employees at 65 locations is based in Dallas, Texas.

FMI seminars discuss wholesale profit potential

Companies in the wholesale-supplied channel have an opportunity to discover how to implement improved in-store practices that can help dramatically increase sales and profit. A series of three seminars intended to help all channel members-independent retailers, wholesalers, suppliers, and sales agents—has been scheduled this summer and will be conducted by top officials of The Partnering Group (TPG), which produced the In-Store Implementation Study published by Food Distributors International (FDI) earlier this year. Seminars are scheduled for these cities:

- June 19-20, Chicago, at the Hyatt Regency O’Hare.
- July 23-24, Kansas City, MO, at the Kansas City Marriott Downtown.
- July 30-31, Long Beach, CA, at the Hyatt Regency Long Beach.

Cost of the seminars is $295 for FDI members, including associate and allied members; $245 for independent supermarket retailers, and $95 for all others. To register, call (703) 532-9400 or visit www.fdi.org.
Control of the U.S. Senate shifts to the Democrats following the departure of Sen. Jeffords (I-VT) from the Republican party. With this change came a drastic shift in the legislative agenda for the Senate. As a result, we expect the Senate to take up legislation soon to increase the current $5.15 federal minimum wage.

We expect the Senate to take up legislation authored by Senator Ted Kennedy (D-MA) to increase the minimum wage by $1.50. Under that bill (S.277), the wage would increase to $5.75 within 30 days of passage of the legislation. Then it would increase to $6.25 on January 1, 2002 and to $6.65 on January 1, 2003. When that legislation is brought before the Senate, the Republican leadership is expected to offer an alternative that would most likely spread a $1 increase over three years. When the issue comes up for debate the Republican leadership will need to include in their proposal tax reductions to offset the cost imposed on you by a minimum wage increase. Suggested offsets include reductions in the capital gains tax; repeal of the temporary two-tenths FUTA tax; permanent extension of the Work Opportunity Tax Credit; increased expense treatment for small businesses; repeal of the Special Occupational Tax on wine, beer and spirits; a shorter recovery period for depreciation of certain leasehold improvements; and expansion of the charitable deduction allowed for contributions of food inventory. Certainly not all of these can be included but it’s likely some of these offsets will survive the process.

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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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Child Labor Laws – Here is a summary

Nearly 10 percent of teen workers are employed in grocery stores. Retail grocers are noted for providing teenagers valuable job experience as cashiers, stock clerks and baggers. To assist grocers in making that work experience a good one, the National Grocers Association has provided the following review of child labor requirements. Be sure you are properly prepared to address the teenage worker regulatory requirements.

Application of the Federal Child Labor Provisions of the Fair Labor Standards Act (FLSA) to Grocery Stores

Coverage

Employees of a grocery store may be covered by the FLSA in either of two ways. Any establishment which is part of an enterprise with an annual dollar volume of sales of at least $500,000 (exclusive of excise taxes at the retail level that are separately stated) must abide by the Act’s requirements.

Any employee of a grocery store, regardless of its sales volume, who is engaged in interstate commerce activities, or a closely related occupation directly essential to such activities, is “covered” on an individual basis in any week in which they are so engaged.

Most grocery stores are subject to, and must comply with, the federal child labor provisions.

Child Labor Provisions of the FLSA

The federal child labor provisions were enacted to protect the educational opportunities of minors and prohibit their employment in jobs and under conditions detrimental to their health or well being. Once youths reach 18 years of age, the federal child labor provisions no longer apply to their employment.

Under federal law, youths 16 and 17 years of age may perform any nonhazardous job, for unlimited hours. (State laws may otherwise restrict employment for youths of this age.) The Secretary of Labor has declared 17 Hazardous Occupation orders (HOs) which restrict the types of jobs and/or industries in which youths less than 18 years of age may be employed.

Although not exhaustive, the following list includes the most common tasks that occur in grocery stores that are prohibited by one or more HOs. Under the child labor provisions, workers under 18 years of age generally may not:

• Operate or assist to operate, clean, oil, set up, adjust, or repair certain power-driven equipment, including meat sliders, meat grinders, meat saws, and BBQ forming machines, even when used to process materials other than meats such as vegetables or cheese.
• Operate or assist to operate, clean, oil, set up, adjust, or repair certain power-driven bakery machines such as horizontal or vertical dough mixers, dough sheeters/rollers, and combination bread slicing and wrapping machines.
• Drive or serve as an outside helper on a motor vehicle on a public road; however, 17 year-olds that meet certain specific requirements may drive for limited amounts of time as part of their job.
• Operate or unload scrap paper balers and paper box compactors.

Sixteen and 17-year-olds may only load such machines that meet specific ANSI standards and under certain specific circumstances.
• Operate certain power-driven hoists, including forklifts.

Fourteen and 15 year-old youths may be employed by grocery stores, but only for certain periods of time and only in certain types of jobs.

The employment of 14 and 15 year-olds is limited to:

See Child Labor, page 26
Cool Down
WITH THE HOTTEST TREATS IN TOWN

Stroh's
HOMEMADE
ICE CREAM

Nazzlers
ICE CREAM

Mooney's
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ICE CREAM

Sanders
CAKES
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The Taste of melody farms

1-800-999-9999 - 2111 Industrial Road, Young Mf 50 2099
Bubbles, bubbles everywhere

Fruit, milk, cereal and yogurt get a dose of fizz

Carbon dioxide is bubbling up in some surprising places, as food and beverage makers seek more excitement for their products. Marketers are venturing beyond the familiar realm of soft drinks and sparkling water, injecting CO2 into milk, coffee, tea, vitamin-fortified "energy" drinks, fruit smoothies, and even solid foods like breakfast cereal, yogurt and fruit, The Wall Street Journal reports.

In consumer products, carbonation should be a big selling point for kids, speculates the Journal. Kellogg Co., for example, is test marketing a new cereal, named after the Powerpuff Girls cartoon, that sizzles and pops in the mouth. "It's the element of surprise and fun and play value," a Kellogg spokesperson says.

Mac Farms Inc., Burlington, Mass., is betting children will drink more milk if it is carbonated. The company's new beverage, E-Moo, is mildly fizzy milk in flavors such as bubble gum and cookies and cream. The fizz helps improve the flavors and makes the drink more interesting, says George Clark, Mac Farms operations chief.

Clark says he noticed children, teens and young adults drinking large amounts of sports beverages and soft drinks. "At the same time, we also noticed that sales growth in the fluid dairy industry was flat. There had been no recent technical innovations that were of any direct benefit to the consumer," adds Mary Ann Clark, vice president of marketing at Mac Farms. Mac Farms turned to Cornell University's food science expertise to produce a formula and to provide data on product stability, nutritional efficacy and the modifications to standard milk processing equipment for production.

Because carbonation discourages the growth of bacteria, giving products a longer shelf life, E-Moo can sit in the refrigerator for six weeks or more without going bad, Clark adds. Mac Farms is also experimenting with carbonated coffees, yogurts and fruit smoothies.

Tom Vierhile, general manager of Marketing Intelligence Service, which tracks new products, tells the Journal that carbonated creations so far remain a "niche thing," being tried by smaller companies to create more interest for their products. But it is part of a larger movement toward new textures for foods, such as crispy M&Ms, he says.

Spartan Stores launch new advertising campaign

Spartan Stores Inc. has launched a new advertising program aimed at lowering consumer prices. Beginning June 3, grocery stores owned by the Grand Rapids based company and its supplied stores launched a new joint advertising venture. Advertising inserts have a new look.

Under the new program, Spartan Stores will design, produce and distribute the new joint advertising in addition to purchasing the newspaper space and broadcast time for the ads. Previously individual stores were in charge of their own advertising campaigns.

The new Spartan Stores' program is an important part of the company's larger strategy to strengthen the competitiveness of the neighborhood grocery store while developing its own successful retail stores.

Kit Kat packaging to change

Nestle Rowntree is changing the packaging of its four-finger Kit Kat bars from its traditional folded foil and paper packaging to a flow-wrap plastic foil that will keep the bar fresh three times longer. The flow-wrap, the first variation to the candy's packaging format since it launched in 1935, will roll out July 2.

See you local representative for more information.
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AFD/Beverage Journal

Holiday Show

Heat Up Your Holiday Savings

September 25, 2001 • 5 p.m. - 10 p.m.
September 26, 2001 • 4 p.m. - 9 p.m.
Burton Manor, Livonia

Features:
- Exciting new product introductions
- Special holiday products, packaging and promotions
- Outstanding "show-only" deals
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For more information contact Ginny at (248) 557-9600.

The law requires that you be at least 21 years of age to attend this show. Proper attire please. No bags in or out.

AFD Food & Beverage Report, July 2001... 25
• Outside school hours.
• Three hours on a school day; 8 hours on a non-school day.
• Eighteen hours in a school week; 40 hours in a non-school week.

Also, 14 and 15 year-olds may not work before 7 a.m. or after 7 p.m. (except from June 1st through Labor Day, when the evening limit is extended to 9 p.m.)

The most frequent child labor violations in grocery stores involve minors working too late at night or too many hours on a school day.

Fourteen and 15 year-olds may generally be employed by grocery stores to perform the following jobs: cashiering, bagging, carrying out grocery orders; clean-up work including the use of vacuum cleaners and floor waxes, and shelf stocking.

Fourteen and 15 year-olds may not be employed in the following occupations often found in grocery stores:
• All baking and cooking. These minors may not operate NEICO broilers, pressure cookers, ovens or large rotisseries; however, they may cook using grills, griddles, deep fat fryers, toasters, popcorn poppers, and hot dog rotisseries, if the work is in full sight of customers.
• All work involving the loading and unloading of goods to and from trucks.
• All work in a warehouse and all work involving the use of ladders or scaffolding.
• All work in freezers and meat coolers, and most in the preparation of meats for sale.

Minors, 13 years of age and younger, are generally not permitted to work, even with parental permission. The FLSA does, however, allow a parent who is the sole owner of a business to employ his/her child in any occupation other than mining, manufacturing or those declared hazardous by the Secretary of Labor.

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**CROSSMARK pledges $5 million for Children's Miracle Network**

CROSSMARK, a Plano, Texas corporation, announced that it has created a long-term strategic alignment with Children's Miracle Network. Through this partnership entitled “CROSSMARK for Kids,” the company plans to raise over $5,000,000 through corporate and employee donations, and by hosting local fundraising events.

CROSSMARK’s full service marketing agency, MARKATEC, will drive additional donations by developing co-marketing events to unite the efforts of manufacturers, retailers and consumers.

Children's Miracle Network is an international non-profit organization that funds 170 children's hospitals throughout North America. Since its creation in 1983 by Marie Osmond and John Schneider, Children's Miracle Network has raised $1.8 billion to help children. Children's Miracle Network hospitals treat all children regardless of affliction or the family's ability to pay and keeps 100 percent of the funds in the communities where the funds are raised.

CROSSMARK provides sales, merchandising, marketing, consulting and outsourced management services to the business community. The company employs over 9,000 associates in 61 offices throughout the United States, Canada and Australia.

---

**CROSSMARK for Kids**

**Set your plans today!**

**Interstate Brands Corporation**

Call Paul Nutt or W.C. Sanders at (734) 591-4132

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**Court dismisses major oil class-action case**

California Supreme Court cites insufficient evidence of gouging.

The California Supreme Court dismissed a class-action suit Thursday alleging major oil refineries colluded to gouge consumers for cleaner-burning gasoline, says the Associated Press. The court unanimously ruled that the suit did not provide enough evidence to support allegations that nine major oil companies in California conspired to limit supply and fix prices.

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**7-Eleven reports sales increase**

Slurpee, Combo Meals helped drive sales.

7-Eleven Inc. is reporting that U.S. same-store merchandise sales for May 2001 increased by 3.9%, on top of a 7.0% increase for May 2000. Total merchandise sales in May 2001 were $612.7 million, an increase of 5.2% over the May 2000 total of $582.5 million.
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 new $2 instant games introduced after October 1, 2000, you'll continue to earn 7% commission. That's 14 cents for every ticket you sell!

So remember to stock up on our newest $2 instant tickets — Wild Time, Silver Dollars, Cashword, and Good Ol' Bingo — and see your profits soar!

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 new $2 instant games introduced after October 1, 2000, you'll continue to earn 7% commission. That's 14 cents for every ticket you sell!

So remember to stock up on our newest $2 instant tickets — Wild Time, Silver Dollars, Cashword, and Good Ol' Bingo — and see your profits soar!
Gourmet International brings the world to your store

By Michele MacWilliams

It’s a small world – and for many Americans it’s getting smaller all the time. As international air travel becomes more accessible, many people today are discovering the castles of Germany, the mountain resorts of Switzerland, and the canals of Venice and Amsterdam. And they often return with a taste for the cuisine that they left behind.

Over the past 10 years, demand for imported specialty food items has grown dramatically. This is good news for one company that specializes in food from all parts of the globe. Michael Nitzsche, president of Gourmet International, Inc., has seen his business expand tremendously, tripling in size in the last seven years to a 21,000 square-foot warehouse. He needs the space to stock over 3,500 imported specialty items.

Located in Caledonia, near Grand Rapids, Gourmet International was started 30 years ago by Michael’s father, Horst Nitzsche, who remains active in the business as its chairman. Horst came to the U.S. in 1966 from Munich with his wife Erika and young son, Michael. Horst’s two younger brothers were already here and both had jobs.

At first, it was difficult to find work. He painted apartments, tried his hand at opening a paint store, and ran a retail food store for a while before becoming a distributor of international products. He started small, going door-to-door in the beginning. He eventually purchased a small warehouse and the company has been growing ever since.

“For the first 15 years, I had no vacation!” Horst explains. However, he has no regrets. His company has grown and he was able to bring his son into the business and watch as Michael has continued his father’s success.

Today, Gourmet International’s facility is air-conditioned and fully computerized. It has 19 employees and distributes nationwide. The company specializes in a wide range of imported foods, from Lindt, Ritter Sport, and Milka chocolates, to Carr’s crackers and Bahlsen cookies. They also have a large selection of European coffees and teas. Horst is very proud of the fact that they are the exclusive importer in the United States for Dallmayr Coffee.

Gourmet International also does a brisk business in container pickles and sauerkraut. The company is the sole authorized Michigan distributor of Knorr soups and other Knorr products.

The company is unique not only in the products that it carries, but also in the way that it treats its customers. Michael Nitzsche explains that retailers come to him for the imported products, but come back because of

Continued on next page.

CHECK ID. AT THE VERY WORST YOU MIGHT MAKE A 35-YEAR-OLD’S DAY.

May I see your ID? A simple phrase, but one of great importance. To help state wavers like Lee, Anheuser-Busch designed a program called “Operation ID.” It helps retailers spot fake IDs and verify valid ones. In the last 10 years, Anheuser-Busch and its distributors have given out nearly one million of these ID-checking tools to help stop sales to minors. It’s people like Lee and programs like this that have helped reduce underage drinking by 45% since 1992.

WE ALL MAKE A DIFFERENCE.

Budweiser

Central Distributors of Beer
(734)946-6200

28 AFD Food & Beverage Report, July 2001
Urban renewal
Continued from page 1

aspects of an emerging market, and it has to be approached in that fashion.”
Inner-city residents have retail purchasing power of more than $331 billion. And though these communities often have lower per-capita income than other areas, the density of the population generally offers concentrated spending power that is comparative or higher, according to “The State of the Cities 1999” from Housing and Urban Development (HUD), Washington, D.C.
The report presented three summations regarding America’s cities and suburbs that relate directly to the decision by a growing number of supermarket operators to establish—and in many cases, re-establish—their presence within inner-city regions.
The HUD report’s findings are as follows:
Finding No. 1: Thanks to a booming national economy, most cities are experiencing a strong fiscal and economic recovery. However, too many central cities are still left behind and continue to face the challenges of population decline, loss of middle-class families, slow job growth, income inequality and poverty.
Finding No. 2: Some older suburbs are experiencing problems once associated with urban areas: job loss, population decline, crime and disinvestment. Simultaneously, many suburbs, including newer ones are straining under sprawling growth that creates traffic congestion, overcrowded schools, loss of open spaces and other sprawl-related problems, and a lack of affordable housing.
Finding No. 3: There is a strong consensus on the need for joint city/suburb strategies to address sprawl and the structural decline of cities and older suburbs. We now have a historic opportunity for cooperation between cities and counties, urban as well as suburban, to address the challenges facing our metropolitan areas.
America’s economic and demographic portrait is undergoing significant changes. In the next 10 years, 54% of the nation’s work force growth will come from minority communities which are heavily concentrated in urban areas and inner cities. With that will come increased buying power, more than 25% of which currently is not being met by neighborhood retailers.
The return of supermarkets within the inner city can become a win-win situation for all parties concerned. Not the least of which would be the retailers themselves, who have the potential to tap into a consumer and workforce base of substantial size and economic impact. We’ve got you covered in every direction!

Full line supplier of nuts, meat snacks and candy
1-800-KAR-NUTS
KAR NUT PRODUCTS CO. • FERNDALE, MI 48220 • www.karsnuts.com

Gourmet International
Continued from page 28
the company’s excellent customer service.
At the helm of that area is Kirsten DeVries, a young, energetic and personable woman with a warm smile. She deals with customers from across the state on a daily basis.
“We want to clone her! We’re working on the machine right now,” exclaims Michael, as he describes her attention to detail and good rapport with Gourmet International’s client base. Stores that regularly purchase from Gourmet International include Hiller’s, Westborn Markets, Holiday Markets, Busch’s, Papa Joe’s, and other upscale markets across the state.
While grocery stores have reaped the benefit of the growth in international foods, Michael says convenience stores can profit as well.
With European chocolate and coffee becoming more mainstream, convenience stores should begin introducing their customers to these finer indulgence items.
“Ounce for ounce, our Lindt candy bars cost less than Hershey’s,” he explains.
Retailer markups are normally in the 30 to 40 percent range, making gourmet imported products very profitable to stores.
“We do our largest business before Christmas,” says Kirsten. The products imported by Gourmet International are ordered en masse for holiday baskets. Lebkuchen and Stollen, popular dessert breads, are also hot for the holidays.
The supermarket industry has realized that selling imports provides great growth potential. Convenience stores can realize this, too,” Michael adds.
Yes, it is a small world, but with the help of companies like Gourmet International, it can also be a profitable one!
For more information, call (616) 698-0666, or visit the Gourmet International web site at www.gourmetint.com.

We've got you covered in every direction!
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BevAccess and eSkye Solutions merge –
Creating a national technology and communications network serving the beverage industry

BevAccess, Inc. and eSkye Solutions, the two leading communications and technology solutions companies serving the beverage industry, announced their intent to merge, creating a single national platform to address the technology and communication needs of the industry. The new company is providing a network of products and online services benefiting all tiers of the beverage industry - retailers, distributors, suppliers and control states.

The combined company creates a national private trading exchange through which beverage alcohol retailers, distributors, suppliers and control states can conduct business. The company has agreements with distributors in over 40 states to enable their customers to electronically access their products and services. The merger enables the companies to more quickly roll out a standard technology platform across the country.

"BevAccess has done an impressive job of integrating their online technology and national publishing services in key markets to the benefit of retailers, wholesalers, suppliers and control states," said J. Smoke Wallin, founder and CEO of eSkye Solutions. "It is clear that while the industry is eager to adopt the benefits of an online network, there is an overwhelming demand for a unified effort with common standards. By working together, we can focus on doing just that."

The merger will also include BevAccess' publishing division, Beverage Media Group. For over 65 years, Beverage Media Group has published a beverage alcohol trade magazine and serves as the national office for The Beverage Network, delivering information to over 140,000 beverage alcohol licensees in 48 markets each month.

Mark Sanders, CEO of BevAccess said: "This strategic merger combines the strengths of our respective operations, enabling us to pursue our common goal of expanding technology and customer services through a fully-integrated print and online network. The ability to create a single national network serving this entire industry is a powerful proposition. We have both made significant progress working toward this goal on our own, but it is now very clear that the best way to accomplish this is to bring our companies together."

Verizon introduces The Wireless Review
Verizon recently introduced a publication for quarterly distribution to AFD and other association and chamber members. Called The Wireless Review, the newsletter features information geared to aid customers in using their wireless service and inform users of advances in technology.

To start new service, call 1-800-388-0919 and mention AFD or if you currently have service with Verizon Wireless call 1-877-955-0505 and mention AFD for our special member rates.

NPD launches NPDFoodworld
The NPD Group, Inc., a marketing information provider, has launched its new web-based resource for the foodservice industry, www.NPDFoodworld. Through the new service, NPD is collecting and delivering industry information online. The service offers secure access to market data and analysis updated monthly.

Legislation would promote ethanol growth
The National Corn Growers Association pledged its support of The Renewable Fuels for Energy Security Act, introduced today by Senators Chuck Hagel (R-NE) and Tim Johnson (D-SD). Their bill would establish a national renewable fuel standard for gasoline and diesel production. The bill sets production goals that will advance the goal of energy security and self-sufficiency that President Bush cited when he introduced his energy plan last month, the NCGA says.

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30....AFD Food & Beverage Report, July 2001
Gas prices turn political in Illinois

The Midwest has been among the hardest hit regions for high gasoline prices. Now the issue is fueling a governor's race.

Illinois Gov. George Ryan is calling for an investigation because federal regulators believe Marathon Ashland Petroleum LLC had excess gasoline last year but hoarded it to keep prices high, according to the Chicago Tribune. Meanwhile, U.S. Rep. Rod Blagojevich began his bid for the Democratic gubernatorial nomination, using high gas prices to launch attacks on George Ryan and Atty. Gen. Jim Ryan, Republicans whom he might end up running against next year.

Food industry voluntarily inspects produce

Recent food poisonings linked to fruits and vegetables has prompted the food industry to inspect its suppliers. Produce is responsible for an estimated 10 percent of outbreaks of food-borne illnesses. Since the government has no mandatory rules for the safe growing and packing of fruits and vegetables, supermarkets and restaurants have hired their own inspectors to check farms and packing operations.

Trade groups representing produce suppliers, supermarkets and restaurants have agreed on inspection guidelines. Albertson's and Safeway were the first major supermarket chains to ask for the audits, and Publix followed. Wal-Mart, A&P and Kroger are considering similar programs, industry officials say.

The new standards that produce suppliers have worked out with the supermarket and restaurant industries will follow the voluntary guidelines released by FDA in 1998.

New VeriFone system checks ID age

Three liquor stores in Arkansas and Colorado are the first retail locations to use VeriFone's Easy ID age-verification application in a multi-application point of sale environment. Oscar's Liquor in North Little Rock, Ark., Liquor World in Durango, Co., and AKC & ZAK's Liquors in Canon City, Co., are the first stores to install Omni 3300 terminals running both Easy ID and SoftPay e-payment software to check a customer's age as well as accept credit card payment.

Florida governor repeals limits on beer-packaging sizes

Florida Gov. Jeb Bush signed into law a measure allowing Floridians to purchase beer in any size container of 32 ounces or less, says the National Association of Beverage Importers Inc., Rockville, Md. The law repeals a 1965 provision of state law that allowed beer to be sold only in containers of 8, 12, 16 or 32 ounces.

Kroger set to roll out gas station in Michigan

No e-store at grocery fueling facility

In a move that reflects the strategy of other grocery retailers and mass merchandisers, Kroger Co. will open its first fuel center in Michigan on Wednesday, says the Detroit Free Press. The four-to-five-pump station at its new Southgate store is the first of at least a dozen Kroger fuel centers slated to open this year in that state. The facilities will not feature convenience stores.

What Is Children’s Miracle Network?

• A nonprofit organization whose mission is to raise funds and awareness for children’s hospitals throughout North America
• 170 children’s hospitals participate
• Founded in 1983 by Marie Osmond, John Schneider and others
• 100% of every dollar raised stays in the community where it is raised

Timing?

Between February & April 2002 depending on each retailer’s preference

Join....

CROSSMARK & Children’s Miracle Network

...... Today!

Details to follow ......
Lottery, continued from page 14.

From July 23 through September 1, 2001 the Lottery will be conducting a Michigan Millions Super Play promotion. Michigan Millions players who purchase a five-panel wager get a sixth “easy pick” free. Those customers who purchase a 10-panel wager will get two “easy picks” free.

This special promotion is not only good for Lottery players, but for retailers as well. Every five-panel ticket sold earns 20 percent more sales commissions for you, and because multi-draw wagers are eligible for this promotion too, your extra commissions will really add up! I encourage you to prominently display the Michigan Millions Super Play point-of-sale materials the Lottery has provided to support this promotion. Also, be sure to ask your Lottery customers if they would like a Super Play. The extra time you take yourself as well.

Summer Sweeps Incentive Program. The Lottery is offering another incentive program for retailers during the months of July, August and September. The “Summer Sweeps” incentive program could help you win an extra $500 in each of those months. In order to have your store entered in the drawing, instant-only retailers need to be on standing book order for the entire month, carry a minimum of the top five selling instant games in their district and validate a minimum of $250 in prizes for the month. Lottery retailers who sell both on-line and instant tickets are also eligible for this promotion. Those stores must be on standing book order for the entire month, carry a minimum of the top ten selling instant games in their district and display the point-of-sale materials required (i.e. jackpot boards, brochures and brochure holders and a current kit—two elements—plus a starlight frame and door decal). Each month, 200 lucky retailers will win $500 each. Instant only retailers should talk with their Tell-Sell representative for more details, while retailers who sell both on-line and instant tickets should contact their Lottery DSR for more information.

Million-Dollar Retailers. I am proud to announce that the following Michigan Lottery retailers met or exceeded $1,000,000 in Lottery sales in fiscal 2000:

- Action Liquor Shop, Warren
- Angelo’s Food Specialties, Benton Harbor
- Barzil & Bottle, Detroit
- Boulevard Food Center, Detroit
- Cherry Belt Party Store, Inkster
- College Liquor Shoppe, Detroit
- Cox Beer Store, Temperance
- Elks Grocery, Erie
- Food Farm Market, Detroit
- G & M Party Pantry, Kalamazoo
- Glass Bottle Shoppe, Detroit
- Headquarters Party Store, Detroit
- Levan Wine & Deli Shoppe, Livonia
- Light House Liquor, Oak Park
- Livermoors McGraw Party Store, Detroit
- M & K Party Store, Warren
- Meijer Inc. #123, Southgate
- Meijer Inc. #145, Fraser
- MGM Food Center, Detroit
- New Northend Market, Oak Park
- New Super Fair Foods, Detroit
- Oak Liquor and Wine, Oak Park
- Oakland Liquor Party Shoppe, Southfield
- Paper Palace Bookstore, Hamtramck
- Sax Discount, Taylor
- Seven Star Food Center, Detroit
- Shoppers Market, Warren
- Shoppers Market Centerline, Center Line
- Short Stop Depot, Saginaw
- Smokers Best Buy, Oak Park
- Stop N Shop, Saginaw
- Toma Foods, Dearborn
- Winners Square, Hamtramck

Congratulations to all of you on a job well-done!

New Instant Games – The Lottery is excited to debut five instant games in July. On July 5, players will be raking in the big bucks when the $5 “Bingo Mania III” instant ticket goes on sale offering a whopping $300,000 top prize.

Players will have two new games to choose from on July 5, when the $1 “Quick 7’s” instant ticket, offering a $7,000 top prize, also goes on sale. On July 19, the $2 “Silver Dollars” instant ticket, offering a $2,000 top prize, also goes on sale. For those players who like crossword puzzles, the $2 “Cashword,” offering a $35,000 top prize, will go on sale July 26. Also on July 26, classic car buffs will be excited to check out the $1 “Classic Car Cash,” which features six different classic cars and offers a $6,000 top prize.

Building a Foundation of Service

Tri-County Pest Control serves southeast Michigan and beyond, providing advanced solutions for a variety of pest control problems for residential, commercial and industrial sites.

- Member—National Pest Management Association (NPMA)
- Member—Michigan Pest Control Association (MPCA)

GUIDELINES FOR CHOOSING A PEST CONTROL SERVICE:

- Ask someone you know who has used pest control services.
- Ask the company how long they’ve been in business. This will help you determine that the company is experienced and will be there long-term.
- Membership in the national and state pest control associations is a good indicator that the company has access to modern technical information and is committed to ongoing education.
- reach a complete understanding with the company before work is started; be sure you know what is guaranteed and what is not.
- Buy value, not price. What appears to be a real bargain may need a second look.

- Serving Macomb, Wayne, Oakland counties and beyond
- Outreaching as far away as Greater Flint, Bay City and Port Huron
- Usual 24-hour response period, sometimes same day
- Some services performed on one-time basis
- One year agreements available
- Either party may cancel service, giving 30-day notice.

CALL US AT (810) 296-7590 OR VISIT OUR WEBSITE AT: www.tricountypestcontrol.com
IGA retailers receive FMI benefits

The Food Marketing Institute announced that all U.S. retailers affiliated with IGA are now able to enjoy FMI member benefits through a program designed to broaden training for independent grocers in all aspects of supermarket operations and management.

IGA is using FMI educational materials and support to launch the curriculum for the U.S. division of its university, a global network of training programs. In this initiative, every domestic IGA retailer is receiving access to FMI's extensive research and information resources, discounted fees for publications and conferences, networking opportunities, support in government and communications programs, and many other benefits.

In commenting on the expanded alliance with FMI, IGA Chairman and CEO Dr. Thomas S. Haggai said, "14 years ago, FMI was instrumental in IGA's revitalization as a global supermarket. Now IGA is in the middle of a record year domestically and internationally. We want to bring our independent retailers tomorrow's ideas today, so it is only appropriate that we take the next step with FMI and solidify our partnership further."

"After making the decision to strengthen our alliance with FMI, we are further encouraged that FMI Senior Vice President Michael Sansolo has taken on the responsibility as President of the Institute's new Independent Operator Division. Michael has always fought for the independent, and we are extremely pleased that his focus will be solidly on the future of this important market sector."

IGA's 1,300 retailers operate more than 1,700 supermarkets in the United States.

For more information about the AFD / Star workers compensation insurance program, please contact Judy or Dan at AFD, (800) 66-66-AFD.

For more information on our fine dairy products please call 1-800-748-0480, ext. 1659.

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Does your private label offer customers a Double-Your-Money-Back Guarantee?

Consumers reach for quality Spartan brand products over 4.5 million times a week—a brand that offers them over 2,000 ways to save. While Spartan brand has enjoyed extensive consumer popularity and acceptance for over 45 years, it now carries a double-your-money-back guarantee! This instills even greater consumer confidence in Spartan brand products. And with Spartan retailers marketing Spartan brand at a higher gross and lower shelf price than national brands, they strengthen profits, enjoy a competitive advantage and build store and brand loyalty. Isn’t it time you switched your private label to Spartan brand?

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