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VOI: 13. NO. 1

The official publication of the Associated Food Dealers of Michigan Working hard for our members.

November 2002

# Inside



AFD President Mike Sarafa addresses a crowd of SDD retailers at a reception to discuss increasing the liquor discount from its current 17 percent to 20 percent. Please see the President's Message on page 3 for details.

AFD President Mike Sarafa pushes for liquor discount increase • See page 3

Basket Ease makes assembling a breeze • See page 14

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Dealing with ethnic hostility

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 All the AFD/Beverage Journal Holiday Show

photos!
• See page 20



Roy's General Store keeps entire family buzzing · See page 26

"Opportunities are usually disguised as hard work, so most people don't recognize them."

- Ann Landers.

# What's new for the holidays?

Spirits showcased at AFD's Holiday Trade Show

By Michele MacWilliams
Oh so much to sample and so little time! There was plenty of holiday cheer in Livonia during the AFD/ Beverage Journal Holiday Show, September 25 and 26 at Burton Manor. Retailers swarmed to the many booths to sample the hot new items and learn about show specials and holiday packaging.

There were hundreds of products! It was impossible to sample them all, but I gave it my best. For those who were unable to come to the show to experience the sights, sounds, smells and tastes of the holidays first hand, here's a "spirit sampler" for your review:

Jack Daniels created an ice slide to introduce their new Amarula liqueur to the U.S. It's a creamy beverage that goes perfectly on ice.

J. Lewis Cooper featured Ciclon, a new gold rum, infused with tequila and



natural lime flavor. "Your Coke won't hit it," is their tag

In August, Paul Masson introduced Cream Liqueurs, in chocolate hazelnut and mocha caramel flavors.

Cruzan featured a new vanilla rum. At a low 55 proof, it's a beverage that will appeal to many. Baja



Tango Orange Tequila is a new flavor that tastes like a creamcicle, according to



Paul Barrera of Niles Firehouse Pub in Saginaw tries Amarula at the Jack Daniels booth. Rich Michanowicz is pouring. Look for more AFD/Beverage Journal Holiday Show photos on page 20.

Annette Knoth. It's part of a cream-based tequila line, which includes Baja Luna Raspberry and Rosa Strawberry.

The good Captain Morgan as promoting his Private Stock, which sports a new, elegant bottle design and is priced at \$19.97.

Brand new to the U.S. is Kahlua Especial, a 70-proof Kahlua with dark chocolate and cafe mocha.

"Three weeks ago it was only available in duty free shops. We're now rolling it out nationally," said Matt Hickson of National Wine and Spirits. Mike Jablonski adds that it has been a tremendous hit

overseas, with 22 percent growth over the past four years. They expect it to do well in the states.

Just in time for gift giving, Maker's Mark is sporting special bottle tops in patriotic



red, white and blue or in Michigan team colors of silver and blue, green and

See Holiday Spirits, Page 4

# It will be a ball!

details.

It's time to think ahead to Valentine's Day. Mark your calendar now for the AFD Annual Trade Dinner and Ball. For next year, it falls on February 14, 2003... Valentine's Day! Please see page 17 for

# Ratings rise for North Pointe Insurance Co.

The employees and management of the North Pointe Group are proud to announce that the A M Best Company has raised the ratings of both North Pointe Insurance Company and Universal Fire & Casualty Insurance Company to B+ (very good). This follows a lengthy review process. North Pointe Insurance Company is AFD's liquor liability company. For more information on AFD's liquor liability program, call AFD at (248) 557-9600.

## It's Turkey Time!

Each year, with Autumn's arrival, comes AFD's annual Turkey Drive. In it's 22nd year, AFD and its members provide Thanksgiving turkeys for needy families across the Metro Detroit area. AFD's Charitable Activities Committee has pledged to raise enough money to provide turkeys for 1,700 needy families. But they can't do it alone. Please see page 7 for details.

# The First Rule of Business:

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## President's Message

# AFD is committed to increasing liquor discounts



By Michael G. Sarafa AFD President

On October 14, AFD invited Michigan SDD licensees to a special reception to explain AFD's plans to lobby for a three-percent liquor discount increase. I began with a Power Point presentation that first described AFD's focus. We remain committed to providing a forum for our members:

- The exchange of business ideas
- Financial benefits
- Educational opportunities
- Positive promotion of the food and beverage industry
  - · Fair legislative representation

It is to this last bullet point that I am devoting a good deal of time right now. I know that there are many important issues that face our industry, and we must be strategic when targeting those issues. We are concentrating our efforts on issues that will directly benefit our members.

The first issue on my agenda is the liquor discount increase. I call it "Project 20%" because our goal is to increase the discount from 17 percent to 20 percent. Retailers have not received an increase in 22 years and with the added operating costs that each store faces, we think it is time for an increase.

Increasing the liquor discount for SDD licensees is one issue that we can win, but not without your help. We are going to bat for all Michigan SDD licensees, and the more support we get, the better our chances are for success.

An increase in the liquor discount can mean substantial increases for SDD retailers. As an example, a store with yearly liquor sales of \$500,000 will receive an additional \$15,000 annually. Stores with sales of \$800,000 will see an additional \$24,000 profit. In addition to the

increase in your liquor discount, the value of your license will increase and you will make additional money on your existing inventory.

We are committed to helping our retailers, one strategic issue at a time. However, we can't win this without your support. AFD is working to put money in your pockets but we can't do it without your financial assistance. Supporting our Political Action Committee (PAC) is the only way that we will be able to fight for this discount increase.

I am pleased to say that at the October reception, we received support and pledges from our SDD retailers. They stepped up to the plate for the AFD PAC. Here is a list of retailers that have committed to our cause:

These retailers have committed \$1,000 each:

John Lossia - (3 stores at \$1,000 each)

**Brandon George** - Red Wagon Wine Shoppe

Luke Hakim - D&L Market Kahlid Foumia - Express Liquor Party Store

Basil Yaldo - Ashton Drugs Mark Karmo - Falcon Properties Jamal Qonja - Park Lane Party Store

Mark Dalio - Matthew's Food & Liquor

Albert Amori - Amori's and Palace Liquor (\$1,000 each)

To date, we have commitments of \$12,000 from these retailers which puts us on our way to our goal of \$100,000. Now I'm asking for the support of the remaining SDD retailers. This is an investment in your bottom line. AFD is going to bat for you, but it takes money to get this done. I am asking you to do two things:

1) Call Dan Reeves at the AFD office (248) 557-9600 to make your pledge.

2) Plan to attend our Project 20% PAC Dinner on Tuesday, November 12, 2002 at 7:00 p.m. at the Southfield Manor. Tickets are \$150 each and we can only accept personal checks. You may purchase tickets from Dan. Retailers that attended the October reception were also given tickets to sell.

Thank you in advance for supporting AFD's Political Action Committee. We need all SDD licensees to make an investment now which will soon reap substantial rewards for all of us.

# The Grocery Zone

By David Coverly



# In the "Spirit" at the AFD/Beverage Journal Holiday Show

### Continued from front page

white or maize and blue. (Think they would be a hit at tailgate parties?)

How do you like your grappa? Perhaps it is best in Swarovski crystal



chess sets. Laird & Co. displayed the clear aperitif from Italy in a variety of beautiful crystal containers. New this season is a bottle with a crystal train and another with a grand piano. The chess set and the bottles make elegant statements on a back bar.

Vincent Van Gogh Vodka has new



holiday gift packaging that features a 15-bundle of 50-ml bottles in assorted flavored vodkas. Their newest flavor is Dutch (of course) chocolate. They also feature a gift pack with Van Gogh paintings on glasses.

The crowds were getting their "Just Desserts" at the William Grant & Sons booth. It's a new cream liqueur, introduced just two weeks prior to the show.

Down the aisle, A. Hardy U.S.A.



showcased their Gozio Amaretto, a smooth, new product to the states.

What's your passion? If it's Alize,

– a blend of French Cognac and
passion fruit – you'll be happy to
hear that a new flavor, Wild Passion,



is arriving in January. Alize is a refreshing drink that is 84 percent passion fruit and 16 percent cognac for a proof of 32.

Well, there you have it. A small taste of the hundreds of new spirits that were showcased at the AFD/ Beverage Journal Holiday Show. If you didn't make it this year, be sure to come next September. I can't taste all these by myself!

# Calendar

November 5 Election Day REMEMBER TO VOTE!!!

November 26
AFD Annual Turkey Drive
Metro Detroit
Contact: Michele MacWilliams
(248) 557-9600

February 14, 2003
AFD Annual Trade Dinner
Penna's of Sterling
Contact: Michele MacWilliams
(248) 557-9600

February 24-27 NACS Leadership Assembly Ritz Carlton, Naples, FL www.nacsonline.com

April 9 – 10, 2003 19th Annual AFD Trade Show Burton Manor, Livonia Contact: Ginny Bennett (248) 557-9600

July 16, 2003
AFD Scholarship Golf Outing
Wolverine Golf Course
Macomb Township
(248) 557-9600

# Donald Gundle passes away

# Industry loses a leader and friend

Don Gundle, a leader in the food industry and close friend to AFD, died on October 13 at his home in Farmington Hills after a 2-year battle with cancer. He was 67 and a founder of the Gleaners Community Food Bank.

In the 1980s and 1990s, Mr. Gundle was an owner of Pfeister food brokerage and in the mid 1990s merged the company with a national food brokerage to form Crossmark. He stayed on to smooth the transition, then retired in the late 1990s.

Pfeister had been formed in much the same way. In the 1970s, Mr. Gundle had started his brokerage, Gundle & Ross, which he merged into Pfeister.

Mr. Gundle was active in the food business and the community. He belonged to the Associated Food Dealers of Michigan and the Association of Sales and Marketing Companies.

He sat on the boards of the Muscular Dystrophy Association and the Rose Hill Center, a facility in Holly, Michigan that treats the mentally ill.

Mr. Gundle was born in Detroit and attended St. Mary's of Redford School. After graduation, he married Jeannine Bibeau and moved to Massachusetts, where he served in the Army.

Returning to Michigan, he began his food service work with Procter & Gamble, then worked for Paul Inman Associates before starting his firm.

The funeral was held on October 16 at St. Fabian Catholic Church in Farmington Hills.

# Voluntary recall of turkey and chicken products

Pilgrim's Pride Corporation, doing business as Wampler Foods Inc., a Franconia, Pa., establishment, is voluntarily recalling approximately 27.4 million pounds of fresh and frozen ready-to-eat turkey and chicken products that may be contaminated with Listeria monocytogenes, the U.S. Department of Agriculture's Food Safety and Inspection Service announced.

The products involved in the recall include turkey and poultry sold freshly sliced or made into sandwiches at deli counters and in individually sold packages of sliced deli meats. The recall does not include fresh turkeys — only cooked products. The products were produced at the company's Franconia, Pa., facility between May 1 and Oct. 11.

In addition, the establishment has voluntarily suspended operations. The turkey and chicken products were distributed to retail stores, restaurants and institutions nationwide.

This is an expansion of an Oct. 9 recall of 295,000 pounds of turkey and chicken products. Brands involved in the recall include Wampler Foods, Block & Barrel, Bonos, Golden Acre, Reliance and a number of private labels. Web links to the complete list of products being recalled and to the press release from USDA's Food Safety and Inspection Service are available from N.G.A.'s website at http://www.nationalgrocers.org. These documents are also available on the Food Safety and Inspection Service website at www.fsis.usda.gov.

### Statement of Ownership

The AFD Food & Beverage Report (USPS 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 (989) 386-9666.

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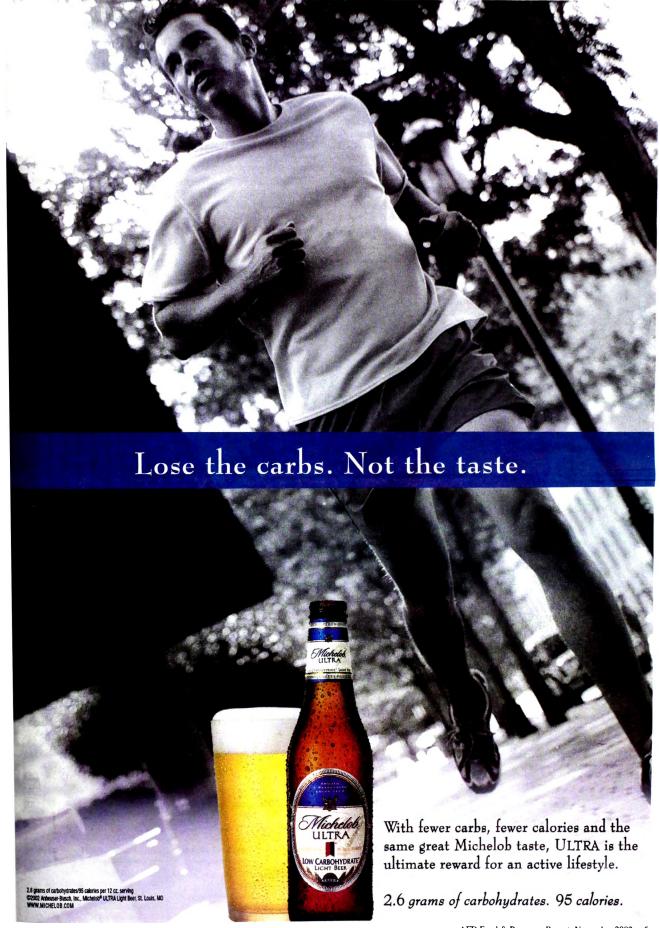








4.....AFD Food & Beverage Report, November, 2002



# News Notes

# A chocolate bar that's good for you? Now that's functional indulgence

"Chocolate is the perfect brain food; it's really built for the brain," said Jim Walsh. "We need to create a place in the convenience store for functional indulgence, chocolate is healthy and good for you."

Where has this guy been all our lives? Growing cacao trees and studying the nutraceutical properties of chocolate. "It's been a labor of love for me," said Walsh, who will be setting chocolate lovers' hearts aflutter with the debut of a healthy chocolate bar.

Walsh's HVC Lizard Chocolate, LLC, introduced SoBe Chocolate Bars at The NACS Show. The bars combine Walsh's premium chocolate with SoBe's functional ingredients, including taurine, ginseng and guarana.

SoBe Chocolate Bars come in four varieties—"Drive," "Energy," "Power" and "Tsunami"—and contain 65 percent to 75 percent chocolate. According to Walsh, most chocolate bars only contain about 15 percent chocolate.

SoBe reports that one of the health benefits of eating chocolate with a high concentration of cacao is an increase in antioxidants called flavanoids, a category of polyphenols, which may prevent cell damage and reduce the risk of cancer and other age-related chronic diseases.

The candy bars will be sold exclusively at participating 7-Eleven stores through the end of the year. The product will be available to all convenience stores in January 2003.

# A growing concern: study reports 1 in 3 Americans are obese

Obesity is becoming a bigger problem for Americans, according to a new study published in the Journal of American Medical Association (JAMA). The study finds that one in every three adults is obese and almost two-thirds are overweight.

The Washington Post reports that from 1999 to 2000, the number of overweight adults rose from 56 percent to 65 percent of the population, according to the Centers for Disease Control and Prevention (CDC).

The CDC also reports that from 1999 to 2000, the number of people with extreme obesity, for example, a 5-foot-10-inch person who weighs 280 pounds-increased from 3 percent to almost 5 percent.

"The greatest concern is about African-American women," said William H. Dietz, co-author of the JAMA paper about extreme obesity and director of the CDC's Division of Nutrition and Physical Activity. "More than half are obese, and 15 percent have a BMI [body mass index] greater than 40."

A BMI of 30 or greater is classified as obesity, while a BMI of 40 or more is defined as extreme obesity.

The study also found a rise in obesity among children and teens. The researchers found that almost 16 percent of 12 to 19 year olds were overweight. Ten percent of kids age 2 to 5 were overweight, and 15 percent of those between the ages of 6 and 11 were overweight.

The Bush administration and Congress are now scrutinizing this weighty issue. This week, First Lady Laura Bush and former U.S. Surgeon General David Satcher hosted the Healthy Schools Summit to encourage physical activity and proper nutrition among youths. In addition, bills to address the obesity issue have been introduced in the Senate and House.

# Top grocery stores ranked by supermarket news

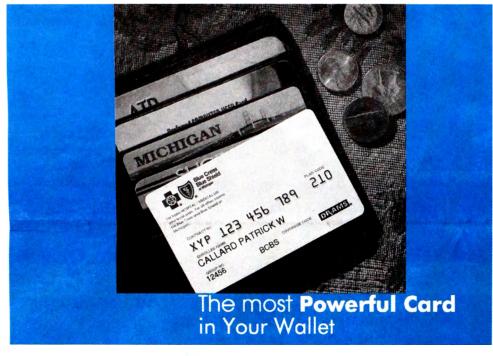
To probably no one's surprise, Wal-Mart Supercenters was ranked the number one grocery store in terms of sales by Supermarket News.

The publication recently ranked the top 75 grocery stores in an industry that racks up \$682.3 billion in sales in the U.S., according to the U.S. Department of Commerce.

Wal-Mart Supercenter sales make up about 30 percent of total corporate sales, which were \$217.8 billion in 2001. The company's 2002 grocery sales are estimated at \$65.3 billion.

The four grocery stores rounding out the top five and their sales were:

- Kroger Co. \$50.1 billion
- Albertson's \$37.9 billion
- Safeway \$34.3 billion
- Ahold USA Retail \$23.2



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

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# CEO says Fleming still strong

Fleming Cos. employees received a memo from Mark Hansen, chairman and CEO of the company, stating that "the current status of our business is strong and, therefore, our depressed stock price is not reflecting our strengths."

According to morningnewsbeat.com, Fleming is in the process of selling its retailing units and is faced with investor lawsuits claiming the company misled the markets about the health of its retail division.

The company's stock price has fallen in recent months.

In the memo to the company's employees, Hansen commented on Fleming's connection to Kmart, saying, "Simply put, we are not dependent upon any single channel of distribution, nor any single customer, customer category or format for our long-term success. The stock will take care of itself, and investors will be rewarded for their faith and patience."

# It's time for our annual Turkey Drive

By Jim Garmo

AFD Charitable Activities Co-Chair
For the 22nd year, AFD is
sponsoring its annual Turkey Drive.
The turkey drive committee has
pledged to put a Thanksgiving
turkey on the table of over 1,700
metro Detroit families that may not
otherwise be able to enjoy this
special meal.

The list of groups that ask for turkeys grows each year, and believe me, they are all worthy of our support! There are many more requests than we could ever fill. However, with your help, we can make 1,700 families happy this holiday.

Thanksgiving is a time to reflect, give thanks for what we have and help those who have less. We are asking all of you to pitch in. You can really make a difference. A \$200 tax-deductible donation to the AFD Turkey Drive will provide turkeys for 20 families! Just think, you can give Thanksgiving turkeys (12 pounds each), bread and stuffing to 20 local, needy families for about the cost of a night on the town.

The list of charities that receive turkeys is extensive and covers a

good part of the Metro Detroit area. There is a real good chance that at least one of the organizations receiving turkeys is in the neighborhood of your place of business.

We need your help! AFD welcomes all donations, large or small. It is truly heartwarming to be

a part of our annual Turkey Drive and to know that together, we have brightened the day for 1,700 needy families. To make a tax-deductible donation, please fill out the form below or call Michele Mac Williams at 248-557-9600. Thank you.

Name	Payment Method:	
Business	By check:	
Address	Make check payable to AFD Turkey Drive and send this form, with your tax-deductible	
Phone	AFD Turkey Drive, 18470 West Ten Mile	
Email	By credit card:	
l will provide Thanksgiving turkeys for:	Circle one: MC Visa	
20 families at \$200	Card Number:	
40 families at \$400 50 families at \$500	Expiration Date:	
100 families at \$1,000 Other	Signature	



# The Associated Food Dealers of Michigan welcomes these new members who have joined in July through September 2002

A & L Market #2
Amy's Liquor
Avita's Market
Baker Boys of Grand Traverse
BKM of Pigeon (Little Caesers)
Border Cantina
Boyne Mobil
Briggs Supermarket
C.A.R.E.
Calverley Supply
Cass Market
Champs of Battle Creek
Charlies Comer

Cold Spot Party Store

Concord Mgt - Rite Aid #4695
Country Store
D & R Market
D. J. King & Associates
Dearborn Liquor & Deli
Decanter Imports
Deluxe Market
Dollar Giant
Downtown Liquor
Family Food Center
Fast Track
Franks Mini Market
Golfside Market
Grand Food Mart

Horton Bay General Store
Ideal Party Store
K Z Discount
Kansmacker Sales
Karen's Kafe at North Valley
Kay's Korner
Korner Kitchen Market
Larry's Foodland
Majestic Wine & Deli
Mapleview Liquor & Wine
MarketPlace Solutions
Meggadon
Memphis Supermarket
Michigan Quality Sales

Mid Way Party Store Mr. Pita New Northend Liquor Nofar Properties Oakridge Super Market Palace Plaza Liquor Party Place Market Peanut Rarrel Pick & Save Market PissaPapalis Rivertown PizzaPapalis Corp. PizzaPapalis Greektown PizzaPapalis Southfield Putnam Ent. DBA Goal Post Pizza Rio Wraps Bloomfield Rio Wraps Southfield Roundy's Sam's Food & Liquor Sharon's Concession **Smokers Outlet** Smokers Outlet Smokers Outlet Sterling III Smokers Outlet-Eastpointe Smokers Outlet-Shelby Twp. Smokers Outlet-Sterling Hts. Smokers Outlet-Troy Tobacconist Smokers Outlet-Waterford Square Lake Deli Sylvan Quality Market Target II Market United Liquor

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# Spartan Stores names James F. Wright to board of directors

Variatee Wireless Windmill Pizza & Party II Wine Cellars Fine Wines Woodland Party Store Too

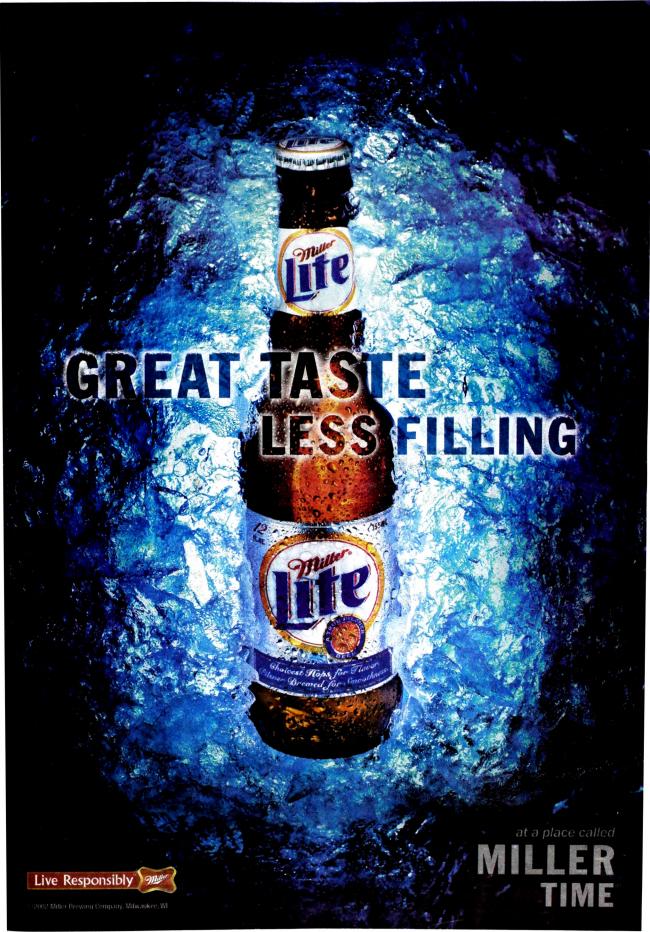
Spartan Stores, Inc. (Nasdaq: SPTN) announced the election of James F. Wright to the board of directors for a term of 3 years, expiring in 2005.

Mr. Wright brings an experienced career that spans over 30 years of retail strategy, operations and management to Spartan Stores, Inc.

Mr. Wright currently is President and Chief Operating Officer of Tractor Supply Company, (Nasdaq: TSCO) based in Nashville, Tennessee since November 2000.

He served as President and Chief Executive Officer of a 150-store chain of tire stores headquartered in West Palm Beach, Florida.

He also held executive positions with K-Mart Corporation, Troy, Michigan and Western Auto Supply Company, Kansas City, Missouri.



### News Notes

# The Skinny on Ephedra: AMA wants to ban the weight-loss supplement

Ephedra, a popular weight-loss supplement, has come under increasing scrutiny, with the American Medical Association (AMA) calling for an outright ban of the product.

A hearing of the Senate Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, heard testimony that ephedra can cause heart attacks and be deadly even to the healthiest of people, reports Reuters. The government is determining whether to restrict the sale of supplements, which can now be bought over the counter.

Ephedra, also called ma huang, speeds up metabolism-which is why it is marketed as a weight-loss supplement. But this effect can also lead to heart-rhythm defects, according to the AMA.

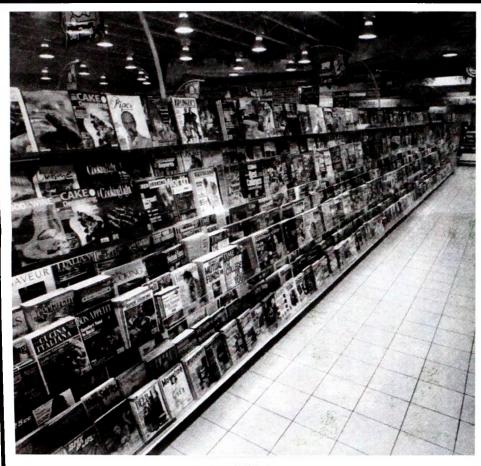
# Shell to cut nearly one-third of U.S. gas stations

Will pump up the volume at fewer retail locations

Royal Dutch/Shell Group of Cos. said it will cut 30% of its U.S. gasoline stations by June 2004, or 6,000 stations, about double the number it had previously planned to reduce, *The Wall Street Journal* reports.

The Anglo-Dutch oil concern, which is 60%-owned by Royal Dutch Petroleum Co. of the Netherlands and 40%-owned by Shell Transport & Trading Co. of the U.K., said the moreaggressive station reduction would

increase its chances to improve profitability. Shell, which bought part of Texaco Inc.'s interest last year in two refining and marketing ventures, has vowed to turn around its U.S. refining and marketing business, the lowest-performing part of its global portfolio. In the U.S., Shell has badly trailed chief competitors Exxon Mobil Corp., BP Plc. and most other competitors in per-barrel profitability, says the newspaper.





# **NEWS**

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# France ends six-year embargo on British beef imports

French Prime Minister Jean-Pierre Raffarin ended a ban on British beef imports that was implemented in 1996. The decision was made after the French food safety standards agency concluded that BSE is no longer a health threat.

-The Spokesman-Review

# EU to vote on biotech labeling measures

Documents filed with the World Trade Organization indicate the European Union plans to require food companies to label products containing genetically modified ingredients. Amidst U.S. concerns, European agriculture and environment ministers will vote on the measure. If approved, the measure could become law next year.

-The Wall Street Journal

# Marathon Ashland to brew up business with Folgers Cafés

Marathon Ashland Petroleum signed a deal with Procter & Gamble Co. to test Folgers Cafés in several Marathonbranded convenience stores.

# Did you know that...

According to NACS' 2002 State of the Industry (SOI) report, merchandise shrink at retail totaled \$6,950 per store in 2001?

# Wal-Mart's Workforce to Surpass Entire U.S. Armed Forces

If Wal-Mart's workforce growth plans over the next five years hit the giant retailer's targets, it will outnumber the U.S. armed forces in personnel, according to an August 26 USA Today article.

To give perspective to the growth plans - which call for the hiring of more than 1 million employees between now and 2007, most of them in its overseas operations - it's the equivalent of hiring the population of Rhode Island. The new hires would both cover natural attrition and also take the company's workforce to two million people, up from 1.3 million today, which is just about the size of the U.S. convenience store industry workforce. The U.S. armed forces personnel totaled 1.4 million in 2000.

The aggressive plan will continue

with the same labor targets that Wal-Mart currently recruits - minorities and female applicants and part-time, college-age workers. The company does not disclose pay information, but unions that have pressed the company for wage increases put front-line workers' salaries at \$7 to \$8 an hour. Analysts say wages may in some cases be higher because they vary by location and job position.

A principal recruiting tool that the behemoth will use is promotion opportunity. Reports indicate that 65% of the company's managers began in hourly jobs.

Wal-Mart will continue its push on college campuses, where the company is well known for tapping diversity. About 48% of the trainees Wal-Mart hires are minority and 50% are women, which is accomplished in part by contacting minority

fraternities and sororities and visiting traditionally minority-dominated college campuses.

The USA Today article concludes with mention of the company's frugality and its reputation as a so-so employer when it comes to wages. Where the company does score is on health insurance. Sixty percent of Wal-Mart employees say they joined the company for the health benefits.

# Helpful numbers for retailers

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) 226-4930
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



# Spartan stores announces grand opening of Family Fare supermarket in Wyoming, Michigan

Spartan Stores, Inc. is pleased to announce the grand opening of its new 50,000-square-foot supermarket in Wyoming, Michigan. The new store is located at 28th Street and Michael Avenue southwest. The new Spartan Stores' supermarket is part of the Rogers Plaza, also being renovated and re-opening this month.

Grand Opening activities began with a ribbon cutting ceremony at the entrance to the store. Shoppers were

invited to join the celebration with a grand opening sweepstakes that includes prizes such as a Zenith 50" big screen projection television, a 50's style dinner with ice cream sampling, musical entertainment, and free products for the first 200 customers.

The new Spartan Store is a key retail site for Spartan Stores, Inc. retail store development and serves as an anchor store for the new retail shopping center. "Spartan Stores is excited to open our new Wyoming Family Fare neighborhood supermarket, and we believe this new store will be a valued addition to this area," said James B. Meyer, chairman, President and Chief Executive Officer of Spartan Stores, Inc.

This new store features innovative decor with a focus on product freshness and convenience. Customers will enjoy fresh seafood, an extensive bakery and deli as well as products from around the world. There will also be a specialty market with "Food To Go," to meet the changing needs of today's families. All of these features will be in keeping with Spartan Stores' neighborhood market philosophy.

Development of the new Family Fare adds more than 200 new permanent jobs to the Wyoming area.

# Food Processing Center assists start-up and existing food manufacturers

Have you been told over and over again that you should take your family's secret recipe to the marketplace? Or maybe you are a restaurateur/chef exploring the sale of a house specialty, or a storeowner contemplating the development of a private label product or a producer considering adding value to an agricultural product.

The Food Processing Center at the University of Nebraska has a program designed to help food manufacturing entrepreneurs. There are many questions to be answered before a product reaches the marketplace. What regulatory agencies govern the food industry? What are the labeling requirements? What type of packaging does a product need? How is a competitive price for a product determined? Where can an entrepreneur turn for help?

The Food Processing Center at the University of Nebraska has a program designed to help food manufacturing entrepreneurs.

The Food Entrepreneur Assistance Program begins with a one-day "From Recipe to Reality" seminar that provides entrepreneurs with an understanding of the issues they will need to consider when starting a food manufacturing business, including: market research and selection, product and process development, packaging and labeling, pricing and cost analysis, product introduction to the marketplace and sales, promotional materials, food safety and sanitation, and business structure. Entrepreneurs can gain valuable information on the basics of starting a food business that could take months to research on their

Following the seminar, affordable fee-based services are available to those participants who decide to launch their own food business. During the "From Product to Profit" phase, entrepreneurs will receive step-by-step assistance tailored to their specific business venture. To protect valuable business ideas, all work is conducted with complete confidentiality.

The Food Processing Center not only assists entrepreneurs but it is a one-stop resource for programs and services for existing food manufacturers in improving their efficiency, productivity and profitability equipped to work with products in every major food group including grains and cereals, fruits,

vegetables, dairy products, and meat and poultry. The Food Processing Center can help create new and improved food products, conduct nutritional evaluation and testing, and assess consumer reaction to taste. appearance and texture. The center can also help increase shelf life and improve product safety, develop manufacturing and packaging techniques, evaluate distribution channels, and capture the attention of consumers with a complete spectrum of marketing and promotional services. The Food Processing Center is one place where you will find it all - a talented staff of business consultants and food scientists, technical facilities, and an extensive network of industry contacts. Hundreds of companies come to the Food Processing Center each year for everything from routine composition analysis to comprehensive assistance with developing and marketing new products.

To receive a Food Entrepreneur Assistance Program informational packet and registration form or information on other services please contact: Arlis Burney, Food Processing Center, University of Nebraska-Lincoln, 143 H.C. Filley Hall, Lincoln, NE 68583-0928, Phone (402)-472-8930.

# Retro candy for the retro crowd

Several companies, including Groovy Candies, Sweet Nostalgia and Hometown Favorites, have in recent years begun marketing candy products popular from the 1950's through the 1980's. Favorites include Pixy Stix, Wonka Bottlecaps and Pop Rocks, all of which contribute to the \$24 billion in annual candy sales, according to the National Confectioners Association.

- The Washington Post





# Basket Ease makes assembling gift baskets a breeze

By Karen Braschayko
Out of a small town in Minnesota
comes one of those "why didn't
someone think of that sooner!" kind
of ideas.

After years in the produce industry, making fruit baskets, Lawrence Knutson knew well the problems involved. Trying to fit pieces of fruit into an attractive shape and then package it securely is a feat beyond most tempers.

So thirty years ago Knutson designed a basket that was easy to stack. He created a simple plastic scalloped shape that would hold apples and oranges firmly and allow a graceful pyramid on top. No frustration, no angst.

Knutson ordered "one semi load and sold them all in one trip that first year," Rebecca Gibson of Sales and Marketing at Basket Ease explained. The next year he had four designs and ordered twice as much of each. He worked out of his home for five years, and then the booming business demanded expansion.

And now, due to better and better



Shirley Thomas and Rebecca Gibson show the Basket Ease product at the AFD/Beverage Journal Holiday Show.

ideas, "If he's not the number one supplier of fruit baskets, he's very close to number one," explained Gibson, who is also Lawrence Knutson's niece.

The family-owned business has grown to include Knutson as CEO, his

son as president, and a list of extended family members who hold various positions. It's a comfortable place to work, Gibson says, and three of the non-relative employees are sisters themselves.

Knutson patented his designs in plastic and wicker, and the innovative shapes have given him a near monopoly on plastic fruit baskets. To improve his product, he experimented with different types of shrink film for wrapping. His modifications have now become industry standards.

With Basket Ease, crafting perfection when assembling a fruit basket takes little more than the instruction sheet included in each delivery. Recommendations for stacking the fruit make assembly trouble-free. A simple turntable makes sealing the shrink wrap effortless—a heat gun aimed at the turning basket shrinks the plastic wrap into a tidy, elegant shape. And that's all it takes.

The baskets can be purchased by themselves or as a package, complete with all bows, shrink wrap, shred, cello, gift tags, and inserts included. The plastic baskets come in a variety of cheerful colors, with tinted and patterned shrink film available. Holiday greetings, autumn leaves, bunnies, and roses and hearts make perky wrappings.

Each model has specially designed wraps, which speed up the shrinking process and create a professional look. The corners are removed from the wraps during manufacturing to make shrinking neater and easier. Holes are pre-punched in the wraps to prevent fogging and allow moisture to escape.

"These are wonderful!" a future customer exclaimed at the recent

AFD Holiday Show. "We own a couple of grocery stores and I make a lot of fruit baskets. It's not something you want to do with small children around. Grapes can spill all over the floor. I've thrown fruit before in frustration!" she laughed. Her delight at discovering a simple improvement that would make her life easier was more than apparent.

Basket Ease is not just for fruit. "The concept is that you could merchandise an entire store in baskets," explained Gibson.

Beer on a bed of nuts for that brother who needs a relaxing evening, romance novels with a mug and tea to a newly single friend, baby food for expectant parents, cough drops with a box of tissues for the unwell, wine with glasses and fine chocolates to congratulate an engaged couple—the possibilities are endless, creative, and suitable for all times of the year.

Christmas is the biggest gift season, but wicker baskets with handles (theirs fold for easier shipping) make great Easter gifts as well. In fact, contents, wraps and bows can be adapted to any holiday or special occasion. Wicker can also be shaped into a variety of novelty baskets: squirrels, deer, turkeys, trees, houses and sleighs are a ve.

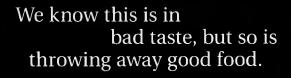
"These can be stuffed with nuts and candy as well as fruit. Wooden nut crackers add a decorative touch, or almost any item can be added to make that special gift for a special person, whatever the occasion," says Gibson. "The basket is sure to be kept and reused, long after the contents are consumed."

The plastic baskets are made "right here in America, just around the corner from the warehouse. That's rare," Gibson explained. Having the manufacturer a block away is splendidly convenient, especially around Christmas: a large order can be filled within one week.

Gibson emphasized, "No sale is too small. We sell to a lot of independents. They get the same service, same importance as someone who's going to buy ten or twenty times as much." Basket Ease will ship by whatever method you prefer—whether it's a single box or a semiload.

"My uncle will be 80 in February. He can still put that thing together," Gibson said, pointing at a fruit basket, "in two minutes. He's proud of that."

Contact Rebecca Gibson at 1-800-733-3168 or basketease@integraonline.com.





Forgotten Harvest was formed in 1990 to fight two growing problems: hunger and waste. We rescue two million pounds of food each year, and deliver it to emergency food providers across Metro Detroit.

The individuals and families we serve are young and old, from all races and faiths. What unites us is hunger.

It costs you nothing, and you will receive a tax deduction for your donation, along with the priceless reward that comes with helping others.

Forgotten Harvest is the critical link between perishable food and the shelters and soup kitchens that desperately need it. Let us rescue your surplus food and help feed hungry people.



Call to schedule a pickup today at 248-350-FOOD (3663).

# Clark files for chapter 11 reorganization

# Daily operations will continue; White Hen excluded from filing

After denying rumors of a bankruptcy filing, Clark Retail Enterprises Inc. and its parent, Clark Retail Group Inc. today filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code "to alleviate short-term liquidity issues," the company announced in a statement. The company said the filing should assure the continued flow of products to its stores and allow the company to continue to serve its customers.

"Our stores and offices will continue to operate without interruption," said Clark's President and Chief Executive Officer Brandon K. Barnholt. "Our management team will remain in place."

Sources told CSP Daily News last week that the filing was imminent, but company officials denied the rumor.

Excluded from the filing is Clark's White Hen Pantry Inc. subsidiary, a convenience store chain in the Chicago area with approximately 250 outlets. Its exclusion from the filing should ensure that White Hen's franchise operations will continue as normal, and its vendors will be paid without interruption, the company said

Clark also announced that it has received a sizeable commitment for \$56.2 million in debtor-in-possession (DIP) financing from Clark's largest shareholder, Apollo Investment Fund IV L.P., to support the payment of post-petition operating, vendor and employee obligations. "Our \$56.2 million DIP should assure all of our vendors that we are committed to a continued supply of all post-petition goods and services," Barnholt said.

Like the rest of the industry, Clark has been hurt by steep declines in gasoline margins, a weak economy, decreased consumer spending in the aftermath of September 11 and intense competition, the company said. These industry conditions created the need for the company to seek a Chapter 11 reorganization, it added.

"The Chapter 11 process will provide the company with the time and means to resolve its financial issues," Barnholt said. "This action will represent a new beginning that will allow a financially stable Clark to put the liquidity challenges of the past behind it, so that management can focus on operating the business and providing customers with even better levels of service and availability of product."

Clark filed its Chapter 11 petition in the U.S. Bankruptcy Court for the Northern District of Illinois, Eastern Division in Chicago. It is being advised in its Chapter 11 cases by Stutman, Treister & Glatt as its reorganization.

# A note of thanks

Note: This letter was sent to Dan Reeves, AFD's Vice President. Dear Mr. Reeves:

Thank you for serving on the Eight Mile Boulevard Association's 2002 Clean Team steering committee.

Please know the success of the seventh annual event was due in large part to your leadership and guidance. Over two dozen teams took part in Clean Team and nearly 40 businesses were considered for Beautification Awards. We appreciate your participation during judging.

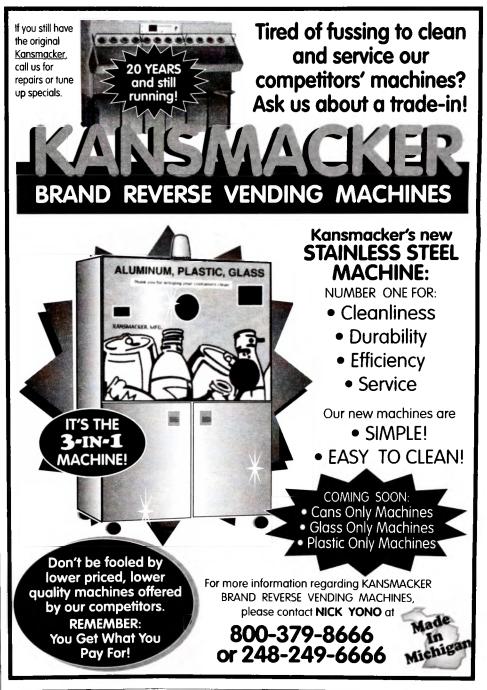
In addition, several hundred dollars were raised in sponsorships, including that of Associated Food Dealers. The funds will help us carry out our ongoing mission to develop the Eight Mile corridor in southeast Michigan.

Thank you again.

Sincerely,

Leslie Anne Brittain

**Executive Director** 



# Rep. Jerry Kooiman is steadfast for keeping taxes stable

State Rep. Jerry Kooiman, (R-Grand Congress for the prior 16 years. Rapids), hit the campaign trail hard to keep his position for a second term. With the census redistricting and changing demographics, the percentage of Democrats increased in his district from two years ago, when the Republican state representative was first elected.

Kooiman represents the east side of Grand Rapids which is the second largest city in the state. He says the city has some of the wealthiest areas and some of the poorest. There is substantial minority growth especially with the Hispanic population.

Grand Rapids is home to the largest office furniture manufacturer in the U.S., Steelcase Corp., as well as numerous large food companies such as Spartan Stores, Inc., Gordon Foods, Vineyards Distributors, Meijers, and D&W Food Centers.

For the past two years, Kooiman has focused the majority of his time and attention to education, transportation, and funding equity issues. Representative Kooiman was one of only seven freshman legislators appointed to the Appropriations Committee which develops the state's \$38 billion annual budget. He serves on the following Appropriations subcommittees: Vice Chair of Transportation; Vice Chair of Community Colleges; member of Capital Outlay; member of Family Independence Agency and member of Judiciary.

Kooiman is seeking reappointment to the Appropriations committee for his second term. "We need someone from my area to insure that when we're making budget cuts, our interests are not lost in the process," said Kooiman. He added, "We also need individuals who are establishing priorities for 'right-sizing government'." Kooiman is concerned that due to budget cuts, the state might try to increase taxes for business, which would hurt the economy. He is hoping they can resume the single business tax phase-

Representative Kooiman came to the state legislature with extensive experience at the federal level, having served as an aide to two Members of

Kooiman received his Bachelor of Arts Degree in Political Science from Calvin College in Grand Rapids, Michigan in 1984. The representative interned his senior year with the late Congressman Paul B. Henry, when he

In 1994, Representative Kooiman mounted a successful campaign for an open seat on the Kent County Board of Commissioners and served in that capacity for six years until his election to the State House of Representatives. During his three



was still a state senator. Henry asked Kooiman to be office manager for the Henry for Congress Committee. Kooiman accepted and staved on as a staff assistant in Henry's Grand Rapids office from 1985-1992. When Henry died, Kooiman then served as Congressman Peter Hoekstra's (R-Holland) Director of Constituent Services from 1993-2000.

Kooiman said that 16 years of service with Henry and Hoekstra gave him a unique opportunity to learn public service from individuals who modeled integrity, honesty and moral

terms on the Commission, he served in numerous positions, including: Chair of Legislative and Human Resources Committee; Chair of Kent County Board of Public Works; Chair of Transportation; Chair of

Transportation Subcommittee: and a member of the Subcommittee on Public Transportation, the Convention Facility Expansion Governance Committee and the Grand Rapids/ Kent County Convention and Visitors Bureau. During his tenure there, the county built a new hall of justice without a tax increase, expanded the convention center and passed a millage for senior citizens.

Key themes for his campaign for state representative were education reform, improving transportation infrastructure, funding equity for west Michigan, common sense government through regulatory and budgetary reform, smart growth strategies for our community and pro-family/prolife policies.

Representative Kooiman has been involved in his community, serving as an Elder and Sunday School Teacher and Deacon at Alger Park Christian Reformed Church, He was a coordinator of the Alger Park Habitat for Humanity Project.

Kooiman also has served as a member of Secchia Millennium Commission: the Grand Rapids Area Transit Authority, the Grand Rapids Planning Commission, the Grand Rapids Community Development Citizens Committee, the Kent County Judicial Case-flow Committee, the Kent County Republican Executive Committee and he has served as a Republican Precinct Delegate.

The representative is married with three children. He and his family enjoy camping and he enjoys playing

To reach Rep. Kooiman, call (517) 373-2668, email jerrykooiman@house.state.mi.us or mail to State Representative Jerry Kooiman, P.O. Box 30014, Lansing. Michigan 48909-7514.

### State Representative Jerry O. Kooiman R-75th District, Grand Rapids (east side)

**Appropriations Subcommittees:** Vice Chair of Transportation Vice Chair of Community Colleges Member of Capital Outlay Member of Family Independence Agency Member of Judiciary

# Presenting... 4 () alentine Ball

The 87th Annual Trade Dinner and Ball of the Associated Food Dealers of Michigan



# Friday, February 14, 2003, Valentine's Day at Penna's of Sterling

Co-Chairs: John Jonna, Merchants Fine Wine and Syd Ross, General Wine and Liquor Co.

## Platinum Sponsor: \$10,000

(Limited sponsorships available)
•Three tables of 10 for dinner (VIP seating)
•30-second video or fifteen company images for media presentation

Title sponsorship signage for: music, photo booth or centerpieces
 Full page ad w/ spot color in the Food & Beverage Report
 Use of four company products at the dinner
 (or four additional images in media presentation)
 \$600 for each additional table

### Gold Sponsor: \$7,000

Two tables of 10 for dinner (Prime seating)
 15-second video or 10 company images for media presentation
 Corporate signage at the dinner
 1/2 page ad in the Food & Beverage Report
 Use of two company products at the dinner (or two additional images in media presentation)
 \$700 for each additional table



Please call Michele MacWilliams for reservations and sponsorship information: (248) 557-9600

### Silver Sponsor: \$4,000

One table of 10 for dinner (Preferential seating)
Five company images for media presentation
Corporate signage at the dinner
1/4 page ad in the Food & Beverage Report
Use of one company product at the dinner (or one additional image in media presentation)

\$800 for each additional table

### Bronze Sponsor: \$2,500

One table of 10 for dinner

Two company images for media presentation

Corporate signage at the dinner

1/8 page ad in the Food &

Beverage Report

\$900 for each additional table

# Helping store employees deal with ethnic hostility

As anchors of the communities they serve, convenience stores are impacted by tragedies that strike their neighborhoods. The impact of the terrorist attacks of Sept. 11, 2001 was felt by every community in the country. The repercussions of these tragedies continue to impact communities, especially those that have experienced ethnic hostility in the past.

The following information was developed by the National Association of Convenience Stores to help employees deal with disasters and how to address violence directed towards stores or employees.

1. Dealing with Ethnic Hostility

The convenience store and petroleum marketing industry. serving millions of customers a day, has experienced isolated threats against its Muslim and Arab employees - and those who appear to be of these descents. These threats are of great concern to all Americans. Here are some suggestions to help you mitigate the anger and threats:

\* Contact law enforcement officials and secure extra officer visits to store

How it helps: A stronger police presence deters violence and reassures employees.

· Wear patriotic shirts, buttons, pins, etc. to demonstrate allegiance to the U.S.

How it helps: Visible signs of support for U.S. can defuse anger and violence

· Display signs and flyers outlining support of the U.S., as well as flyers listing definitive ways customers and employees can help (e.g., food drives, charitable donations).

How it helps: Displays support and suggests concrete steps for helping the cause which can defuse anger and create a positive response to situations.

· Display a sign describing your company's efforts in the crisis.

How it helps: Customers and employees need to know that the company cares and is doing something to help.

· Post numbers for crisis hotlines clearly visible to employees and customers, and encourage their use.

How it helps: Anger and violence often result from feelings of helplessness and grief; hotline counselors provide a caring professional to deal with feelings.

 Ask store managers to spend as much time as possible at the point of sale, providing a visible management presence.

How it helps: A strong

management presence sends a strong message that the manager cares about his employees, and will not tolerate violent or abusive behavior.

• Prominently display a large U.S. flag outside your stores. Correct usage of the flag can be found on the Star-Spangled Manners Web site: http://www.chinfo.navy.mil/navpalib/ allhands/ah0697/jun-pg18.html

How it helps: A flag sends a strong message that the company, the store, and the employees support the efforts of this country.

 Consider a fundraising program using credit card swipes to "purchase" American flags, ribbons, or buttons. Proceeds (e.g., \$1/flag) will be collected by the store and donated to relief organizations.

How it helps: A program that involves customers, employees, and the company corporate office demonstrates solidarity.

 Encourage employees to keep their voices modulated, smooth, and low, in face of anger or potential violence.

How it helps: Loud or angry retorts to an angry customer will only escalate the situation.

 Know your company contacts for complaints, comment, or suggestions, and provide names and numbers to customers who may need them.

How it helps: Having a way to 'vent" often provides an alternative to abusive language or violence from

· Communicate the message shared by our nation's leaders: President Bush urged Americans that, "we must be mindful that as we seek to win the war that we treat Arab-Americans and Muslims with the respect they

How it helps: Showing that highvisibility leaders also are committed to this effort adds additional support.

 Communicate to your employees your position. Bob Gordon, president and CEO of The Store 24 Companies, and former NACS chairman, distributed an open letter to all of his employees. It said:

"... we employ many people from the Middle East, from countries stretching from Morocco to Bangladesh. We are happy to have them here with us. They are honest and hardworking and contribute to our company and our country.... They are good people and we are proud that they are our colleagues. Some Americans may be suspicious or direct anger against these people, an anger they do not deserve. All of us at Store 24 should support them, let them know they are part of us, and speak up for them in case suspicion or anger is expressed towards them. The real enemy must be found, but in America the innocent must be cherished and protected."

How it helps: Shows all of your employees that you support them and adds credibility to your efforts.





**Group Health** Weekly Disability **Long Term Disability** Guarantee

**Issue Life** 

BENEFITS

For information on AFD's endorsed Blue Cross program available to AFD members, call: 800-748-0166 or 517-351-4900 mail@gadaletoramsby.com

# Liquor discount increase draws interest from retailers



AFD Lobbyist, Mike Ranville, and Senator Cherry (Lieutenant Governor candidate) were guest speakers at the October 14 reception where AFD President Mike Sarafa outlined plans to increase the liquor discount from 17 percent to 20 percent.



SDD retailers were very interested in AFD's proposed liquor discount increase. After the speeches, Mike Sarafa answered questions.

# PURE JAMES BOND 007's Vodka Of Choice. DIE ANOTHER ONLY IN THEATRES 11-22-02 Enjoy Finlandia Responsibly. www.finlandiavodka.com

# Shots from the

# AFD/Beverage Journal Holiday Show

### Holiday Spirits provide a taste of the season to come!

A huge crowd of retailers waited in line to "Make the Connection" at the AFD/Beverage Journal Holiday Show on September 25 and 26 at Burton Manor in Livonia.

Holiday spirit abounded throughout the show floor as exhibitors brought out their finest products.

Retailers sampled beer, wine, liquor, liqueurs, and got a taste of what's new and exciting to order for their holiday inventory.

Everyone got to see the latest in equipment and services for bars, restaurants and grocery stores.

Customers checked out air purifiers

from Mountain Air, beverage fryers and ovens from Michigan Carbonic, cash registers from Data Systems, and slush machines from DCI and Four Seasons Beverage.

New products were of special interest for the upcoming season. Frank Kaminskas, Inc. showed comical bar ware, gift items and bar metalware, including a wine cart and decorative wine storage unit with a big lock. He had a nice representation of Anheuser Busch steins.

Basket Ease brought their unique patented basket bases and supplies that makes putting together a holiday basket a breeze. The Basket Ease

ladies were very creative and used their booth neighbors products to show what they can do.

The violinist serenaded the crowds and Santa checked to make sure all the boys and girls were good, while saying a big "holiday welcome" to all the folks waiting to register.

Everyone tried his or her luck at the puzzle. AFD Services Manager, Sheila Reeves, assisted five lucky puzzle piece players who won flatscreen TVs, portable CD players and a refrigerated wine cooler. AFD Vice President Dan Reeves called names chosen to win a \$100 cash prize every hour.

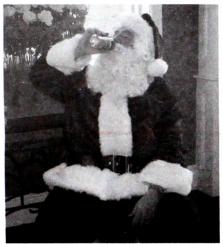
### Thanks to these AFD partners:

Thanks to Coffee Connection's Brian Savoie and Eddie Downey who provided us with their hospitality and their best brews.

A big hand to Party Time Ice who, once again, provided all the ice for the show. Thanks to Martin McNulty and the Knowlton family for the generous donation of their product.

Did you enjoy the Munchies snack mix? We have Jim Chuck at Frito-Lay to thank for this crunchy treat. Bet you couldn't eat just one either!

Thanks to Cathy Pavick and the MLBA. We were delighted to have their members attend the show.





Sheila Reeves assists the Beys.



John Lossia, John Jonna, Todd Roberts enjoy blending wine at the General Wine & Liquor pre-show event.



The Tarantula guys!



Sandy Novak of Heaven Hill



Tasting and toasting! Santa checks his list.



Captain Morgan and his crew.



The joint was jumping!



Taking orders



Dan Matthies of Chateau Fontaine and Michael Field of Black Star Farms represented Michigan wines.



The music was lively and Santa was jolly!



"Good as Gold," says Santa.





Josulete's Herb Boheim offered his newest German imports to Kal Shaha and Guss Kram



More? Yes or no!



It was a really big show!

We know everyone who attended the AFD/Beverage Journal Holiday Show felt like a winner but these eight left \$100 richer!

> Alaa Qarana, Maria's Bakery, Ypsilanti

Karen DeCoursey, Woodland Party Store, Brighton

Ellen Teall, Opperman's Cork & Ale, Saginaw

Michael Kruger, Northside Market, Ludington

Romsun Matti, Diamond Liquor, Detroit

Michelle Maddox, Campau Corner, Alto

> Gus Saffo, Joy Food, Detroit

Lori McKensie, Falsettas, Ann Arbor



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Beer from the former Soviet Union was a hit.



Lulu and Deddeh Ray, Fatin Kouza and Raja Deddeh sampling Alize



More to sample!



Well, that's one way to sell a store!



Mountain Air sells air purifiers





Annette Knoth with Baha Tango





The Four Season's Booth



... MAKE THE **CONNECTION!!** 

The Kaminskas booth





flat-screen TV!



Congratulations to Mr. and Mrs. Tom Abro. They won a beautiful AFD's Sheila Reeves congratulates Hani Yono. He won a CD player in the puzzle contest.



Hold on to your products! There is a pirate on board!

# **Need wine? Head to the C-store** One convenience retailer finds heady niche

The Castleton Village Store is not a typical convenience store, says the Rutland Herald in Vermont, In an industry "under duress," a retailer needs to find a niche to lure and keep customers, says the report. Owner John Rehlen found his store's niche...wine.

The store offers wines from vineyards in Chile and Australia, France and Italy and Spain, California and New York. They sell from \$3.99 in the sale bin to \$40 for a bottle of Chateau Neuf du Pape.

"C-stores derive the large percentage of their sales from a relatively small number of products," said Rehlen. "A mini-mart can come in with relatively small space and add the gas and the canopy. We're in a service business, and if we don't offer service, convenience, politeness, a range of products, then we're not fulfilling a need and we're not going to be successful."

He added, "Location is the best part of the battle. In the middle of a small village, we're providing a service. We do a pretty good job of meeting the community's needs."

He said his guiding principle is, "If it sounds good, let's give it a try and then hone it." So there's Green Mountain coffee to pour and staff and other regulars to schmooze with. There's local maple candy to sweeten the sip and locally grown apples to

Rehlen has owned the store since 1973. He also owns the Benson General Store. In Castleton, he owns the Pizza Place and the Birdseye Diner, forming a downtown triangle in this village of students and professors, teachers and artists. There are no traditional c-stores in the village, but there are several a mile or so up the road.

The company's bookkeeper is Robert Stauder, whose passions are travel, geology, food and wine. As innkeeper of Springfield's Hartness House Inn for several years, it was Stauder's job to know his wines. He made it his business to learn the wine business inside and out. So when he suggested enlarging and refining Castleton Village Store's wine list several years ago, Rehlen said, "Go

It grew slowly at first, but now has reached a level where the store has become a destination for wine shoppers. The customer profile includes people from all around the lakes area, including people from Lake George, N.Y., the second-home owner, the year-round Vermonter, the Vermont wine drinker, he said. And more vounger people are experimenting with the lessexpensive wines, professors at Castleton State College are usually avid wine drinkers and both groups are knowledgeable about wine. Weddings and parties also form a growing part of the business, which increases sharply over the holidays.

Overall, the wine business is "supported heavily by the Castleton community and, increasingly, by Rutland," Stauder said. He has set up an online e-mail wine club, where he writes of special interests and limited supplies, some labels of which do not make it to the shelves.

As for the Castleton store, Rehlen said, "Family stores are like the family farm: They take a lot of hours, seven days a week. But we like small town life, community involvement and the interaction with our neighbors that we get with the package."

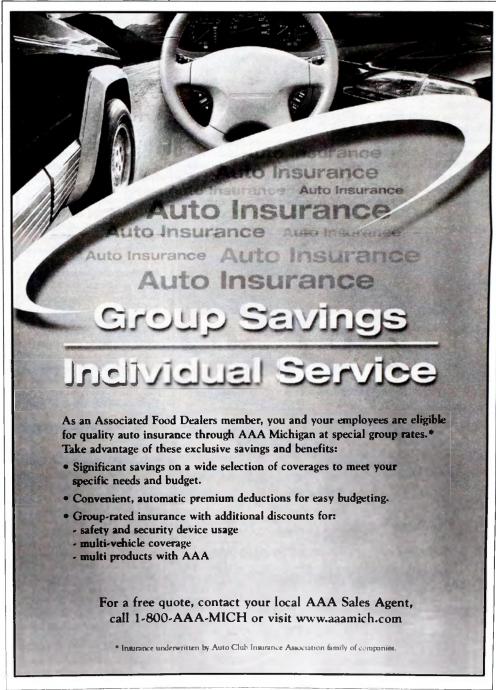
# Vanilla Coke boosts soft drink firm's earnings

Robust North American sales of Vanilla Coke, diet Coke with Lemon and Minute Maid juice products contributed to the eight percent increase of Coca-Cola's quarterly earnings. The No. 1 soft drink company says the popularity of the new products increased its unit case volume by nine percent.

- Yahoo/Reuters

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April 9 and 10, 2003 That's when AFD's 19th **Annual Trade Show takes** place. Called "Treasure of Values," the show is the key to big sales and larger profits. It all takes place at Burton Manor in Livonia. Look for more information in this magazine. Exhibitors, call Ginny Bennett at (248) 557-9600.



# Sales and Commissions Up in Fiscal Year 2002



By Acting Commissioner James Kipp

Michigan Lottery ticket sales approached \$1.69 billion in fiscal year (FY) 2002, roughly four-percent ahead of last year. Lottery retailers continue to play an integral role in the Lottery's success, earning more than \$119 million in commissions this past fiscal year.

Retailers weren't the only ones who benefited from strong Lottery sales. According to unaudited figures, lucky Lottery players took home \$918 million in prizes this past year. But, the proudest accomplishment for the Lottery concerns another very important

group of people in Michigan: public school children. Although the final numbers aren't in, I am pleased to announce the Lottery's annual contribution to the state School Aid Fund is expected to be over \$605 million – a more than three percent increase over last year!

Much of the ticket sale increases the Lottery has seen this past year are due to the phenomenal success of Mega Millions (formerly The Big Game), the Daily 3 and 4 games, and instant tickets. On April 16, 2002, The Big Game jackpot reached a whopping \$331 million - just short of the all-time North American jackpot record of \$363 million, also set by The Big Game! The excitement generated by that jackpot alone boosted Big Game ticket sales all across the state. While the lucky winner of that particular jackpot wasn't from Michigan, 12 Michigan Lottery players won \$150,000 Big Game prizes in the April 16 drawing.

The giant jackpot wasn't the only big news for The Big Game in FY 2002. On May 17, the New York and Ohio lotteries joined the Big Game group to form a new multistate game called Mega Millions. And, the Mega Millions group got even larger on September 4, 2002 when Washington joined Mega Millions – bringing the grand total of states participating in the Mega Millions game to 10!

The Lottery's Daily games maintained a strong foothold in the Lottery market, this year comprising nearly 42 percent of the Lottery's total lineup while posting a collective 3.2 percent gain over last year's sales. The continued success of these longrunning games is partially due to the debut of the new Daily 3 & 4 EXTRA on May 16, 2002. This game allows Daily 3 & 4 players to spend an extra dollar for a chance to win \$500 instantly at the Lottery terminal. This new game brought in an additional \$12.7 million in sales for the Daily 3 & 4 games in FY 2002.

Instant game tickets continue to be a rapidly growing segment of the Lottery's lineup. With 62 instant ticket games introduced this past year, Lottery players have seen the resurgence of some old favorites, as well as some extremely popular new games.

In May 2002 the Lottery introduced its first-ever double-sided instant game ticket called "Double Feature." This ticket offered a \$500,000 top prize and was a popular new concept with players. Additionally, the Lottery offered a couple of different promotions attached to the instant games in FY 2002.

In February 2002, the Lottery distributed coupons that offered players one free \$2 instant game ticket with the purchase of a \$5 instant game ticket. The promotion was so popular, that the Lottery brought it back in April and September 2002. The Lottery also teamed up with McDonald's restaurants to offer customers a coupon for a free \$1 Michigan Lottery instant ticket or \$1 off any higher-priced instant ticket with the purchase of a Bacon Ranch Crispy Chicken Sandwich Extra Value Meal. This promotion was also very popular with Lottery players statewide.

In FY 2002 a National Association of Convenience Store (NACS) study conducted by Ernst and Young further supports the position that Lottery products are an integral part of each and every retailer's product line. The study showed that Lottery is the second-highest product sales category, which clearly demonstrates the value of Lottery products to your business as a whole.

With that in mind, as the Lottery begins to look ahead to fiscal year 2003, we are focused on keeping our game lineup fresh and exciting for your customers. With the introduction of the new Change Play game in October and the upcoming changes we expect to make to the Michigan Millions game in early 2003, your customers will have even more reasons to visit your stores to purchase Lottery products.

As we close the books on fiscal 2002, I would like to sincerely thank each of you for your support of the Lottery. I am confident that our combined efforts will serve to make 2003 another productive year to remember!

Low Sales Fees. According to the Michigan Administrative Code, the Lottery is authorized to assess low sales fees. During the 2002 calendar year, the Lottery will monitor the sales activity of all on-line Lottery retailers to evaluate the cost-effectiveness of the terminal installation and to assure that Lottery resources are allocated to generate the maximum revenue for the state School Aid Fund. A minimum of \$1,000 weekly total Lottery sales average (on-line plus instant games) throughout the year is needed to avoid a low sales fee assessment at the end of December 2002. When you initially receive a terminal, the first 13 weeks of operation with the terminal are exempt from the low sales fee. Our Lottery sales representatives will track your sales and offer advice and assistance to help increase sales and avoid or minimize any fees. I encourage you to talk with your sales representative if you have any questions regarding this performance requirement.

'Tis the Season! They're back...
those ever-popular holiday-themed
instant game tickets. As you know,
instant tickets make great stocking
stuffers, and by offering an appealing
array of these games, you will be able
to maximize your commissions.

This year's holiday lineup includes six games to choose from. "Wintertime Wishes," the Lottery's newest \$10 instant game offering with a top prize of \$500,000, will hit ticket counters on November 7. The \$2 "Stocking Stuffer" boasts a top prize of \$25,000 and will be available on November 14 for your players to stuff in all of their friends' and family members' stockings. Also on November 14, players will look forward to taking a shot at winning the \$5,000 top prize on the \$1 "Reindeer Games" instant ticket. Winning cash will be sweeter than ever when the new \$5 game, "Candy Cane Cash." also debuts at ticket counters on November 14 offering a \$250,000 top





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# New bottle sports insulating sleeve

Want a sports drink that stays colder, longer? The Monarch Beverage Company has the answer. At the National Association of Convenience Stores (NACS) Show, Monarch introduced an innovative new bottle design that features built-in insulation. All Sport Body Quencher®, the company's flagship brand, soon will be available nationwide in the new container, called the Chill-In Bottle.

"The new All Sport bottle has a unique package design with a useful new feature, "said Jim Hoagland, vice president of marketing for The Monarch Beverage Company. "People use insulating sleeves all the time to keep drinks cool. We just built one into the bottle."

While the bottle itself is a typical PET container, the sleeve is made of a low-density polyethylene that insulates the contents from outside temperatures, keeping the drink cool. The entire package can be recycled with other PET bottles without any additional steps or processes.

# Lottery, continued from previous page

prize. On November 21, even though the snow will likely be flying, your customers will be seeing green – green dollar bills that is – with the new \$1 "Seeing Green" instant game which offers a \$5,000 top prize. Finally, on November 27, those cold winter days will seem much warmer when your customers try their luck at winning the \$15,000 top prize in the \$2 "Winner Weather" instant game.

This attractive lineup will definitely put your customers in good cheer. I encourage you to prominently display the colorful point-of-sale materials the Lottery has provided for promoting the instant games this holiday season. Be sure to ask for the sale and remind your Lottery players that instant games make the perfect gift year-round.

The Lottery will also be airing a heavy schedule of radio and television advertisements that will surely bring holiday shoppers into your stores.
Those advertisements will begin airing on November 28 and run through December 24.

# Brits cook up an "alternative" fuel

Rising fuel prices has prompted some residents of Burry Port, Wales, to turn to an "alternative" fuel source for their diesel cars, a homemade concoction of vegetable oil and methanol.

What has the local officials steamed isn't the potential damage to the car or the distinctive odor likened to French-fry grease that cars running on the concoction emit, it's that the perpetrators are evading taxes, reports the New York Times.

"If you use a substance as a fuel to propel a vehicle on the road, you have to pay duty at the rate of the substance used as an alternative,' said Robert Buxton, a law-enforcement spokesperson for the Department of Customs and Excise.

Vegetable oil costs 42 pence a liter at the local ASDA supermarket; the law would require people who use the cooking oil as car fuel to pay an additional 46 pence a liter in tax-the same as they do for gasoline. Vegetable-oil sales at ASDA stores have grown throughout Wales, according to ASDA Manager Paul Martin.

The news of Burry Port's homemade fuel has some alternative-

fuel proponents concerned about the potential negative public-perception impact on the bio-diesel industry. "When people are out there doing that and they have engine problems, the public assumes that bio-diesel causes problems. They don't know it was a homemade fuel," said Joe Jobe, executive director of the National Bio-diesel Board.

ASDA's Martin hopes common sense will ultimately prevail, saying, "Cooking oil is for cooking. If it was to act as diesel, it would say 'diesel' on it, wouldn't it?"



# Traverse City store causes a buzz

By Ginny Bennett
According to an aerodynamic theory that may be readily demonstrated, a bumblebee cannot fly. But the bumblebee, being unaware of this, goes ahead and flies anyway- and manages to make a little honey every day!

Roy's General Store in Traverse City began as a tiny bait shop and today resembles a busy bee hive. It is a big family business and all the members are creating a buzz as they visit with customers, answer calls and assign responsibilities. It is remarkable how busy the bees are and how well they are flying. They are bringing home the honey for a number of families.

Roy and Dora Hentschel's hive supports 30 employees, including 18 family members and 12 others that "feel like family," according to their Kathie's version of their story:

"In 1973 we moved our merchandise to our larger building never closing our doors in the move. We moved in the majority of our inventory one night after the store closed. Our family and friends all came to help. We changed the old store building into a tire and building stocked groceries, beer, wine, hardware, bait and tackle.

In 1978 we changed the old store and quit the tire business. We began to carry a full line of hardware. We moved the hardware over from the new building and we began stocking a full-service meat and produce

department. In 1990 after 26 years with Shell, we switched to BP.

By 1995 the old building was in need of a lot of repairs and not big enough to carry all the hardware items the customers were requesting. We had also started selling chain saws and other small



In front, Roy & Dora with kids left to right, Richard, Bob, Tim, Kathie, Ben, Ted

managed the grocery store since 1973 and continues to manage the grocery department and employee personnel. Son Tim works for the city road department and part time for the family business, two or three nights a week. Son Ted runs the office and does the bookkeeping. He is the president of Hentschel Inc. Son Ben manages the OPE (outdoor power equipment) repair shop and is a certified master service technician for Briggs and Stratton; one of a few in the U.S. He also repairs Husqvarna

and other outdoor power equipment.

Now the third generation works in the business. Richard's son David and daughter Sheila both work other jobs and part time at the store as cashier/shift managers. Bob's son, Rob, takes care of the 15 computers, the security system, phones and fills in wherever else he is needed. Bob's daughter, Tiffany, does the

training. Ted's son Paul works as an assistant in the meat and produce dept. Ben's sons, Joshua and Jason, are both part time clerks. Joshua is a college student and has a full time job. Jason is a senior in high school.

Kathie speaks for everyone when she says, "We have a very close family and work well together."

The 1961 picture shows part of the house where all the Hentschel kids grew up. In 1996 they sold the house and it was moved to another location. Roy built the house, the store and he designed the metal building. He put it up with the help of his sons and a few friends

Roy still comes and participates in some of the store functions, like cooking on the grill for special occasions and greeting customers. He keeps pretty busy as a retiree. Dora says she worked hard for the business for many years and is content to stay out of it.

As if there isn't enough hustling taking place at the Hentschel "hive," the family takes on good causes, too. In August, special snowflake pledge notes covered the walls at Roy's store. A special bar-b-que was being planned to raise funds to keep the local ski hill open. Traverse Cities' Mt. Holiday had closed after a tragic accident that killed the owner. The Hentschel's dedication to the ski hill was due to its' importance to their customers and the local community.

Traverse City is becoming a major Michigan city and the store is even closer to downtown. The entire area continues to grow. Changes to the store are happening again. A new awning is anticipated which will pull

together the entire 10,000 square feet. to give it a new, fresh look. It was as unlikely that a little corner bait shop could become so successful that a whole family could make their



1958, 1961 and today

daughter Kathie Hentschel

The business had its beginnings as a small country bait shop on the outskirts of Traverse City, at the corner of Hammond Road and Three Mile Road. Over the years it has grown until today it is a grocery store, hardware store, garden center, gas station and repair shop.

Roy's dream was to buy the corner and build a business for the fishermen that fished the many lakes in the area. In June of 1958, just in time for bass fishing, he opened the drive-up bait shop. Soon the neighbors in the area asked if Roy could carry a few essentials; bread, milk, eggs, etc.; so they wouldn't have to drive all the way into town. In 1964, "Roy's Bait Shop" became "Roy's General Store" and as the customers asked for items he wrote them on a want list and began stocking more things. Then Shell Gas was added. "This is how we grew to what we are today," says Roy's daughter Kathie. "We try to satisfy our customer's needs."

In the eyes of this writer, Kathie could be considered the "queen bee." The store opened on her sixth birthday and she has been involved right from the beginning. Even her husband Gary pitches in. This is

equipment. We decided to build onto the new building, more than doubling the size. A new warehouse/work shop building would accommodate a place for brother Ben so he could work full time on small engine repairs. He had been working on them, part time, at home."

Kathie went on to say that today Roy's continues to grow, with and for the neighborhood customers. Soon the store will add hot carry-out food to the cold selections currently available.

Roy and Dora both worked other jobs while getting the business going. They retired from the Traverse City bus garage. Roy was a driver and Dora was an aide.

Their oldest son, Richard, has worked for the Grand Traverse County Road Commission for 32 years. He is in upper management and getting close to retirement. Son Robert, "Bob," is the hardware manager and also is on the township board of trustees. He plans to run for Supervisor. Daughter Kathie has

physical inventories and works part time. Bob's son-in law, Dan, works as a mechanic in the small engine repair shop. Kathie's son, Steven, is head of maintenance and also does shift management and fills in as cashier. Her daughter Paula works part time in the office for Ted.

Tim's daughter, Loni, works as cashier and as an assistant in the meat and deli department. Ted's daughter, Amy, is the head manager of the front end; she does scheduling, ordering, and oversees all the employee

living there as it was for a bumblebee to fly. It is a good story of how hustling to make a living can really pay off.

Now a fourth generation is "buzzing" around. Roy and Dora are great-grand parents. There is every indication that Roy's General Store will continue and prosper to serve yet another generation.

Thanks to Kathie Hentschel Cadwell for keeping track of all the Hentschels for this story.



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# "Think young" to remain Competitive

A standing-room-only crowd came to learn how to gain a competitive advantage at the NACS Leadership Assembly Show workshop "Differentiating Yourself From the Competition."

Bill Drake, assistant director for executive education at Cornell University, Bill Bishop, president of Willard Bishop Consulting, Ltd., and Howard Stoeckel, executive vice president of Wawa, Inc., shared their insights on standing out from the competition in the current marketplace.

Drake began the program by telling attendees that differentiation is the essence of strategy. "There are hundreds of different varieties of water on the Show floor-if we can differentiate water, we can certainly differentiate our stores," he said.

He cautioned retailers not to confuse operational effectiveness with strategy. "Strategy deals with the fundamental game...simply executing better isn't strategy," he stressed.

Convenience stores have had the "Field of Dreams philosophy of build it and they will come-that doesn't work anymore." Drake said, adding that "everybody is not your customer," so retailers must decide to put their poker chips on one thing. He used Target and Wal-Mart as examples of the ultimate in differentiation, co-existing in the same market but both successful because they operate in different

ways and attract different consumer segments.

Drake said that retailers must remember that the "experiences in other channels are very important as consumers set the bar." Customers who get served in 50 seconds at McDonald's are going to expect speedy service when they shop in convenience stores, he said.

Retailers can differentiate their position in the marketplace based on the following:

- Price
- Assortment
- Quality
- Service
- Access

Bill Bishop then took the stage to give examples of retailers who are winning through differentiation, including Aldi, Costco and Trader Joe's. The lessons retailers can take away from these successful operational models are:

- Start with what consumers want but aren't getting
- Define your points of difference in the eyes of your target consumer
  - Establish a clear vision
  - Set priorities
  - Gain buy-in from employees

To show how theory is put into practice. Howard Stoeckel shared Wawa's business philosophy and values with the attendees. He said Wawa believes "a distinctive purpose must exist to drive and focus our business and brand. Properly defined, it serves to differentiate our business."

The core purpose of Wawa is "to

simplify our customers' daily lives. We want to be the retail brand that customers can't live without-a lifestyle brand," he said. "We want people to say, 'Did you Wawa today?"

Wawa utilizes four strategies to accomplish this goal: hire the best people, build world-class facilities, provide an over-powering offer and use cost-effective processes. "We focus on convenience, quality and personal connection," said Stoeckel.

"Sometimes the most difficult task is choosing what not to do," he added, giving the example of Wawa adding 100 Taco Bell outlets to its stores and then taking all 100 Taco Bells out.

The company measures Wawa's performance against key competitors. "Our brand must constantly evolve," said Stoeckel. "Think young to remain competitive."

To gain additional competitive insights, retailers may want to attend the NACS Leadership Assembly. The assembly gives industry leaders an opportunity to learn, network with colleagues and friends, and challenge their current leadership thinking. It is also a chance to meet with key supplier partners and make new connections with the industry's leading manufacturers and wholesalers. The next Leadership Assembly will be held February 24-27, 2003, in Naples, Fla. For more information, contact Vollie Melson, NACS' director of leadership initiatives, at (703) 518-4282 or vmelson@nacsonline.com

# Classifieds

SUPERMARKET EQUIPMENT FOR SALE—Mea department equipment, shelving, produce case stainless steel sink, etc. Call 810-506-4404.

WALK-IN COOLER FOR SALE—10 door. Also Ann Arbor Bailer, Model 610. Will accept best offer Both items at 1426 Broadway, Detroit. Call Joe Aubrey at 313-965-7275.

FOR SALE—"C" store with bakery, ice cream & general merchandise, good gross also BP Gas with brand new Clawson 10,000 gal. perma tank and enviro-flex piping, located downtown Roscommon, MI. Call 989-275-6246 for more information. Buy business and property or just business and lease property.

S.D.D. and S.D.M.—Liquor Licenses for sale. Call 586-634-3658

FOR SALE—12,000 sq. ft. supermarket located in pleasant thumb town. Remodel done in 1996. SDD-SDM license. Possible easy terms—MUST SELL (517) 879-7055 after 5:00 p.m.

ITEMS FOR SALE—(1) Hi-Low; (2) Jacks; (1) 20-Ft. Electric Conveyors, moveable; (1) 35-Ft. Conveyor; (1) 5-Ft. Showcase; (5) Sets Leather booths; (1) 400-Lb. Ice Freezer; More. Call for appointment: 1-313-274-0028.

SHOWCASES FOR SALE—3 foot to 6 foot and 3 foot to 4 foot. Call Neil at (248) 252-4674.

PARTY STORE—Choice location. Liquor, Beer, Wine, Deli, Lotto. Lapeer area. Interested buyers inquire to P.O. Box 622, Lapeer, MI 48226.

PORT HURON LOCATION—2 blocks from Blue Water Bridge. Beer, Wine and Lotto. 8,000 sq. ft. grocery equipped with deli, bakery and meat department, with smoke house. Includes real estate and equipment. Always shown profit. Owner retirring—no reasonable offer refused. More information: call (810) 329-4198.

SDD/SDM LIQUOR LICENSES NOW AVAILABLE—One in City of Livonia, One in City of Riverview. Must Sell! Call (248) 548-2900, x3033.

FOR SALE: LIQUOR STORE—Good location in Detroit on main thoroughfare. Also has dell and groceries. Beer, wine, lottery. Size: 4,000 sq. ft, business and properly. For more information, call (313) 561-5390 evenings. Leave name, telephone number on answering machine.

KITCHEN HOOD FIRE SYSTEMS AND EXTINGUISHERS—Low discount pricing to all APD members. New installs, remodels, inspections, recharging and testing. Also servicing auto paird booths and gas stations. All brands: Ansul Pyrochem. Hange Guard, Servicing Southeastern Michigan 24/7. Call Alan Ross at GALLAGHER FIRE EQUIPMENT—800-452-1540.

PARTY STORE FOR SALE—Beer, wine, Lottery, deli and grocery. Located on Dequindre Road in Warren. Call Sam at (586) 756-4010.

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.

FOR SALE—Liquor, deli, pizza. Brighton area. High volume corner! Business & property available. Contact George at (313) 460-9194.

WELL ESTABLISHED PARTY STORE—160m8et north of Detroit in area of seven inland lakes. Tem miles from Lake Huron. Beer, wine, groovy, ptza, ice cream. 85% remodeled. Includes two-tambly home next door. \$299,000. Ask for Martha: 989-489-9341.

SPECIALTY WINE SHOP FOR SALE—SW Michigan location, SDD, SDM and Lotto. \$1.8mm revenues, \$100M+ cash flow. Owners retiring. Great opportunity with strong potential for growth. \$275,000+ inventory. The Stratford Company (Broker): 616-385-4101.

FOR SALE—56-year-old gas, grocety and convenience store with deli, pizza and belong. Located in well-to-do Lake Michigan resort community. Includes 34 acres of ground for possible future expansions. Largest in area—witusly no competition in surrounding area. Owner retiring. \$450,000 plus inventory. Call 231-869-5107, ask for Jean or Bob.

FOR SALE: CONVENIENCE STORE—6 Mile & Beech Daly. 2,425 sq. ft. Asking \$200,000 building. \$100,000 building. \$305,000 approx. invertory. Gair Chandler, (248) 231-2661 for more information. FOR SALE—Major specially food market located in Ann Arbor, MI. 9600 sq. ft. building can be purchased or leased (734) 975-8883.

# Picturing the shape of convenience in the future

"Big-box retailers are becoming very convenient in their big boxes," Scott Annan, director of srcg ltd., London, England, warned at the NACS Show workshop, "The Shape of Convenience: The Next Five Years-A Global Perspective." "But, they are also learning to do small-box convenience well. They've got brand power, purchasing power, supply-chain efficiency, customer-driven category management and strong customer relationships."

What's more, Annan reported that big-box retailers do not perceive conventional convenience store retailers as a threat. "They're oil companies first and retailers twenty-first," he said of the big-box retailers' view of convenience stores.

"They [traditional convenience
retailers] will never be a threat to bigbox retailers unless they wake up one
day and decide to be retailers first.
Convenience retailers are viewed as
"so unprofessional-we're easy meat."

Annan also stressed, "We do not understand our shoppers' needs. We sit in Monday morning meetings and decide what they want, while big-box retailers ask consumers what they want."

What's the solution? Leadership, according to Annan. To survive, Annan said senior management in leading convenience store retail companies must work directly with the most senior leaders at manufacturer companies to overhaul the value chain

in the channel.

"Now is the time to do something about it, because if you don't, big-box retailers will take it-and you won't get it back." he said.

Annan's presentation was based on a study srcg ltd. conducted that combines insight from 30 convenience industry CEOs in the United Kingdom, United States, Europe, and Asia Pacific. The findings also reflect extensive consumer research. For a copy of the study, visit the convenience store section of <a href="https://www.srcg.com">www.srcg.com</a>.

All NACS Show workshops are available on audiotape from the NACS Center on-site in Orlando or via the Web site or from support@cstorecentral.com.

# Will functional gum stick in the marketplace?

Forget that cup of coffee in the morning, just pop a couple pieces of Jolt Caffeine-Energy Gum in your mouth. Two pieces of Jolt gum equals one cup of coffee, according to the manufacturer.

"Functional gum, in other words, gum that does stuff, is a \$500 million category and so far, convenience stores have missed out on that market," said Kevin Gass of Gum Runners, which showcased Jolt gum at The NACS Show.

It wasn't easy to make a caffeinated gum, according to Gass, because of caffeine's naturally bitter taste. "This product was two years in development," he said, adding that "the great thing about gum is that it's the best delivery system for caffeine because it goes through your gums. It doesn't spill like coffee or stain your teeth."

SoBe translated its popular beverages into liquid-infused gum. SoBe Gum comes in three flavors: "Energy, "Power" and "Liz Blizz."

Staying true to its "healthy refreshment" philosophy, SoBe's gum is infused with herbs and vitamins. For example, citrus-punch flavored "Energy" contains guarana, ginseng and taurine, while "Liz Blizz" has a tropical fruit flavor and features echinacea and vitamin C.

"SoBe has the potential to be a lifestyle brand, our customers are incredibly loyal," said Kristine Hinck, SoBe's director of public relations. "We wanted to enter a market where we could be a pioneer and nobody had a gum with herbs and vitamins.

"This won't make you run faster or jump higher, but if you're going to choose something to drink before you are active, it might as well do something good for you," Hinck added. "This is not so much a "goodfor-you' option as a 'better for you' option."

SoBe Gum was the result of a team-merchandising project with 7-Eleven, Inc., South Beach Beverage Company and Lotte U.S.A. Inc.

Wrigley's also had functional gum at the show. Orbit gum is a whitening gum with the same active whitening ingredient as in Crest toothpaste. The company also showcased Eclipse gum and Eclipse Flash Strips that dissolve in the mouth. Mike Rumsey, Wrigley's regional sales director/south-convenience stores, said, "It's designed for discreet breath-freshening-when chewing gum isn't appropriate, like before an interview."

# Wal-Mart supercenters to sell used cars

Wal-Mart Stores, Inc. in
Bentonville, Arkansas, plans to lease
space at five of its supercenter stores
in the Houston area to a new used-car
chain planned by Asbury Automotive,
Inc. of Stamford, Connecticut.
Asbury Automotive, Inc. is a publicly
traded chain of new-car stores. Used
cars will be sold out of modular
buildings on land adjacent to the
stores for less than the Kelley Blue
Book value, an oft-cited industry
guide. All vehicles will be sold with
a five-day money-back guarantee.

-NGA

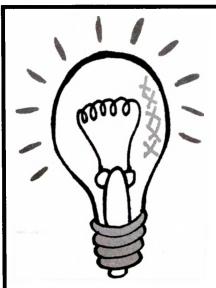
# Congratulations to the Gumma family

Last month the AFD Food & Beverage Report ran an article about how Susie's Party Shoppe in Madison Heights built a replica of the New York skyline out of lottery tickets. They did this as a salute to the victims of September 11, 2001.

At that time, Peter Gumma, son of store owner Johnny Gumma, was working in the store as he awaited the results of his medical exams. We are happy to report that Peter passed all his exams with flying colors. Please refer to him now as Doctor Gumma!



Peter Gumma (right) with proud father Johnny Gumma



# AFD Electric

AFD has partnered with Nordic Marketing to offer our member retailers 10% off Edison's electrical charges.

Do not miss the opportunity to start saving as soon as September. Call Nordic's marketing arm, EnerCom, to apply today!

# Save a Guaranteed 10% on Electricity!

Nordic Marketing, LLC

**EnerCom** 

Associated Food Dealers

SINCE 1916

Another AFD members-only benefit!

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Call: 248-203-0270

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eneral Wine & Liquor		Penna's of Sterling (586) 978-3880	Nikhlas Distributors (Cabana)	Belmoni Paper & Bag Supply(313) 491-
ational Wine & Spirits	(888) 697-6424	Southfield Manor	Rocky Peanut	Brehm Broaster Sales
ncore Group/ Trans-Con, Co		Tina's Catering		Bunzl USA
AKERIES:			PROMOTION/ADVERTISING:	DCI Food Equipment(313) 369-
ckroyd's Scotch Bakery		DAIRY PRODUCTS:	Enterprise Marketing	Envipco
& Sausage	(313) 532-1181	Country Fresh Dairies	Huron Web Offset Printing(519) 845-3961  J.R. Marketing & Promotions(586) 296-2246	Emie's Refrigeration (989) 847-
rchway Cookies		Melody Farms Dairy Company (246) 535-5120	PJM Graphics	Four Seasons Beverage & Equip (734) 254-0
wrey Bakeries, Inc.		Mexico Wholesale(313) 554-0310	Stanley's Advertising & Dist (313) 961-7177	Hobart Corporation
olly Madison Bakery		Pointe Dairy (248) 589-7700	Stephen's Nu-Ad, Inc (586) 777-6823	MSI/Bocar(248) 399-2
arthgrains nerstate Brands Corp		Superior Dairy Inc		National Food Equipment
Dakrun Farm Bakery		Tom Davis & Sons Dairy (248) 399-6300	RESTAURANTS:	& Supplies(248) 960-7
& M Biscuit Dist.	(000) 203 0122	ELECTRONIC AGE VERIFICATION	Copper Canyon Brewery (248) 223-1700	North American Interstate (248) 543-1
(Stella D'Oro)	(586) 757-4457	D.J. King & Associates (800) 781-5316	The Golden Mushroom (248) 559-4230	Serv-Tech Cash Registers (800) 866-3
aystee Bakeries	(248) 476-0201	-	Palace Gardens (810) 743-6420	Taylor Freezer
ANKS:		EGGS & POULTRY:	Pizza Papalis Corp (248) 932-4026	TOMRA Michigan 1-800-610-4 United Marketing Assoc (734) 261-5
TM of Michigan	(248) 427-9830	Linwood Egg Company (248) 524-9550	SERVICES:	Wadie Makhay Produce
omerica Bank	(313) 222-4908	FRESH PRODUCE:	1st Choice Insurance Agency (586) 737-2339	Specialist (248) 706-9
inancial Corp		Aunt Mid Produce Co (313) 843-0840	AAA Michigan (800) AAA-MICH	WHOLESALERS/FOOD DISTRIBUTORS:
orth American Bankard		Sunnyside Produce (313) 259-8947	A & R Delivery (810) 638-5395	Brownwood Acres (231) 599-3
orth American Interstate		ICT DRODUCTO.	Abbott, Nicholson,	Calverlee Supply (586) 979-1
eoples State Banktandard Federal Bank		ICE PRODUCTS:	Esshaki & Youngblood	Capital Distributors(800) 447-8
nited ATM's, Inc.		International Ice, Inc	Action Inventory Services (586) 573-2550	Central Foods(313) 933-2
	,	Quincy Ice Co	Air One Telecom (734) 741-0396	Chase Farms Frozen
IEVERAGES:	1.800 224 1044	U.S. Ice Corp (313) 862-3344	AirPage Prepay & Talk Cellular (248) 547-7777	Food Process
Allied Domecq Spirits USA		INSURANCE:	Al Bourdeau Insurance	Consumer Egg Packing Co
merican Bottling		INSURANCE: 1st Choice Insurance Agency (586) 737-2339	Services, Inc	Dearborn Sausage
nheuser-Busch Co		AAA Michigan(800) AAA-MICH	American Mailers (313) 842-4000 Andrews Brothers Inc.	Decanter Imports
Bacardi Imports, Inc.		Al Bourdeau Insurance	Detroit Produce Terminal (313) 841-7400	Deli Style Jerky (734) 453-6
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Brown-Forman Beverage Co Brownwood Acres		Capital Insurance Group (248) 354-6110	Bellanca, Beattie, DeLisle (313) 882-1100	EBY-Brown, Co
Canandaigua Wine Co.		Gadaleto, Ramsby & Assoc (800) 263-3784	Binno & Binno Investment Co (248) 540-7350	Elegance Distributors(517) 663-8
Central Distributors		JS Advisor Enterprises (810) 242-1331 Frank McBride Jr., Inc (586) 445-2300	BMC Grocery Systems Specialists (517) 485-1732	Energy Brands
Coca-Cola Bottlers of MI	( /	Meadowbrook Insurance	Business Machines Co. (BMC) (517) 485-1732 C. Roy & Sons (810) 387-3975	Epstein Distributing Co (248) 646-35
Aubum Hi		North Pointe Insurance (248) 358-1171	Canteen Services(616) 785-2180	Fairway Packing Co(313) 832-27
Detr		Paulmark Agency (248) 471-7130	Cateraid, Inc(517) 546-8217	Fleming Company
Madison Heigl Van Bur		Rocky Husaynu & Associates (248) 851-2227	Central Alarm Signal (313) 864-8900	Food Services Resources
Van Bur		LOCICTICS DI ANNINIS	Check Alert (231) 775-3473	General Mills
Coors Brewing Co.		LOGISTICS PLANNING	Cherry Marketing Institute (517) 669-4264	Great North Foods(989) 356-22
Delicato Family Vineyards		SaTech Logistics, Inc (248) 203-9500	Clear Rate Communications	Hamilton Quality Foods,
E & J Gallo Winery		MANUFACTURERS:	DJ. King & Associates(800) 781-5316	Hav-A-Bar(810) 234-41
Eastown Distributors		Home Style Foods, Inc (313) 874-3250	Deford Distributing (989) 872-4018	1 & K Distributing
Faygo Beverages, Inc.		Jaeggi Hillsdale Country Cheese (517) 368-5990	Detroit Edison Company (313) 237-9225	International Ice
General Wine & Liquor Co		Kraft General Foods	Detroit Warehouse	Jenisalem Foods(313) 538-15
Great Lakes Beverage		Nabisco, Inc	Digital Security Technologies (248) 770-5184 The Employment Guide	Kaps Wholesale Foods (313) 567-67
Hubert Distributors, Inc.		Philip Morris USA (616) 554-0220	Eskye.Com, Inc	Karr Foodservice Distributors (313) 272-64
Intrastate Distributing		Red Pelican Food Products(313) 921-2500	Financial & Marketing Ent (248) 541-6744	Kay Distributing (616) 527-01
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McCormick Distilling Co	(586) 254-5650	or (313) 873-3999	Karoub Associates (517) 482-5000	Mexico Wholesale(313) 554-03
Michigan Grape & Wine Industry Council	(\$1T) 272 1104	Gainor's Meat Packing (989) 269-8161	Law Offices-Garmo & Garmo (248) 552-0500	Michigan Quality Sales
Miller Brewing Company		Hartig Meats	Market Pros (248) 349-6438	Mr. Pita
National Wine & Sprits		Hygrade Food Products	Marketplace Solutions	Nash Finch (989) 777-189
-	(888) 642-4697	Nagel Meat Processing Co (517) 568-5035	Metro Media Associates	National Bulk Foods(313) 292-155
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- Detroit		Strauss Brothers Co (313) 832-1600	Payment Authority. The (248) 879-2222	Preferred Brands
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UDV-North America		The Employment Guide	Salim Abraham, Broker (248) 349-1474	Tiseo's Frozen Pizza Dough(586) 566-5710
		Michigan Chronicle(313) 963-5522	Secure Checks	Tom Maceri & Son, Inc(313) 568-055
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Hanson & Associates, Inc.		WDFN-AM 1130	T & L Acquisition	Wine Institute
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CANDY & TOBACCO:	(804) 501 551	liems Galore (586) 774-4800	Verizon Wireless (248) 763-1563	Canadian Consulate General
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