A Sweet Deal from AAA

Savings on your auto insurance with AFD’s program

As an AFD member, you’re invited to join AAA Michigan at a special group rate. With AAA, you’ll have access to dependable, quality insurance, a wide spectrum of benefits, exceptional service and AAA’s highly-rated 24-Hour Claim Service.

In addition, you’ll be eligible for AAA membership at a discounted rate which features:

- 24-hour, Prepaid Emergency Road Service
- AAA Travel discounts and valuable upgrades and perks on travel packages worldwide
- Free TripTiks, TourBooks and maps
- Exclusive Show Your Card & Save discounts at thousands of retailers nationwide and much more!

AAA’s friendly and knowledgeable team of agents can customize coverage to meet your needs and help you save money. Even if you’re already insured through AAA or have AAA membership, you can still qualify for extra savings through this group plan. This can represent a substantial savings over what you would pay as an individual! Sound like a sweet deal? It is.

AFD members, your group savings can start immediately. For a free, no-obligation quote call AAA Agent, Gayle Colvard at 313-237-5456. If you would like to offer this group plan to your employees, please call Donya Fields, AAA Group Relationship Manager at 313-336-0536.

AFD Trade Show excitement builds

You have a chance to win a Million Dollars when you attend AFD’s 18th Annual Buying Trade Show. Swing into Spring, April 23 and 24 at Burton Manor in Livonia. Exhibitors will offer show specials and new products.

Attend the show, visit the participating booths and get your score card stamped. A complete card qualifies you for a chance to win a million dollars by hitting a hole in one (courtesy of Allied Domecq ).

Of special interest to Spartan Retailers will be an opportunity to hear Spartan President, Chairman and CEO James Meyer speak at a luncheon on Wednesday, April 24 at 12:30, which will precede the second day of the AFD Trade Show.

Watch the mail for information on exhibiting and attending Swing into Spring or call Ginny Bennett at AFD (248) 557-9600 for more.

New regulations for stores which cash checks or issue money orders

by Jim Bellanca
Bellanca, Beattie & DeLisle
AFD Legal Counsel

In an apparent attempt to put a further squeeze on drug traffickers and money launderers from illegal activities, new regulations have been adopted by the federal government, which will affect the way in which you conduct your check cashing and money order business.

The new law, which took effect January 1, 2002, requires that all businesses that cash checks as a regular part of their business, must register with the United States Department of Treasury. Information about registration can be reviewed on the Department of Treasury’s website: www.msb.gov. If you do not cash checks, but only utilize the services of a money order company as their agent, you do not have to register. Provided, however, even money order agents (who do not otherwise cash checks on their own), who are asked to issue money orders in a currency amount of greater than $1,000 for any person on any day in one or more transactions must file a report of the transaction or transactions which gave rise to the exchange of cash in excess of $1,000 or more.

This is just the first step in an effort by the federal government to tighten money continued on Page 26
DO THE NEW DEW

CODE RED

with a rush of cherry flavor

MOUNTAIN DEW, MOUNTAIN DEW CODE RED and the CODE RED design are trademarks of PepsiCo, Inc.
President's Message

There are benefits to belonging

By Joe Sarafa

AFD President

See you in Paris!

Since this is my first column of 2002, I would like to wish everyone a happy and healthy New Year, especially to those I haven't seen recently. I hope that I will be able to personally greet you at AFD's Trade Dinner and Ball, "An Evening in Paris" on the 8th.

I feel fortunate that being a part of AFD allows us the opportunity to come together at this event; to enjoy friendships and the fellowship that makes our daily business life more meaningful.

Especially this year, after the events of September 11 and considering the state of our economy, I appreciate the exceptional response we received from our members. As you know, a portion of the proceeds go to help the victims of the September 11 tragedy.

It is obvious that this relationship is meaningful to everyone in our industry because almost without exception, you have come together to support this wonderful event. Without a doubt, it will be a great party. See you there!

Belonging

Looking back on the years I have spent at AFD, I am very pleased with the progress we have made. Your staff and board spend countless hours working on programs, services and legislation that will help our industry.

I am often asked, "Why should I belong to AFD?" My usual answer is that we provide programs that can help you do your job better, easier and save you money. I then go into a description of our credit card programs, Blue Cross/Blue Shield health insurance, AAA insurance plans, and North Pointe liquor liability insurance. I also explain our Verizon wireless program, our pay phone program, our coupon redemption program and our educational video library.

If that isn't enough, I tell them how we represent their interests in Lansing, as the voice of the food and beverage industry.

But many times members and non-members alike, don't take the time to find out all the things we have to offer and how rewarding it is to be a contributing part of our organization.

I recently ran across a poem that DAGMAR sent to their members in 1962. It is as relevant now as it was then:

Don't Just Belong

By Dolph Jansen

Are you an active member.
The kind that would be missed
Or are you just contented
That your name is on the list?

Do you attend the meetings
And mingle with the crowd.
Or do you stay at home
And crab both long and loud?

Do you take an active part
To help the group along?
Or are you satisfied to be
The kind to "just belong"?

There is quite a schedule
That means success, if done.
And it can be achieved
With the help of everyone.

So attend the functions regularly
And help with hand and heart.
Don't be just a member.
But take an active part.

Think this over, members,
Are we right or are we wrong?
Are you an active member?
or DO YOU JUST BELONG?

Space for lease

AFD has second-floor office space for lease. This space is excellent for 1-3 people. It's in a great location, with easy access to freeways and friends right downstairs. For information, call Cheryl at the AFD office, (248) 557-9600.

AFD MEMBERS:

We want to hear from you!

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

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

The AFD Food & Beverage Report will print new product releases as space permits. The service is free to AFD members.

Each month we also write feature stories about our members' businesses. If you would like to see your name on the pages of the AFD Food & Beverage Report, call Ray Amyot at (248) 557-9600.

The Grocery Zone

By David Covery

MONDAY, FEBRUARY 12
7AM RISE
8AM SLEEP
9AM DINE
10AM SHINE
11AM SHINE
12AM SLEEP

DAY PLANNER OF A COFFEE DRINKER
Beer analysts eye Miller-Coors merger

With Anheuser-Busch, Inc. controlling 48 percent of the U.S. beer market, industry analysts are speculating that the no. 2 and 3 competitors, Miller Brewing Co. and Adolph Coors Co., will combine to take on Budweiser, Forbes magazine reported.

Distributors for Miller, with a 20 percent market share, and Coors, with 11 percent of the beer market, have been intensively consolidating over the past two years, the magazine said.

"The industry is on the verge of becoming a duopoly, with Anheuser-Busch against everybody else," said Robert Weinberg, a beer industry consultant.

U.S. brewers have been struggling to grow since the rise of imported beer in the 1990s, the magazine said. Sales of imports grew by 12 percent last year, while sales of "light" domestic beers rose 5 percent and sales of other domestic beers showed no increase.

On their own, Miller and Coors might not be able to increase their market share, said Thomas Pirko of Bevmark. However, he noted, a merger of the two might not be allowed by federal regulators, who usually like to see at least three competitors in an industry.

Coors could also gain from a merger by cutting its transportation costs. The company operates one brewery in Golden, Colo., and its beer must travel, on average, 1,200 miles to final retail locations. Miller's average brewery-to-retail distance is 360 miles, while Anheuser-Busch's is 318 miles.

"Every man owes a part of his time and money to the business or industry in which he is engaged. No man has the moral right to withhold his support from an organization that is striving to improve conditions within his sphere."

—Theodore Roosevelt

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In Just The Right Size
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- No Contracts or Minimum Usage
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Visit us online: www.afdom.org/clearrate

Two-year extension of internet tax moratorium approved

Internet companies, remote retailers, and other companies including not-for-profit organizations doing business on the Internet can expect protection for two more years from the Internet Tax Freedom Act moratorium. Most significantly, this extension prohibits state and local governments from imposing taxes, such as sales taxes, on items sold through the Internet.

On November 15, 2001, the Senate approved the House’s two-year extension bill (H.R. 1552) of the Internet Tax Freedom Act (ITFA) moratorium, nearly a month after the ITFA expired. President Bush signed the bill into law on November 28.

H.R. 1552 extends the ITFA moratorium on Internet access taxes and “multiple and discriminatory” taxes until November 1, 2003, while retaining ITFA’s grandfather clause that preserves existing state taxes on Internet access.

Although a substitute bill was voted down which would have included a sales tax compact provision, the bill that was approved by the Senate does not include all provisions that supporters had hoped for – including a permanent tax exemption for Internet access and an elimination of the grandfather clause.

Significant provisions that remain in effect for qualifying organizations doing business on the Internet include:

- Internet and remote retailers are not required to collect taxes on out-of-state sales without a physical presence in the state.
- State or local governments cannot impose a tax on the “same or essentially the same” electronic commerce that is also subject to another tax imposed by another governmental entity unless a credit for taxes paid in other jurisdictions is allowed.
- State and local governments cannot impose taxes on electronic commerce that are not generally imposed on the same party and at the same rate for non-electronic transactions.

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- 2/$1.00 Nut Line
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6...AFD Food & Beverage Report, February 2002
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THE SPIRIT OF JAMAICA

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>SIZE</th>
<th>PRICE</th>
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<tr>
<td>Appleton Estate V/X</td>
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<tr>
<td>Wray and Nephew White</td>
<td>750 ml</td>
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</tr>
<tr>
<td>Overproof 126 Proof</td>
<td>750 ml</td>
<td>$12.47</td>
</tr>
<tr>
<td>Coruba Dark Jamaican Rum</td>
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</table>

Contact your local General Wine and Liquor Sales Representative at

(313) 867-0521
7-Eleven seeks women
Chain determined to broaden customer base

7-Eleven Inc. is making major marketing changes and will be working with a new advertising agency, says a report in the Dallas Morning News. The large chain is "determined" to get more Hispanic and female customers into its stores, the newspaper says.

Of all the customers who walk into a 7-Eleven, 70 percent are male, and the company is repositioning some products—including the iconic Slurpee—to draw in more women, the paper says. More than 11 million sugary, slushy Slurpees—"synonymous with 7-Eleven for about 35 years"—are sold every month. The company is testing a low-cal Slurpee meant to draw women and the health-conscious. It carries the Crystal Light brand, a popular grocery-store product with a high female following. "It's just a new focus," Dana Manley, a 7-Eleven spokesperson, told the paper.

Gatorade powers Propel Fitness Water
National rollout includes c-stores, other retailers

The Gatorade Co. has launched Propel Fitness Water, the company's first entry into the new "fitness water" category. The company says Propel enjoyed regional success in selected Western and Southern U.S. markets in 2001. The national rollout began last month.

Propel Fitness Water is a lightly flavored, noncarbonated water with 10 calories per 8-oz. serving. Available in four natural flavors—black cherry, lemon, orange and berry—it is designed to provide active consumers and fitness enthusiasts with a better hydration alternative to plain water, says the company.

C-Store industry implementing XML

The Store 24 Cos., The Pepsi Bottling Group and Professional Datasolutions Inc. (PDI) went live in January with transmissions of electronic invoicing using eXtensible Mark up Language (XML), setting the standard for how small businesses can use advanced electronic technologies to increase efficiencies. The XML guidelines were developed through the National Association of Convenience Stores' technology standards project.

Miller teams with Skyss Spirits for new "malternative"

Skyss Spirits of San Francisco, maker of SKYY Vodka, and Milwaukee-based Miller Brewing Co., will introduce SKYY Blue, a ready-to-drink alcohol malt beverage. The new product is scheduled to begin arriving at retail stores in early March.

Tombstone Mexican Style Pizzas win Golden Shopping Cart award

Kraft Pizza Co.'s Tombstone Mexican Style Pizzas won the Golden Shopping Cart Award as the best new product of 2001, says the foodservice company. Now in its twelfth year, the award is given by nationally syndicated food columnists, Bonnie Tandy Leblang and Carolyn Wyman, authors of the "Supermarket Sampler" column.

The Poor Get Poorer

USA Today reports that minorities appear to be bearing more of the brunt of the recession and growing unemployment. While the December unemployment rate was 5.8 percent, it was 10.2 percent for African Americans and 7.9 percent for Hispanics.

The result, according to the report, could be that the current economic hard times could undo the economic gains achieved by minorities during the '90s.

Part of the problem seems to be that minorities tend to be more highly represented in the lower wage jobs that are being cut by companies.
Hand crafted at a brewery near you.

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Survivors of violence seek peace in the New Year

A special mass, honoring the memories of the Detroit area merchants that were killed in a recent retail robbery, was held on New Years Eve. The victims are among the more than 300 retailers murdered locally in similar incidents since 1970.

The mass was held at Our Lady of Chaldeans Cathedral (Mother of God Parish) in Southfield.

"It is a time for healing and understanding," said Sam Yono, a family member of the most recent victims and AFD board member.

Neighbors, friends and family of Yousif and Jack Yono, a father and son killed in an apparent armed robbery at their eastside Detroit store on December 14 attended the mass, along with friends and relatives of Sean Seman, who was killed earlier this year in Detroit.

The Most Reverend Ibrahim N. Ibrahim, Chaldean Bishop of the U.S.A. led the mass.

How do you like them apples?

If you're an independent retailer, SUPERVALU can help you get to the real core of how to stay competitively polished and fresh in today's ever changing retail environment. As the nation's leading food distribution company and tenth largest food retailer, we have the capabilities to supply you with a grove of dedicated professionals who can assist you in picking the right variety of services to fit your business. You're in business to harvest sales and profits, and any way you slice it, SUPERVALU is the right choice to help you reap a bumper crop.

Call the Central region Business Development office today at 800.346.7008, or dial direct for Warren Disch at 937.374.7804, or Larry Bell at 937.374.7597.
Très Magnifique!

AFD’s 86th Annual Trade Dinner and Ball

An Evening in Paris

Fri., February 8, 2002

at Penna’s of Sterling

Black Tie, S’il-vous-plaît

Ooh, La La! Spend a romantic evening enjoying superb cuisine, dancing and entertainment with more than 1,000 industry leaders!

Co-Chairs:
Johnny Karmo, Market Square
Clark Walker, Coca-Cola Bottling Co.

A portion of every sponsorship will go to help the victims of the National tragedy.

Platinum Sponsor: $10,000
(Limited sponsorships available)
• Three tables of 10 for dinner (VIP seating)
• Fifteen company images for media presentation or 30-second commercial
• 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

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

Gold Sponsor: $7,000
• Two tables of 10 for dinner (Prime seating)
• Ten 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

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

Liquor Companies please call for additional details
General Admission:
Tables of Ten $1,000; Couples $250; Individual $125

Call AFD at (248) 557-9600 for details & reservations
DTE Energy brings a powerful new formula to the table. Our addition of MCN Energy adds invaluable gas-related assets to our portfolio. It also means we're now a fully integrated energy provider—combining the capabilities of two major Great Lakes utilities, Detroit Edison (electricity) and MichCon (natural gas). As a result, our business and residential customer base has expanded to over 3.3 million.

DTE Energy also takes the lead in non-regulated, high-growth fields such as coal services, merchant energy, energy trading, customized large project services, and key distributed generation technologies—like fuel cells and mini and micro turbines.

Finally, one energy provider that has all the right components.

Subway restaurants No. 1 again

Subway restaurants has, once again, been named the number one franchise opportunity for 2002 by Entrepreneur Magazine in its 23rd annual Franchise 500 ranking. The Franchise 500 is one of the most comprehensive franchise rankings in the world.

This prestigious honor has been awarded to the Subway chain 10 of the past 14 years.

In spite of the recessionary environment that is plaguing the economy, and the restaurant industry in particular, Subway is experiencing phenomenal growth. Not only is Subway the sandwich segment leader, and has been for many years, but its same-store sales are growing at a rate that is seven times the average at the top 50 fast-food companies in general, which includes such giants as McDonald’s, Burger King, Wendy’s and Taco Bell.

The all-time record number of Subway franchises sold in a single calendar year was broken recently—with more than 2,000 sold worldwide in 2001. The previous record of 1,923 franchises sold worldwide was set in 1994.

Spartan builds new supermarket

Spartan Stores, Inc. announced its intent to build a 46,000-square-foot supermarket in Zeeland, Michigan. Plans call for construction of the new neighborhood store to begin early spring, 2002, with completion expected in the late fall, 2002.

The new Spartan Store will be a key retail site for Spartan Stores, Inc. and serve as an anchor store for the proposed new retail shopping center. The shopping center site plan calls for an additional 77,000 square feet of retail space. West Michigan based Pentatech Development is the project developer.

"Spartan Stores is very pleased to announce today its plans to develop another new retail store right here in West Michigan. Zeeland is a growing area and we believe this new neighborhood supermarket will be a valued addition to this area," said James B. Meyer, Chairman, President and Chief Executive Officer of Spartan Stores, Inc.

Consumers 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, as well as a cafe and an in-store pharmacy with a drive-up for added customer convenience.

Since 1999, Spartan Stores, Inc. has acquired or developed 127 retail grocery and pharmacy stores in Michigan and Ohio and is now the largest publicly traded grocery retailer headquartered in West Michigan.

Join over 1,000 industry leaders for An Evening in Paris, AFD's Annual Trade Dinner & Ball Friday, February 8, at Penna's of Sterling Call Michele MacWilliams (248) 557-9690
General Wine & Liquor Company is proud to present the following Fine Cigars:

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- ASHTON
- LA AURORA
- LEON JIMENEZ
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- 5 SKUs proven in test markets to be big winners
- Containers come with a convenient, recloseable cap

14...AFD Food & Beverage Report, February 2002
Don’t your employees deserve the security and peace-of-mind of Wayne County’s HealthChoice?

With over 2,000 businesses and more than 21,000 members, Wayne County’s HealthChoice is the fastest-growing health-care coverage in Michigan.

Not only because of its unmatched affordability - you and your employee each pay just $43 a month* - but because of the exceptional quality of care HealthChoice provides.

“For the cost, we couldn’t believe the coverage could be this good.” said Juan Haygood, owner of Pete’s True Value Hardware.

“But it’s true: HealthChoice is everything it says it is, and more.”

Including coverage for doctor’s visits, emergencies, hospitalization, even prescription benefits. From a choice of six excellent provider networks.

For you, the Wayne County business owner, that means attracting better employees and retaining your best workers. For your employees and their families, it’s peace-of-mind, security, not having to worry about being able to afford health care when needed.

And if your business isn’t in Wayne County … maybe it should be.

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Call 1-800-WELL-NOW

* Single employee pays $43/mo. and employer pays $43/mo.; family coverage costs more; prices in 2001 may vary slightly.

Call 1-800-WELL-NOW for more information.
The Big Game Gets Even Bigger!

By Acting Commissioner James Kipp
On December 19, 2001, the New York Lottery announced that it will work with the seven states that currently comprise The Big Game – Michigan, Georgia, Illinois, Maryland, Massachusetts, New Jersey and Virginia – to develop a new multi-state jackpot game that will build on the success of The Big Game.

The addition of New York will significantly increase the player base for the game which should, in turn, allow jackpots to grow larger at a faster pace! This new partnership with New York will not only be successful for the states involved with The Big Game, but for our Lottery retailers as well. Look for more detailed information in upcoming months about this change to The Big Game.

Free Instant Ticket Coupon.
This month the Lottery is giving you an excellent opportunity to promote instant game tickets in your stores. Special flyers were inserted into select home-delivered newspapers across the state on February 3, 2002. Each flyer features a coupon for one free $2 instant game ticket with the purchase of any $5 instant game ticket.

The process for redeeming the coupons is very easy. When a customer comes into your store, makes a $5 instant game purchase and presents a valid coupon, all you need to do is give them the $2 instant game ticket of their choice. Simply scan the barcode on the coupon at the time of purchase, then enter the underlined five-digit number from the coupon through your terminal. You do not need to turn the coupons in to the Lottery. Instead, handle the coupons as you would a validated winning instant game ticket.

After you receive the pay/cash authorization, the credit will be shown as a $2 instant validation on your reports. And, best of all, you will also receive a two-percent cashing commission on each coupon you take in!

The coupons expire on March 3, 2002, so you should stop taking them from customers after that date. Retailers will have until March 17, 2002 to scan the coupons and receive credit. This special coupon program will help boost your instant ticket sales, which in turn, will help increase your commissions.

Remember that on January 1, the Lottery introduced a new incentive-based instant ticket commission structure. If your instant ticket sales are at least two-percent higher than they were in the same quarter last year, you will earn an additional one-percent on your total instant ticket sales for that quarter. I strongly encourage you to take advantage of this opportunity to prominently feature the Lottery’s instant games in your stores, and don’t forget to ask for the sale.

New Instants. The Lottery is excited to debut five new instant games in February. On February 7, Lottery players will be winning big bucks when the $2 “Blackjack Doubler” instant ticket goes on sale offering a $21,000 top prize! Also on February 7, the Lottery will bring back the very popular $2 “Cashword,” with a top prize of $35,000. Your customers will be looking for a pot of gold at the end of the rainbow on February 14 when the $2 “Rainbow Riches” goes on sale offering a $17,000 top prize. Fast cash is what Lottery players will be winning with the $1 “Fast 5’s,” which goes on sale February 21 offering a top prize of $1,000. Finally, on February 28, the $2 “Jackpot Jungle” instant game will have players jumping up and down with a $30,000 top prize.
The National Association of Convenience Stores (NACS) is conducting an updated crime census in 2002 to establish the rates of violent crimes (homicide, sexual assault, robbery and aggravated assault) in the convenience store industry for 2000 and 2001. In addition, NACS will gather information to profile the various forms of security countermeasures in place in the industry today.

"The first phase of research will help establish the movement of crime rates in the industry," said Teri Richman, NACS' senior vice president of strategic alliances and initiatives. "There are several reliable predictors of crime that indicate that it may soon be on the rise. We feel it is important to get ahead of this trend in updating our research."

Richman noted that the new research is already timely, with recent reports released by the FBI and the Labor Department's Bureau of Labor Statistics (BLS) showing that after nearly a decade-long reduction in crime, the rate of decline is shrinking, and in some cases, beginning to increase.

The FBI's 2000 Uniform Crime Report shows that 'serious' crime, which includes violent crime, dropped 0.2 percent, the ninth straight year of decline. However, the rate of decline was the lowest since 1991, and convenience store robbery was up 2.0 percent following years of decline.

The BLS' annual report, The National Census of Fatal Occupational Injuries in 2000, finds that workplace homicides increased 4 percent from 1999 to 2000, the first increase in six years. Even worse, grocery store homicides, which include convenience stores, increased 42 percent from 1999 to 2000.

Meanwhile, on Dec. 17 the FBI released its Uniform Crime Reports, January – June 2001, which shows that robbery and murder increased in 2001. The reports, which provide preliminary "snapshots" of data, show a 0.8 percent increase in robbery and a 0.3 percent increase in murder. In addition, experts are warning that the economic downturn that was worsened after the Sept. 11 terrorist attacks will lead to an additional increase in crime over the second half of the year.

"These data suggest that retailers, including those in the convenience store and petroleum marketing industry, need to redouble their strategies to reduce crime through using validated security measures such as good cash control, limiting escape routes, maintaining good visibility and lighting throughout the store, and training employees in safety and anti-violence measures," said security expert Rosemary Erickson, president of Athena Research Corp.

"One reason given for the decrease in homicide in retail trade in previous years has been the strategy to reduce violent events that has been in place for over two decades in certain retail settings, particularly convenience stores," said Erickson.

However, Erickson has predicted an upswing in crime beginning in 2000 based on the increasing population of young people in the crime-committing age group of 18 to 24. "The latest figures from the FBI show that this may be beginning to happen," said Erickson. "Other indicators may combine to further increase crime in the coming years, such as a decline in the economy, the large number of people being released from prison, the impact of terrorism events, and a proposed shift for the FBI away from crime fighting to counter-terrorism efforts."

NACS' security research is expected to be completed and released in the second half of 2001. NACS has developed talking points for retailers on issues related to store safety.


Congratulations, AFD, on another "Magnifique" Trade Dinner!

Watch for these great New Product Releases from 7-Up Bottling Group

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Customers crave ‘community’

By James Hervey

Any one who has ever logged hours behind the cash register of a convenience store knows all about the “regulars” — the men and women, boys and girls who are in the store every day.

They spend money, hang out, and even become part of the family of the store. Not only do they know the stuff, they know each other. Several of my regulars even knew the vendors by first name.

For these customers, the neighborhood convenience store is not just a place to buy gas, bread, or cigarettes, it is part of the community, part of how they experience life. And I would bet that their guest check average is a lot higher than the person you only see once in a while.

We as an industry have always seen this relationship, this building of community with our best customers, as one of the greatest strengths of our channel of trade. Interestingly enough, validation of one of the cornerstones of our channel of trade is beginning to show up in a rather non-traditional place - online retailers.

I was struck recently reading an article in E-Commerce Times titled “Community Pays Off for E-commerce Sites” by McKinsey & Co. showing that users of online community features such as chat rooms, bulletin boards, and product-review pages visit websites nine times more often than non-contributors and are twice as likely to buy a product.

Some of you may know that Ebay, the famed Internet auction site, is consistently a profitable dot-com in a world where profitability is not generally the norm. Interesting to note that Ebay does not have customers — it has “members,” and Ebay never refers to its customer base, preferring the term “community.” Leveraging the sense of community among the members has made Ebay successful at online auctions where others have failed.

I have a feeling that in this increasingly fast-paced world there is a part of many of us that (even if some of us are too young or suburban to remember it) years for the days of sitting on the porch of the local grocer or around the furnace at the general store.

The neighborhood convenience store is a place where people can still find that. And in my years out in the field, community never seemed to fail as a business model. It seems that websites might be realizing this as well.

Which makes me think of something Kevin Coupe, the content guy for MorningNewsBeat.com said to me not too long ago — “maybe the real conclusion is there is no new economy, only a next economy.”

Reprinted with permission by National Association of Convenience Stores
Dairy Mart’s Bankruptcy Battle could signal difficulties for others

If a bankruptcy reform bill now being debated by a joint Senate-House committee becomes law, retailers could face stricter rules on leases and administrative claims and could find it harder to get out of these if they file for Chapter 11 bankruptcy, says a report in The Daily Deal. Retailers that file for bankruptcy face not only the challenge of repairing their businesses, but also the rigors of bankruptcy itself, the report says, citing Dairy Mart Convenience Stores Inc., which filed for bankruptcy in late September 2001.

“This is really something new,” Eric Beder, an analyst with Ladenburg Thalmann, New York, told the publication. “Retail bankruptcies used to be relatively clean. Now everyone is coming out of the woodwork to claim something.”

Foothill Capital Corp., the provider of $46 million in Debtor-in-Possession (DIP) financing to Dairy Mart has been “under siege” involving its rights to the retailer’s nonfuel inventory, according to the report.

Dairy Mart’s biggest food supplier, McLane Co. and its McLane Food Service Inc. unit, said it should hold rights to the inventory. Other vendors of Dairy Mart also argued that they, too, had reclamation rights to inventory.

Dairy Mart argued that such requests are unacceptable in normal bankruptcy proceedings. But the judge in the case left unresolved whether the lender or wholesaler has claims on the chain’s non-fuel inventory. That’s “chilling” news for retailers and especially for lenders providing DIPs, the Deal says.

For the most part, Hudson, Ohio-based Dairy Mart’s stores have remained open for business as usual; however, the company has closed one unit, located in Owensboro, Ky., says a report in the Owensboro Messenger-Inquirer. The closure was based on the store’s declining performance over the past several years, according to company spokesperson Betty Yopko.

The store cut all grades of gasoline to 98 cents per gallon in an effort to deplete supply, assistant manager Mark Ratajczak told the paper. But no other reductions in stock will be put in place. Vendors will pick up what’s left of merchandise to relocate.

The company currently has 540 stores in Kentucky, Ohio, Tennessee, Pennsylvania, Indiana, North Carolina and Michigan.
Stoney Creek Brewery settles into Detroit

By Karen Braschak

After overcoming natural disaster, a local brewery is happy to bring its production line home to Michigan. The Stoney Creek Brewing Company is poised to take off with a new restaurant, expanded product lines, and much eagerness to showcase the fruits of their hard work.

With beer already available to retailers of the metro area and in eleven other states, Stoney Creek Brewing Company is quickly expanding its renown. A tornado forced production from their Frankenmuth facility to Minnesota for four years, but Stoney Creek purchased the former Atwater Brewery and restaurant earlier this year. The company is headed by five equity holding managers—Sam Awdish, Dave Morgan, Marc LeVack, Dean Jones, and Dan Gasser—with several decades of combined experience in the restaurant and brewing business.

Sam Awdish, Stoney Creek’s president, said that the company is happy to be in Detroit, a decision they made with care. “With the Superbowl coming in five years and the other good things happening in Rivertown, we want to be part of it.”

The restaurant menu and the Stoney Creek name were chosen to celebrate the Michigan outdoors.

Awdish explained that the company bought not only the Atwater restaurant and brewery but the brand as well. Stoney Creek is putting the Atwater beers back onto store shelves, and consumers are eager after the year and a half absence.

The brewery itself is a source of pride. Awdish explained how well Atwater Brewery had set it up, with overhead stainless-steel piping to the cellar, “no hoses over the floor.”

There are fifteen tanks, eleven conditioning tanks, and four fermenters, all part of their top-quality brewing system that is completely automated and computer controlled.

And their beer has already achieved worldwide acclaim. “We’re one of only twenty-six breweries in the world to have won more than one medal in the 2000 World Beer Cup,” Awdish announced with pride.

Stoney Creek’s Original Vanilla Porter has won eleven medals itself. Chronic Pale Ale has also done well at shows and “is set to take off,” he said.

Not only critics, but consumers too have given spectacular feedback about Stoney Creek beers. “There are a lot of things I like,” said Awdish, “but I don’t know if I would take the time to write to a company when they do something right. We have received a surprising amount of mail. Someone even said that finding our beer was the best part of their vacation. Lots of people contact us saying that they tried it somewhere, wanting to know where they can get more.”

The restaurant currently offers eight beers on tap, from Stoney Light to Double Chocolate Ale to Hefe-Weizen and Atwater Pilsner. Four beers are set to be sent to market with plans to expand that to six, Awdish said.

Before the restaurant opened, the famed Vanilla Porter accounted for ninety percent of Stoney Creek’s sales, with an unusual thirty percent of those consumers women. Stoney Creek was the first brewery in the world to brew with vanilla beans, and the beer often surprises people with its full and heavy flavor. “They either love it or they hate it,” Awdish said. “People are used to the flavor of vanilla in milkshakes and ice cream, and this is different.”

Independent website reviews of Original Vanilla Porter called it a superb after dinner beer, and a “sure bet for the holidays.” I much enjoyed the Vanilla Porter and the two Stoney Creek beers I tried. A connoisseur friend judged them, particularly the wheat beer, to be on par with German quality.

Stoney Creek is a company that gets things done, from opening the restaurant ahead of schedule to rapidly diversifying their product lines. There will soon be alternatives to beer in the restaurant—red and white wine, hard lemonade and hard cider are in the works.

Stoney Creek Brewing Company also provides private label bottled spring water for orders of any size, from a few cases for a small charity event to hundreds of cases for the MGM Grand. Stoney Creek handles label design and production, too, from any logo. Turn around time is usually only two weeks.

Bottled water is the fastest growing beverage market, Awdish explained, and their line is a great way for restaurants, stores, and fundraisers to create their own branded water at a low cost. A case of bottled water is normally eight to ten dollars, but privately labeled water from Stoney Creek runs less than a dollar more per case.

The partners of Stoney Creek are excited about their new restaurant and menu. “It gives us a chance to put a beer on special, to have a captive audience to try them,” Awdish explained. The menu is diverse and includes fresh fish, Italian pasta, even buffalo—along with the pizza and other brewpub staples. Stoney Creek recently added a corporate sales person for event planning as well.

Hockey nights attract “a whole mix of people,” said Awdish. Stoney Creek offers a shuttle service to all Red Wings games. The restaurant has a “pretty extensive kids menu,” welcoming families to come enjoy the fifteen-foot projection TV and fireside lounge, too. Stoney Creek even offers a carry-out menu of entrees and pizza to salads and sandwiches.

Awdish extended an invitation to retailers, “They are more than welcome to come down and sample beers so they can pick and choose what will suit their customers.”

Stoney Creek’s website contains their menu, maps, a schedule of shuttle service to hockey games and more at www.getstoney.com, or call (313) 877-9205.

For distribution information, please contact Dave Morgan, Vice-President, Sales and Marketing at (313) 877-9205.
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"I go to the show to learn about the latest trends in the industry, and see if any unique ideas are appropriate for our stores," said Thom Welch from Hollywood Supermarkets.

"I'm looking for new products; I want to see something different," said Richard Schiff from Richard's Drugs.

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Tues., April 23, 2002
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No bags allowed in or out. Proper attire, please. The law demands that you must be at least 21 years of age to attend this Trade Show.

"I came to the show with a specific agenda, to purchase products that could be used for a Spring/Summer promotion," said Bill Schmid from Manhattan Marketplace.

"My customers are looking for fast and easy meals-on-the-go, so I want to see branded food concepts," said Jay Beydoun from Jay's Redford Amoco.

Call Ginny at AFD for more information at (248) 557-9600 or gbennettafd@pop.net.
Helpful information on back pain and injuries

True or False, see if you know your “back facts”

1. Very few people are affected by back pain.
2. Back injuries cost employers an estimated $10 billion a year.
3. The back is a complex system of bones, discs, muscles and nerves.
4. The spine is a straight column of rigid bones.
5. The safest way to lift an object is to stand close to it, bending your knees and letting your legs do the work.
6. Regular exercise will keep your back limber and help prevent injury.
7. A lumbar support or rolled-up towel placed in the small of your back while sitting will relieve stress on your spine.
8. Your lower back is subject to greater mechanical stress than any other part of your body.
9. If you’re under 50, there’s no need to worry about osteoporosis.
10. Once you’ve injured your back, you can never fully recover.

Answers

1. False. Eight out of ten people will suffer from back pain in some point in their lives.
2. True.
3. True.
4. False. The spine is a strong yet flexible S-shaped column composed of small bones and discs. It is designed to support the weight of the body while allowing graceful movement.
5. True.
6. True.
7. True.
8. True.
9. False. Although osteoporosis is a disease of older people, you can make dietary and lifestyle decisions at any age to help reduce your risk. Following a regular fitness program (including weight-bearing exercises to increase bone mass) and selecting a diet rich in calcium are two ways to reduce your risk.
10. False. With proper medical attention and treatment, most people can recover from back strains and sprains and live full lives. The key to recovery is to strengthen your back to increase flexibility.

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Tax relief – What’s in it for you?

By Michael J. LoGrasso, CLU, CRPC

With enactment of the much-talked-about Economic Growth and Tax Relief Reconciliation Act of 2001, nearly every taxpayer will see their federal tax burden drop. How greatly will you be affected? To give you an idea, we’ve summarized the major provisions of the new law below:

Lower Income Tax Rates
The new law lowers individual income tax rates over the next five years. (See table A.) It also creates a new 10% individual income tax bracket for a portion of taxable income that is currently taxed at 15%, effective for taxable years beginning after December 31, 2000. Rather than incorporating the 10% rate into the 2001 tax rate schedules, the new law directs the Treasury to mail an “advance refund” check to most individual taxpayers who filed a return for 2000. The maximum refund will be $500 for a married couple filing joint returns, $500 for heads of household, and $300 for single filers and married persons filing separately.

<table>
<thead>
<tr>
<th>Year</th>
<th>Estate Transfer Exemption</th>
<th>GST Exemption</th>
<th>Highest Transfer Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$1 Million</td>
<td>$1.06 Million indexed</td>
<td>50%</td>
</tr>
<tr>
<td>2003</td>
<td>$1 Million</td>
<td>$1.06 Million indexed</td>
<td>49%</td>
</tr>
<tr>
<td>2004</td>
<td>$1.5 Million</td>
<td>$1.5 Million</td>
<td>48%</td>
</tr>
<tr>
<td>2005</td>
<td>$1.5 Million</td>
<td>$1.5 Million</td>
<td>47%</td>
</tr>
<tr>
<td>2006</td>
<td>$2 Million</td>
<td>$2 Million</td>
<td>46%</td>
</tr>
<tr>
<td>2007</td>
<td>$2 Million</td>
<td>$2 Million</td>
<td>45%</td>
</tr>
<tr>
<td>2008</td>
<td>$2 Million</td>
<td>$2 Million</td>
<td>45%</td>
</tr>
<tr>
<td>2009</td>
<td>$3.5 Million</td>
<td>$3.5 Million</td>
<td>45%</td>
</tr>
<tr>
<td>2010</td>
<td>Taxes Repealed</td>
<td>Taxes Repealed</td>
<td>35%</td>
</tr>
</tbody>
</table>

*Advance tax rate equal to the highest individual income tax rate.

The law contains a “sunset” provision that reinstates the current law (2001) for taxable years beginning after December 31, 2010. So, unless Congress changes the law in 2011, the tax rate will be back to 55%, with an exemption of $1 million.

Table A

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate Reduced to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>27.5%</td>
</tr>
<tr>
<td>2002-2003</td>
<td>27%</td>
</tr>
<tr>
<td>2004-2005</td>
<td>26%</td>
</tr>
<tr>
<td>2006 and after</td>
<td>25%</td>
</tr>
</tbody>
</table>

Step-up in Basis
Starting in 2010, the present rules providing for a fair market value — “stepped-up” — basis for property inherited from a decedent will be repealed and replaced with a modified carryover basis rule. In general, the basis of property received from a decedent will be the lesser of (1) the decedent’s adjusted basis in the property or (2) the property’s fair market value on the date of death. The new rule allows a limited step-up in basis. (1) generally a $1.3 million basis increase is permitted. An additional $3 million basis increase is available to a surviving spouse. Thus, an estate of a decedent with a surviving spouse could pass up to a total of $4.3 million with a step-up in basis for the appreciated portion of their property.

These are only some of the many changes wrought by The Economic Growth and Tax Relief Reconciliation Act of 2001. Other changes could have a major impact on most people’s financial, retirement, and estate planning. Your professional financial advisor can help you determine how greatly you are affected.

Higher Child Tax Credit
Before the new law, qualifying taxpayers could claim a $500 tax credit for each qualifying dependent child under the age of 17. Under the new law, the child tax credit is increased to $1,000 over 10 years, starting in 2001.

Estate Tax Repealed — Gift Tax Reduced
Starting in 2002, the top estate and gift rates will drop gradually and the amount of property exempted from estate and generation-skipping transfer (GST) tax will increase in steps. The GST tax is applied to lifetime or death-time transfers to a member of a generation more than one generation younger than you — a grandchild, for instance. It’s equal to the highest estate tax rate and is paid in addition to estate tax.

Itemized deductions and personal exemptions
Higher income taxpayers are limited in the amount of itemized deductions they can claim and often are unable to use some or all of their personal exemptions as well. Under the new law, the limitation on itemized deductions and the personal exemptions “phase-out” will be reduced by one-third in taxable years beginning in 2006 and 2007, and by two-thirds in taxable years beginning in 2008 and 2009. The limitation on itemized deductions and the phase-out of personal exemptions will be eliminated for taxable years beginning after December 31, 2009.

Check Cashing
cont. from cover
 Laundering rules from ill-gotten gains on account of illegal businesses and as an attempt to otherwise prevent the exchange of monies between individuals involved in terrorist activities.

The record keeping requirements are significant. You must maintain monthly records delineating internally how much total business you did and who your financial sources are. If you are otherwise required to register and you fail to do so, you can be assessed a $5,000 fine for each violation of the act, which is interpreted to be for each day on which a violation occurs.

If you have more questions, visit the website, or call the Detroit Computing Center of the IRS at 1-800-800-2877 for further information. AFD is able to answer some general questions, but cannot provide legal advice as to whether your particular store meets the requirements of the new regulations.

It is safe to say, however, that if you generally cash checks as a regular part of your business, whether they be third party checks or personal checks, you are required to register. If you have not done so, you should contact the appropriate authorities immediately and complete your registration. Once registered, you must maintain detailed records on a month-by-month basis of who you do business with internally, and the amount of money that you transact as part of your check-cashing business monthly. Finally, you may have a series of transactions in any given day with a single customer that exceeds $1,000 must be separately reported and separately recorded in your records, indicating the name and address of the person purchasing the money order and the name and address of the party receiving it. It is suggested that copies of the money orders also be maintained when they exceed $1,000.

These are federal rules imposed nationwide and affect all businesses who cash checks or issue money orders as a regular part of their business.

26.... APD Food & Beverage Report. February 2002
Blue Cross Blue Shield of Michigan gives generic drug coupons to make prescription drugs more affordable

Blue Cross Blue Shield of Michigan has launched its new Generic Coupon Pilot Program that will be piloted to 7,000 of its members to provide them with information about the value and quality of generics and the potential for out-of-pocket dollar savings.

The program is among the first instances of health plans going directly to members with coupons. Finding ways to help keep drug costs affordable for consumers is causing health plans to look for ways to help consumers learn more about the value of various drugs. Health care plans are closely examining studies that point to the growing role of direct-to-consumer advertising and how it may lead some consumers to ask for brand-name drugs when generic versions, offering value and less out-of-pocket expense, are also available.

Direct-to-consumer (DTC) advertising, and how it can impact the costs of health care, was the subject of a recent Kaiser Family Foundation study, which found 30 percent of survey participants talked to their doctor about a drug they saw advertised. Of the participants who talked to their doctor, 44 percent got a prescription for the advertised drug. The results indicate DTC advertising increases consumer demand for the most recently released, brand-name drugs, while the quality and value of generics is often lost among the persistent messages about newer drugs.

Another study, this one by the National Institute for Health Care Management, found that the 50 most heavily advertised drugs last year accounted for almost half of the increase in spending on pharmaceuticals. The combined sales of these drugs increased 12 percent, compared to only 3 percent for the other 9,900 prescription drugs on the market.

Advertising spending for drugs rose 15 percent from 1999 to 2000, or from $1.8 billion to $2.5 billion, according to the study. Advertising and marketing costs contribute to the expense of prescription drugs, which in turn, is one of the most significant factors in rising health care premium rates.

A national publication reports the impact of DTC advertising on health care trends and other related issues is prompting the U.S. Food and Drug Administration to design upcoming studies and could generate new guidelines to regulate DTC advertising.

To increase consumer awareness about the value of generic drugs that are not heavily advertised like newer, brand-name drugs, the Michigan Blues are mailing letters to nearly 7,000 plan members, inviting them to take part in the coupon pilot. It offers a one-time waiver of the member copay when the member switches to a generic equivalent of one of the health plan's 25 most prescribed, brand-name prescription drugs that have generic equivalents. Member out-of-pocket copays for generics average $10 to $15. The generic prescription drug coupons will be honored by pharmacists across the state between January 1 and June 30, 2002.

The Blues designed the program to keep individuals' specific prescription needs confidential. It is limited to members of small groups underwritten by the Blues.

Each recipient may use the coupon for a first supply of a generic substitution for any of 25 drugs listed on the coupon. Generics for these drugs are already used more than 90 percent of the time by Blues members.

According to the FDA, there are no documented examples of a generic product manufactured to meet its approved specifications that could not be used interchangeably with the corresponding brand-name drug. The FDA allows the drugs to differ in color and shape; however, both generics and brand-name drugs are held to the same testing standards and must be absorbed into the bloodstream at the same rate and in the same amounts.

Marianne Udow, Blues senior vice president of Health Care Products and Provider Services, said the pilot program could benefit members in several ways. "It should help demonstrate that generics are quality prescription drugs that are as safe and effective as brand name drugs, just not advertised. The pilot could also result in significant savings for consumers and purchasers of health benefits, thus making health care more affordable for more of our citizens," she said.

The goal of the pilot is to encourage long-term change and thus support the Blues' overall mission of helping to make health care affordable and accessible in Michigan. Members that take advantage of the coupon can actually save more than the cost of generic copay, because on subsequent refills, many members have a higher copay for brand-name drugs. Thus, the cost of brand-name drugs is greater than the cost of generics, so the pilot could actually save members money.

See Blue Cross Blue Shield, Page 31
Petruzzello's Banquet and Conference Center has roots in grocery business

By Michele MacWilliams

Frank Petruzzello Sr. didn't intend to open a banquet facility. As a young entrepreneur, he started out as a grocer. His store was DeLasalle Market, located near City Airport in Detroit. From the store, the Petruzzello family began a small catering company. As the business grew, Frank brought his son, Joe, in to help. Joe really loved catering. He had a special talent for planning parties, developing menus and taking care of the details.

Through the years, the catering end of the business grew and became more important.

"My father was always looking to make things elegant," says Joe's son, also named Frank. "With each new party he catered, Dad kept fine-tuning his work, making it more and more upscale."

Seeing the growth of the suburbs back in the late '70s, Frank Sr. and his son Joe looked north for land to expand their catering business and build a banquet facility. They found what they were looking for on Rochester Road, in north Troy.

At that time, Rochester Road had only two lanes. Much of the surrounding land was undeveloped.

"They had the foresight to come out to Troy," adds son Frank. "Dad knew that it wouldn't be long before the population would surround their land."

They chose the location because it was located between I-75 and M-59, between the east-side and west-side suburbs of Detroit.

The Petruzzello family sold their store in Detroit and built the banquet and conference center. In 1979 their carefully planned state-of-the-art facility opened at 6950 Rochester Road, on the corner of South Boulevard.

Being of Italian descent, the facility featured traditional Italian dishes, such as Chicken Piccata and Penne with Meat Sauce. However, they also included American favorites like Roast Tenderloin and Flamed Prime Rib.

Through the years the Petruzzello family has grown and continues to work in the business. Grandson Frank handles the day-to-day operations with sister Donna Brady. Even Donna's daughter helps out. Although only 10, she sometimes comes in to set tables and assist with other small jobs.

Making seamless, upscale, creative dining events is a passion of the Petruzzello family. From white-gloved wait-staff to cigars and Cognac on the patio, Petruzzello's provides the food and atmosphere that makes an event special and memorable.

In keeping with the family's high standards, the 25,000 square-foot facility just completed a $1.5 million renovation.

New floor coverings, chandeliers imported from Italy, marble dance floors and lit head table backdrops are all part of the recent updates.

Menus are up-to-date too, offering variety that will suit just about any occasion. Along with traditional banquet fare, Chef Reggie Cybulski, who has been with Petruzzello's for over 15 years, also offers unique dishes for those that want to add a little variation to their party.

International stations, including Middle Eastern, Italian, Oriental and Mexican are popular. Another option is sauteed garlic shrimp by the chefs in the dining room. Chef Reggie will also accommodate most special requests.

"We take pride in being able to plan the party that our customers really want. We provide consultation at no charge and can provide everything for a special event, including invitations, flowers, chair covers and ice carvings," says Donna.

"Really, we can be a one-stop shop!"

For more information on Petruzzello's Banquet and Conference Center, call (248) 879-1000 or visit www.petruzzellos.com.
Spartan Stores, Inc. names Kenneth T. Stevens to its board of directors

Spartan Stores, Inc. announced the election of Kenneth T. Stevens to the board of directors. Mr. Stevens has served as Chairman and Chief Executive Officer of Bank One Retail Group, President and Chief Operating Officer of the Taco Bell Division of PepsiCo, and a partner in McKinsey & Company, an international consulting firm. Currently, Mr. Stevens is a private investor based in Columbus, Ohio. He also has served as a director of LaQuinta Inns, Inc. Mr. Stevens holds a Masters in Business Administration degree from the University of Southern California, Los Angeles.

"We are delighted to have Mr. Stevens join our outstanding group of directors. We look forward to his contribution and know that his experience leading one of the nation's most respected retail banking operations and retail food franchises will prove invaluable to Spartan Stores, Inc.," said James B. Meyer, Chairman, President and CEO of Spartan Stores, Inc. Mr. Stevens was elected to Spartan's board December 12, 2001, and his election brings the total number of directors to nine.

Beads and balconies

Two of the most enduring icons of Mardi Gras – beads and balconies – are the featured attractions in colorful, high-impact point-of-sale materials created by Miller Lite to highlight the upcoming Mardi Gras season. The on and off-premise POS include dazzling images of the French Quarter in New Orleans, as well as crowds, masks, and the three colors of Mardi Gras – gold, green and purple. Off-premise materials include display cards, basewrap, case cards and string pennants. On-premise materials include imprint banners, wall decorations, table tents, posters and flags. Wearable merchandise includes beads, glow buttons, a 64-oz plastic bottle pitcher and T-shirts. All materials are available from Miller distributors where legal.

Liquor Control Commission announces Electronic Liquor Price Quotation System

Michigan is first of 18 control states to offer paperless Internet liquor quoting application

The Michigan Liquor Control Commission (MLCC) together with the Department of Information Technology, recently launched the state's new Internet-based liquor price quoting system website. "E-Quote is the first paperless Internet liquor price quoting application among the 18 control states that wholesale liquor in the U.S. " said Daniel Gustafson, Liquor Control Commission chairman.

Suppliers will use the service to send in price quotations. They will then direct Commission staff to supplier web sites to view product labels and pictures for the appropriate content. Commission staff will also use Federal web tools to ensure the product has first met government approval before considering it for sale in Michigan.

Suppliers of liquor to Michigan can now file, view and change their records at any time, any day. They also receive electronic confirmation of their transactions.

The website is password protected and access is limited to registered liquor suppliers. The Michigan Liquor Control Commission's Liquor Price List showing all liquor products for sale in Michigan can be viewed and searched at the Commission website: www.cis.state.mi.us/lcc.

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State Rep. Mary Waters listens to her constituents' concerns

by Kathy Blake

People in Mary Waters district have someone who will listen to their problems and help them solve their problems. State Representative Mary D. Waters (D-4, East Detroit) is a relentless advocate for her constituents. She says she thoroughly looks into every request that she receives and attends all neighborhood meetings.

Recently, senior citizens who crosses Woodward at Alexandrine called on Rep. Waters because the light didn’t stay green long enough for them to cross. “The family had been trying to get it fixed for six years,” says Waters. “I wrote the mayor, who wrote MDOT and they took care of it and wrote me back.”

She learned the art of listening to people's concerns while working for Blue Cross Blue Shield. She started out in claims processing and advanced to corporate communications. She says she was always a good will ambassador during her 21 years with the insurance company. Whenever someone brought a problem to her, she would expedite a solution and follow through to insure it was resolved. She says her corporate work experience has helped her do her legislative job.

In her first term as state representative, Waters has championed community health issues, which are close to her heart. She publishes a newsletter with information regarding health clinics, public services and wholesome family programs and events. She fully supported a bill which extends coverage for a project in three weeks. In Detroit, it takes much longer to get approval. Not only that, but she says that Atlanta vendors don’t have to wait as long to get paid. Atlanta is ahead of Detroit technologically too.

The benefit of attending a conference like that is to see how other states do things and perhaps pick up ideas to make life better here. Waters is a graduate of the Detroit Business Institute and the University of Michigan. She was born in Alabama and moved to Detroit after graduating from high school.

Before being elected to the state legislature, Mary served her community as vice chair of the Detroit Charter Commission to revise the city’s charter. She also worked as a development representative. Waters has published a newsletter with which are close to her heart. She was a State Representative for 30 years of its advertising life used to he.

The exception would be if the doctor's acts amount to gross negligence or misconduct and if those actions were carried out in a deliberate attempt to harm the patient. Most of the physicians covered by this bill are retired physicians who are generously donating their time and expertise to the underserved and the under-privileged. The bill passed last July and is in the Senate for consideration.

In the State House, Rep. Waters serves on the Civil Law and the Judiciary Committee, the Regulatory Reform Committee and the Commerce Committee. Her sub-committees on Commerce include Banking (DVC), Economic Development and Tourism. Rep. Waters is dedicated to improving the quality of life for her constituents. “I think about how I can make things better, how I can make a difference,” 24/7. Even when I travel, I think about it wherever I go,” says Waters. Recently at a conference in Atlanta, Georgia, she learned that business ventures there can get approval for a project in three weeks. In Detroit, it takes much longer to get approval. Not only that, but she says that Atlanta vendors don’t have to wait as long to get paid. Atlanta is ahead of Detroit technologically too.

In 1997, Waters was a graduate of the Detroit Business Institute and the University of Michigan. She was born in Alabama and moved to Detroit after graduating from high school.

For more information, call (313) 561-5390 evenings. Leave name, telephone number on answering machine.
USDA approves use of activated Lactoferrin on beef

The U.S. Department of Agriculture (USDA) has approved the use of activated lactoferrin on fresh beef, providing beef processors with a food safety technology that protects consumers from harmful bacteria.

Activated lactoferrin is a natural protein found in milk and dairy products. It has been shown to protect fresh beef against E. coli 0157:H7 and more than 30 different types of pathogenic bacteria, including Salmonella and Campylobacter. The technology is unique in that it prevents pathogenic bacteria from attaching to meat surfaces, in addition to preventing growth. It will be available to beef processors worldwide who want to use the technology to improve the safety of their beef products.

Farmland National Beef, the nation's largest producer-owned beef processor, expects to be the first company to offer fresh beef protected by activated lactoferrin, once final application systems development and testing is completed.

Blue Cross Blue Shield
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A member who participates in the six-month pilot and chooses generics for multiple refills could save up to $200 in some instances.

Atheer Kaddis, Blues director of Pharmacy Services, said the projected total savings for Blues customers for the pilot alone are pegged at nearly $1.5 million, if BCBSM can achieve a 100 percent participation rate. Kaddis said, "Ultimately, if the pilot proves successful, it will be expanded to a larger population and possibly to large group customers whose plans are managed by the Blues."

A successful pilot will also contribute to the Blues' goal of increasing member generic use by two percentage points. A one percent improvement in the generic rate for Blues customers would result in savings of $17 million. The current generic dispensing rate (the rate of generics dispensed in proportion to all drugs dispensed by a health plan) hovers at about 38 percent.

The Generic Coupon Pilot is part of a larger initiative launched by the Blues last August. The full initiative includes a communications campaign that will be rolled out over the next several months directed at consumers and health care providers as well as a competition among pharmacies to increase generic dispensing rates. The winners of the pharmacy competition will be featured in a $1 million advertising campaign sponsored by the Blues in spring 2002. More than 1,000 pharmacies have joined the competition to promote "generics: the unadvertised brand."

Consumers can learn more about generic drugs at the Blues Website, www.bcbsm.com/generic. Blue Cross Blue Shield of Michigan and Blue Care Network of Michigan are independent licensees of the Blue Cross and Blue Shield Association.

MGM Grand introduces new packages

MGM Grand Detroit Casino has introduced a new "Grand Getaway" package program that offers discounts at Detroit area hotels, along with MGM Grand meals and gifts.

When customers stay in one of the participating hotels, they also receive two free buffets and two free gifts at the casino.

The Grand Getaway packages start at $69 per night, per double room. For more information, call MGM Grand Detroit Casino at 1-877-847-8471.
The thrill (and benefit) of bundling

A win-win for customers and retailers and tips to making it work in your store.

Not long ago it seemed that fast-food operators had the market cornered on meal deals as a means of boosting sales, gaining customer loyalty and increasing brand awareness. But convenience store operators looking to garner the same success have caught on to the potential ticket-increasing, traffic-driving power of the bundled deal.

The offers are varied and cross all day-parts from a bagel sandwich and orange juice for breakfast to a fountain drink continues to be a staple personal pizza and drink for dinner. A bag of chips or candy bar with a fountain drink continues to be a staple offer, but retailers are also pairing good-for-you products like energy bars with bottled water and other alternative beverages to cater to consumers' diverse needs. "It's about providing customers with solutions," says Eric Kolber, products and services programs development manager for CITGO, Tulsa, Oklahoma. "You have to ask yourself 'what can I do to provide the customer with an easy buying experience?'"

Bundled promotions at work

Nancy Prior, national product category manager for Houston-based Equiva Services, says the first thing to do is determine the goal of a bundled promotion. Take fountain. Each fountain promotion should have a different strategy, according to Prior, "whether it's to increase the size of ring with existing fountain customers by bundling with a salty snack, converting customers from the cold vault with price incentives and add-ons or building repeat business with frequent customer and refill programs."

Kolber creates bundled deals to drive volume. Big-grab salty snacks and candy are "sure bet add-ons" to fountain purchases and are easy to merchandise near the fountain. He says value-added fountain programs work best when the second item is doing high volume.

Bundled promotions also help stimulate trial. Thornton Oil recently launched a new line of breakfast sandwiches manufactured by Cincinnati-based Pierre Foods. To introduce the new sandwich line to customers, the Louisville, KY.-based chain ran a month-long combo promotion that included a free 20-ounce coffee or fountain drink with the purchase of a sandwich for $1.99. "We wanted to make sure the customers tried the sandwiches," says Keith Solvig, foodservice category manager. "We wanted to hook them with the quality and establish a buying pattern."

Solvig reports that the bundled deal has resulted in an increase of its breakfast sandwich sales from about five per day per store to more than 22 per day per store.

Bakersfield, California-based Fastrip Food Stores used value added bundled promotions to drive traffic to its fountain and coffee programs, according to Fred Faulkner, sales and marketing manager. Partnering with manufacturers and distributors allows the chain to run promotions that offer free 6-ounce Brownie Baker muffins with the purchase of a 20-ounce coffee for $1.09.

"When we tell the customer, 'Don't forget your free muffin, they don't believe you," Faulkner says. "Customers really appreciate the offer."

A free pack of bubble gum with the purchase of a 44-ounce fountain drink is a popular promotion with the chain's younger customers, according to Faulkner. But he says a lot of adults respond to the promotion as well.

The chain also bundles fountain with Frito Lay snacks and is currently running a free 44-ounce fountain promotion with the purchase of a Gatorade energy bar.

"As a result, we're experiencing a significant increase in our coffee and fountain sales," Faulkner says.

Better Bundles

- Know your customer, experts agree. Conduct customer focus groups/surveys and track purchases. This can help identify core customers and their buying habits, which is useful in developing more promotions.
- Create product awareness. According to Coca-Cola Co.'s most recent consumer segmentation study, only 38% of c-store customers are aware that fountain beverages are available. "A simple, easy-to-communicate message letting consumers know that there's something interesting at the fountain makes a huge difference in increasing sales," says Keith Berman, senior strategic marketing manager for Coca-Cola North America's See Bundling, next page.
Thrifty shoppers turning to dollar stores in slow economy

Thrifty shoppers are driving growth for dollar stores, which thrive in a slowing economy by appealing to consumers on the low end of the economic ladder as well as bargain hunters. The Milwaukee Journal Sentinel reported.

A.C. Nielsen reports that 55 percent of consumers visited a dollar store in 2000, up from 47 percent the previous year. Nielsen also reported that dollar stores' market share grew in 2000 for such items as candy, detergents, paper products, and other household supplies.

Dollar stores purchase much of their merchandise from liquidators. Some of the larger chains, such as Charlotte, N.C.-based Family Dollar, sell items at varying prices of up to $10. Others, such as Always 99 Cents in Milwaukee, stick to the one-price format.

Dollar stores average about 6,000 square feet of retail space, the newspaper said, although Always 99 Cents plans to open a dozen stores in the Milwaukee area at 23,000 to 35,000 square feet. The stores stock about 7,000 SKUs, about three-fourths are non-food items from cleaning products to everyday dishes, school supplies and knick-knacks.

Bundling, from page 32

Berman says awareness should begin outside the store with pumps and washers. Inside store signage should be placed along the flow of traffic that leads to the checkout counter. "Many times when c-stores do fountain promotions, they do them right at the fountain area," he says, "but the heavy fountain users are already there."

- Merchandise bundled items together. This allows for quick and easy customer accessibility. Thornton Oil bundled its Pierre Foods manufactured spicy chicken sandwich with chips and a drink. Despite the fact that the sandwich is one of the chain's top sellers, the meal deal didn't prove as successful as expected.

"It was difficult for customers to put all three pieces together because the items weren't merchandised together," Solsvig explains.

- Directional signage and placing temporary price tag merchandisers near the fountain helped. The promotion along with product positioning tripled the chain's daily sandwich sales, according to Solsvig.

How dirty is your money?

We've all seen it. We go to a restaurant or deli counter and watch the employees who take our money and then handle food. Have you ever wondered if bacteria can be transferred by hand to food after handling money?

Researchers at the Center for Food Safety and Quality Enhancement and The Department of Food Science and Technology at the University of Georgia had the same concern and decided to find out. Previous research has shown that 70 percent of U.S. currency is contaminated by bacteria. Of this amount, 13 percent of coins, and 42 percent of bills contain potential pathogens. So for this study, the goal was to determine the likelihood that coins would transmit E. coli 0157: H7 and Salmonella Enteritis directly from hands to food.

Pennies, nickels, dimes and quarters from general circulation were obtained. They were soaked in detergent, washed, rinsed and air dried. They were even completely sterilized. All the coin samples were covered with the bacteria and allowed to completely dry under controlled conditions. They were held at room temperature and 40 percent humidity to simulate a room environment. It was found that E. coli 0157: H7 would survive seven, nine, and 11 days on pennies, nickels, and dimes, and quarters, respectively. Salmonella Enteritis survived for one, two, and nine days on the surfaces on pennies, nickels, quarters and dimes, respectively.

It is possible that coins can transfer bacteria to other surfaces due to their long survival rates. The results of these tests reinforce the fact that a food handler, either at a restaurant or at home, should always wash their hands thoroughly after handling currency and before handling food.

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