Vic’s World Class Market in Novi closes

In February, owner Vic Ventimiglia closed the doors of his Novi store, Vic’s World Class Market. He said the store’s lack of business was due to stalled plans to build an old-style downtown market area in Novi.

Ventimiglia signed on to developer James Chen’s downtown development project in 1993 and opened his store there in 1996.

Ventimiglia said the developer didn’t complete the project within the five years promised and blames Novi officials for not picking, delaying plans, scaring away potential tenants and allowing too many major shopping centers to be built near the I-96 /Novi Road interchange, making it difficult for Chen to attract new businesses to the downtown project.

Ventimiglia was quoted in the Detroit Free Press as saying, “We knew it would take a year or two or three to get it done, but here we are eight years later and it’s a ghost town.”

Ventimiglia estimates losses at $5.5 million—not including lost potential profits. His other two stores in Bloomfield Hills and Franklin remain open.

More than half of the 110 Novi employees were transferred to the other stores.

Lottery may hold Sunday drawings

Currently, Michigan is one of only six states that don’t have Sunday lottery drawings. If Governor Engler has his way, this may soon change.

According to the Lottery, this would mean an anticipated $85 million in additional sales.

Additionally, in May, the Michigan Lottery will be rolling out a new game called “Extra” which would be an add-on to the daily draws. The anticipated revenue for this is an additional $1.3 million per week.

New America's Choice Plan from Verizon maximizes wireless network

Having invested $8 billion over the last two years extending its coast-to-coast network, Verizon Wireless is now offering a plan with the combination of geographic coverage and talk time made-to-order for wireless users.

Called the America’s Choice plan, it rewards customers with the use of its entire coast-to-coast footprint as the home calling area, large buckets of minutes and free long distance from the America’s Choice footprint. This new calling plan will be especially attractive to wireless users who want the same rates to apply everywhere the company provides service.

“The America’s Choice plan significantly increases the value customers receive for their wireless dollar,” said Wayne White, Verizon Wireless president of the Michigan region. “A Detroit customer vacationing in Hawaii will still be on the Verizon Wireless network with the America’s Choice plan. If the customer calls home, there are no long-distance or roaming charges because the entire America’s Choice footprint is the home calling area.

The America’s Choice plan is available with specified CDMA digital Tri Mode handsets that identify home calling and roaming areas so customers can manage usage.

Verizon Wireless customers can customize their plan with America’s Choice in seven different price points ranging from $15 for 300 minutes to $200 for 3,000 minutes. All calling plans can be enhanced by adding services, such as the America’s Choice Family SharePlans and National mobile-to-mobile service.

New America’s ChoiceSM Plan from Verizon maximizes wireless network with the America’s Choice plan. The customer calls home, there are no long-distance or roaming charges because the entire America’s Choice footprint is the home calling area. The America’s Choice plan is available with specified CDMA digital Tri Mode handsets that identify home calling and roaming areas so customers can manage usage.

Verizon Wireless customers can customize their plan with America’s Choice in seven different price points ranging from $15 for 300 minutes to $200 for 3,000 minutes. All calling plans can be enhanced by adding services, such as the America’s Choice Family SharePlans and National mobile-to-mobile service.

See page 10 for America’s Choice pricing. To see how AFD can save you money on your wireless phone, call Sheila Reeves at AFD (248) 557-9600.

Swing into Spring at AFD’s Annual Trade Show!

You could win a chance at $1 Million! Mark your calendars for AFD’s annual Buying Trade Show, “Swing into Spring,” April 23 and 24 at Burton Manor in Livonia. See new products and get great special show deals. Plus, AFD will be giving away prizes and MONEY throughout the show! See page 23 for details.

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It is my honor to serve as your chairman

At the dinner, Bishop Kevin Britt gave a poignant invocation, which was very specific to our industry. I felt it was worth repeating:

Invocation at the AFD Annual Trade Dinner, "An Evening in Paris"

By Bishop Kevin Britt
Archdiocese of Detroit

Good and gracious God, we ask your blessing upon the members of the Associated Food Dealers of Michigan, their families, friends and all gathered here this evening. Grant that in all the work that has been given us to do, our only motive may be to serve you through others and our only master be our conscience united to your will.

Help us to set loyalty to the right things above all loyalty to social or political pressure. Help us always to act fairly, honestly and justly; but to justice help us always to add mercy and sympathy. Help us to know when to enforce discipline and when to relax it. Help us never to be guilty of prejudice against any person or favoritism towards anyone.

Help us to remember that people are always more important than things, and that life is more important than machines or profit.

Give us wisdom in our minds, clearness in our thinking, truth in our speaking, and always love in our hearts, so that we may try always to unite people and never to divide them.

Keep us from exercising our mission in harshness or in tyranny, and keep us from being afraid to exercise it at all, and help us by our presence, and our example to make ourselves and those who work with us united in your love.

Help us always to set the interests of the community above our own, the interest of the nation above the interest of the community, and faithfulness to you above everything else.

Bless our great nation and grant us wisdom and serenity in the months to come. Give us a spirit of kindness and true charity as we discern in our hearts, especially as we are engaged in war, that we discern carefully who are our enemies and that we act cautiously to protect the lives of the innocent. May we work diligently to bring lasting peace to our world.

Bless the food that we are about to receive, those who have prepared it for our pleasure and those who will serve us. Bless, especially, those who have no food, no home, no job, no family or friends. Remember them and move our hearts to share our abundance with those who have so little.

Grant that at the end of the day we may win the approval of our own consciences, the respect of others, and your love.

We ask this in your name, now and forever. Amen!

The Grocery Zone

By David Coverly

Chairman's Message

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Terry Farida, Chairman
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Ronnie Jamil, Vice Chair Membership
Mug & Jug Liquor Stores
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Tom Davis & Sons Dairy Co
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RETAIL DIRECTORS
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Phyllis Dellmatt
Spartan Stores, Inc. Region 3
Jim Carmo
Shopper's Valley Market, Region 2
James Hooks
Mako Foodland
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Ryan's Foods, Region 1
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Value Save Food Center
Alexi Naimi
Thommy Scot Supermarket
Vic Ventimiglia, Jr.
Vic's World Class Market
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AFD MEMBERS:
We want to hear from you!

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.
FDI opposes efforts to delay tax cuts

Food Distributors International (FDI) President John R. Block said that efforts to delay implementation of tax cuts approved by Congress last year are "misleading and just plain wrong."

Block's comments came as FDI and other members of the Tax Relief Coalition issued a statement supporting President Bush's strong opposition to suggestions by Sen. Edward M. Kennedy (D-MA) and Senate Majority Leader Tom Daschle (D-SD) that provisions not yet implemented should be delayed.

"This would be a tax increase of significant dimensions at the very time when Congress should be encouraging people to keep their own money, so they can spend it to help foster job growth and economic expansion," the Coalition's statement said.

"Fortunately, there are some members of Senator Kennedy's own party who strongly disagree with him," Block noted. "Senators such as Ben Nelson of Nebraska, John Breaux of Louisiana and Zell Miller of Georgia have spoken out in favor of lower taxes, and we thank them for their continued support."

"To delay these tax reductions would hurt the economy at the worst possible time," said Block. "Senator Kennedy's recommendations are misleading and just plain wrong."

Block agreed with the Coalition's statement that Congress, instead, should make the provisions of the tax package permanent, particularly the phase-out of the death tax, so the American people can adequately prepare for the future "without the economic and personal disruptions that would be caused if Senator Kennedy's plan were ever effected."

The Tax Relief Coalition includes more than 1,000 member organizations representing more than 1.8 million businesses. It was formed to support enactment of the president's tax relief proposal, signed into law in June. The group is now working to protect that initiative.

The battle over bottled water

Coca-Cola and PepsiCo say they have seen sales of their bottled water products take off as sales of both Coke Classic and Pepsi-Cola have declined. Analysts say America's health and fitness trend has made bottled water a major part of the beverage industry's product lineup. Marketing and distribution have placed Coke and Pepsi at the front line of the water war.

—The Atlanta Journal-Constitution
Federal Excise Tax on cigarettes due April 1st

The Federal Excise Tax on cigarettes increased by $.05 per pack on January 1, 2002. This was the second stage of a tax increase included in the Balanced Budget Act of 1997.

The floor tax is imposed on all federally tax paid or tax determined cigarettes held for sale on January 1, 2002. The tax is the difference between the previous excise tax rate and the new tax rate.

The new tax rate for small (Class A) cigarettes will increase by $.05 per pack. The law is actually written at $2.50 per thousand.

All cigarette inventories as of that date must be inventoried and a floor tax return must be filed by April 1, 2002. There is a $500 exemption.

Complete details concerning this tax and all appropriate forms can be found at ATF website at www.atf.treas.gov/tobacco/cigflistax.htm

Wal-Mart sets sights on the affluent

Wal-Mart Stores is hoping its shoppers want a bargain, no matter what their income level is, analysts say. The nation's biggest retailer is attempting to attract more affluent shoppers by adding upscale grocery and home items. Some critics warn Wal-Mart not to alienate its regular, blue-collar customers by offering items they don't want or pricing items out of their levels.

—The New York Times

Heat-and-eat meals could bring back botulism

Ready-to-eat meals that are refrigerated and not frozen before sale could cause outbreaks of botulism, food experts say. Botulism is extremely toxic and kills about 20% of those who eat it. Food scientists say the botulism organism is only killed by heat, freezing or high levels of acidity.

—Scraps Howland

Taste: Chicken truly is America's fried and true favorite

Americans eat chicken four times during the average two-week period, according to a national survey of consumers conducted for the chicken industry by Bruskin Research. It's a wonder we don't chuck to communicate. Many people eat chicken a lot more often than that, mainly because it takes a lot of broiler-fryers to make us grow tired of it.

Another reason for this particular poultry popularity is that sales of boneless, skinless chicken breasts became a phenomenon once cooks realized how many different quick-and-easy meals could come from the boneless breast.

"We know that each American on average consumes over 78 pounds of chicken each year," said Bill Roenigk, senior vice president of the National Chicken Council.

The survey confirmed that boneless, skinless chicken breasts are still the favorite cut of fresh raw chicken meat purchased at supermarkets.

The survey also indicated that legs and leg quarters are increasing in popularity. They're currently the second most-purchased cut of chicken.

Followed by bone-in, skin-on chicken breasts, whole birds, thighs, wings and drumsticks.

Despite the common sight of rotisserie chickens at checkout, it's fried chicken that counts most at the market.
Ahold to implement web-based category management program

Ahold USA announced it intends to use Category Business Planner, a category management intelligence system. The owner of Stop & Shop and Giant supermarkets said the system will allow the company to make more informed decisions. Other retail companies reportedly using the system include CVS, Meijer, Walgreens and Winn-Dixie.

Gatorade pumped to regain lost sales

PepsiCo says it has reconsidered its policy and may cut prices of Gatorade to recoup lost sales from Coca-Cola's aggressive campaign to promote rival sports drink Powerade. "We can afford to do whatever it takes to win in the category," says Robert Morrison, PepsiCo's vice chairman. Sports drinks are crucial to the beverage sector because they have grown three times faster than carbonated soft drinks.

Study links suburban sprawl, health problems

More commuting and less physical activity — results of more people living in the suburbs, are contributing to the nation's declining physical health, a study shows. Researchers are blaming respiratory diseases, obesity, diabetes, depression and road rage on suburban development.

High salmonella rates detected at five US turkey plants

Reuters reports that the US Department of Agriculture has discovered what it terms "high levels of disease-causing salmonella in raw turkey products" that emanate from five plants in the US. The plants are owned by ConAgra Foods Inc., Cargill Inc. Bil Mar Foods, Diestel Turkey Ranch, and Farbest Foods.

Kmart moves to keep liquor on store shelves

Kmart reportedly will pay $10 million in back bills to liquor distributors. A U.S. bankruptcy judge has approved the emergency payment, which the company says is crucial to its economic survival.

High salmonella rates detected at five US turkey plants

Kellogg-Disney partnership produces new cereals

Kellogg unveiled three new cereals based on Disney characters. The company says it looks to the new products to lift slumping U.S. cereal sales. More Disney-themed breakfast foods and snacks are in the works, said Kellogg's CEO. Marketing experts say cereal sales have been in steady decline because of revived interest in bagels, muffins and other breakfast foods.

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P&G stabilizes Pampers unit

Procter & Gamble's overall financial health is improving, in part because of innovations from its Baby Care unit, an investment analyst says. Baby Care has introduced a new line of Pampers and has licensed the name for spinoff products. For several years, the Baby Care unit suffered from declining market share.

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The Center for Science in the Public Interest says that almost half the turkeys processed at a ConAgra plant in Longmont, Colorado, last year were contaminated with salmonella. Thirty-two percent of turkeys produced at Cargill's Plantation Foods plant in Waco, Texas, had the bacteria; a Bil Mar plant in Storm Lake, Iowa also had a 32 percent rate; a Diestel Turkey Ranch plant in Chinese Camp, California, was at 30 percent, and Farbest Foods, Huntington, Indiana, came in at 28 percent. The national average is 13 percent.

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Murphy, Wal-Mart head North
Half-dozen Canadian units planned for 2002
Murphy Canada Ltd., an indirect subsidiary of Murphy Oil Corp., has signed an agreement with Wal-Mart Canada to build gasoline stations at select Wal-Mart stores across that nation. Murphy Canada expects to open approximately five to seven stations in second-half 2002 at existing Wal-Mart stores. Locations will be confirmed later this year, the company says. Expansion of the plan will take place gradually following 2002, it adds.

Poultry industry reduces antibiotic use on chickens
Tyson Foods, Perdue Farms and Foster Farms say they have voluntarily reduced or eliminated antibiotics in chicken feed. Critics have long warned that antibiotic use in animals could lead to growing resistance to disease-causing bacteria in humans. Opponents of animal antibiotics are skeptical about the companies' efforts because the federal government doesn’t have a monitoring system in place.

The New York Times

U.S. investigates import of banned beef
A USDA report shows the U.S. may have imported nearly 200,000 pounds of beef from countries restricted from selling meat products because of BSE. It is unclear if the banned beef was imported or whether the figures are a result of coding errors by customs officials, a USA spokesman said. An investigation is underway to see if the beef passed USDA screenings.

The Rocky Mountain News

Dr Pepper spins Spider-Man marketing web
On-pack promo to coincide with release of movie
Dr Pepper is set to launch its 2002 nationwide product marketing and promotions initiative with an on-pack consumer promotion to coincide with the May 3 release of Columbia Pictures’ action-adventure film Spider-Man. Fifty Dr Pepper drinkers will have the opportunity to win the grand prize of a trip for two to an exclusive, insider party in New York.

Manager, clerk salaries up
NACS Compensation Report shows clerk pay up 5.9 percent
The mean salary for full-time convenience store clerks jumped 5.9 percent to $7.33, and the mean salary for store managers jumped 6.6 percent to $28.80, with an increasing number of store managers offered perquisites and benefits such as medical insurance (96.3 percent of stores), dental insurance (61.2 percent), and 401(k) participation (71.6 percent), according to statistics published in the National Association of Convenience Stores’ new 2001 Compensation Survey Report.

Heinz unveils technicolor fries
In May, H.J. Heinz is expected to roll out a new line of Ore-Ida frozen potato products aimed at the same market that ate up green and purple ketchup: children. Funky Fries feature interesting colors and flavors, including sky blue, sour cream and chives, cinnamon and sugar and chocolate.

Chicago Sun-Times

Kmart may lose more ground against discounters
Wal-Mart, Target and Kohl’s have plans to expand and introduce new merchandise that may widen the gap between them and Kmart. Wal-Mart plans its biggest space increase in the company’s history in 2002, company officials say. As Target and Kohl’s are expected to introduce new household and clothing lines and open a total of 170 stores, Kmart is struggling to finish last year’s improvements and recently filed for bankruptcy.

The Detroit News

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The Detroit News
Top 10 facts on generic drugs

This information has been prepared by Blue Cross Blue Shield of Michigan to provide you with important and accurate information about generic drugs and their use in the United States. Please consider the options generics provide for those who want to receive high quality medications at considerably lower prices. Once you decide generics may be the right choice for you, please discuss the possibility of receiving equivalent generic medications for your prescriptions with your physician or pharmacist. Bear in mind that nearly 42 percent of all prescriptions in the U.S. today are filled using generic drugs. This can save as much as 90 percent over the cost of brand-name medications.

Fact 1: A generic drug is made with the same active ingredients and is available in the same strength and dosage form as the equivalent brand name product. Generic drugs produce the same effects in the body as the brand-name drugs, because both contain the identical active ingredients. The difference is in the name. The brand name is the name under which the product is sold and is protected by a patent for up to 20 years. When the patent expires, any manufacturer can produce the generic equivalent of the brand and sell it under its generic name.

Fact 2: The manufacturing process of all drugs is strictly regulated by the U.S. government and the same standards are met by all manufacturers. The FDA (Food and Drug Administration) inspects drug manufacturers and recalls any marketed products that do not meet production standards. The FDA can even stop the manufacture of products until the firm shows that it can make and test its drug in a way that meets the high standards of the FDA. Each manufacturing plant is also inspected by the FDA and must be in compliance with the FDA standards known as Good Manufacturing Practices.

Fact 3: A generic drug meets the same stringent performance and bioequivalence standards set by the U.S. federal government as the brand-name drug. Each generic drug is laboratory tested to ensure that the same amount of drug will be absorbed into the bloodstream as with the brand-name drug. Since 1984, no generic drug has been approved in the U.S. unless it has been shown to have the same rate and amount of active drug absorbed as the brand-name drug.

Fact 4: Approximately 85 percent of generic drugs approved by the FDA are manufactured by companies that also make brand-name drugs. This percentage is expected to increase given the continued consolidation seen in the pharmaceutical industry.

Fact 5: There are 50 generic drugs on the list of the top-200 drugs sold in the U.S. In fact, the top drug sold in 1998 was the generic version of Vicodin. Additionally, the average consumer retail price for brand-name drugs was $53 and for the generic was $17.

Fact 6: The American public spent an estimated $102.5 billion dollars on prescription drugs in 1998. With the price of generic drugs averaging 15 to 60 percent less than the cost of brand-name drugs, the American public can save billions of dollars by using generic drugs. Overall, this savings can help control the cost of healthcare in the U.S. without reducing the quality offered to patients.

Fact 7: Generic drugs provide a valuable way for senior citizens to lower their cost of prescription medications. Senior citizens represent 13 percent of the U.S. population, and they account for 25 to 33 percent of the prescription drugs used each year. Senior citizens use an average of 11 different prescriptions per year. As many people over the age of 65 have fixed incomes, a considerable amount of savings can be gained through the use of generic drugs.

Fact 8: A generic drug is as safe and provides the same therapeutic effects as the brand-name product for patients of all ages. As a group, generic drugs have no proven age-related side effects that are different from brand-name drugs. Generics have shown to be as safe as brand-name drugs and work no differently in children or the elderly.

Fact 9: Healthcare professionals strongly support the use of generic drugs. The American Medical Association, the largest organization of medical doctors, states that generic drug products are acceptable for use by the American public. Most hospitals routinely use generic drugs for treatment of their patients.

Fact 10: The decision to use generic medications is ultimately made through the cooperation of your physician, your pharmacist, and yourself. Ask your physician or pharmacist if any of the prescription medications that you are currently taking can be filled with a generic alternative. Once you begin using generic drugs whenever possible, you can start to reduce prescription drug costs while maintaining the same strength, dosage, and quality as the brand-name drug.
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NEW BACARDI SILVER: WITH THE NATURAL FLAVORS OF BACARDI RUM AND CITRUS.
Allied Domecq Wines USA launches ten winery websites

Allied Domecq Wines USA has taken the wraps off ten newly designed winery websites. The new websites make it easy for consumers to navigate wine notes, visitor information, and useful food & wine pairings. Each winery website has a wine education section and a Virtual Glass of Wine e-card option. For consumers looking to purchase wine, there is a convenient "Retailer Locator" system to find the nearest store where the wine is available.

Winery websites within the Allied Domecq family of wines sold in the United States are:
- Atlas Peak Vineyards - atlaspeak.com
- Bodegas Balbi - bodegasbalbi.com
- Buena Vista Vineyards - buenavistawinery.com
- Callaway Coastal - callawaycoastal.com
- Clos du Bois - closdubois.com
- Cockburn's Port - cockburnsp-usa.com
- Domecq Sherries - domecq-usa.com
- Harveys Bristol Cream - harveys-usa.com
- Marques de Arinzo - marquesdearienzo.com
- William Hill Winery - williamhillwinery.com
- Allied Domecq also owns two French Champagne producers and New Zealand's top award-winning winery. International websites for those brands are:
- Champagne Munmu - munm.com
- Perrier Jouet - perrierjouet.com
- Brancott Vineyards - brancott.com

Assisting Allied Domecq Wines USA in its web update project is Petaluma-based MultimediaLive. MultimediaLive's client list includes several well-known clients including Armani, Playboy, Illuminations, Boudin Bakery and Cisco Systems.

Allied Domecq Wines USA

Changing face of food industry has consumers written all over it

A new study by Cap Gemini Ernst & Young Food reports that U.S. companies could save as much as $7 billion if retailers and manufacturers worked together through better supply chain integration. The study, "State of the Art in Food: The Changing Face of the Food Industry," also reports that:
- The conventional supermarket format will be phased out, due to economic conditions such as high overhead and low volume.
- Hypermarkets and supercenters will expand their product and service offerings, and discount-oriented units will engage in what the study calls "quality discounting," offering better products and lower prices.

Cornell announces the 37th annual Food Executive Program

The Cornell Food Executive Program, the food industry’s executive training program, will be held on the Cornell University campus from July 14-26, 2002.

This year’s program will feature presentations by Chip Bell, author of the bestsellers Customers as Partners and Managers and Mentors; Ken Blanchard, author of The One Minute Manager, and Dan O’Connor, president and CEO of Management Ventures, Inc.

Persons interested in participating in the Cornell Food Executive Program are encouraged to apply as soon as possible since enrollment is limited. For more information, contact Sharon Wyllie, program coordinator, at (607) 255-1622, or visit the program’s website at http://fimp.aem.cornell.edu/outreach/index.html.

Flavored tuna spices up StarKist line

H.J. Heinz is expected to launch Tuna Creations, flavored tuna packaged in an easy-to-use pouch. Flavors include hickory smoked, herb and garlic and zesty lemon pepper.

The Pittsburgh company says the idea came from Heinz businesses in Australia and the U.K. - Pittsburgh Post Gazette

Campbell Soup creates new unit to jump-start sales

Campbell Soup said it formed a new unit tasked with finding new strategies and markets for its soups and other products, including Pepperidge Farm cookies and crackers and Prego sauces. The new unit is to look for ways to sell and market Campbell’s international products in the U.S. “We’re ... finding that there are places for Campbell to compete where we’re not naturally organized to go,” says CEO Douglas Conant.

- Yahoo/Reuters

Researcher blames food marketing for overweight nation

The food industry is marketing Americans into obesity, according to a book by Marion Nestle, a nutrition and food studies professor at New York University. Nestle says food companies are pushing processed foods and increasing portion sizes in search of higher profits. Food industry experts disagree with her and say sedentary lifestyles are the prime cause for obesity in the U.S.

The Grocery Manufacturers of America’s Gene Grabowski says supermarkets offer a wide variety of foods to fit a healthy lifestyle. - USA Today

America’s Choice Pricing from Verizon Wireless

(See full story on front page.)

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Customers can purchase the America’s Choice plan at any Verizon Wireless Communications Store or on the Web at the Verizon Wireless Online Store (www.verizonwireless.com).
FDI joins President’s drive to make tax cuts permanent

FDI President John R. Block joined President Bush’s call in his State of the Union address to make permanent the tax cuts approved last year, including the phasing out of the “death tax,” the federal estate tax.

“President Bush is right when he said our country must both protect our nation from terrorism and provide economic security as well,” Block said. “A key component of that is to make sure the tax cuts that we won last year don’t evaporate into thin air.”

“Congress listened to the people and responded by reducing tax rates, doubling the child credit and ending the death tax,” Bush said in his State of the Union speech in January. “For the sake of long-term growth, and to help Americans plan for the future, let’s make these tax cuts permanent.”

Under the language approved last year, the death tax would be phased out by the year 2010, but then, barring future action, would be reinstated in 2011. “We can’t allow that to happen,” Block said, “and I’m glad the president sees it that way.”

FDI and other members of the Family Business Estate Tax Coalition sent a letter to all members of the Senate in January, urging them to support a proposal by Sen. John Kyl (R-AZ) that would make the death tax repeal provisions permanent. The Kyl amendment may be offered during consideration of the President’s economic stimulus legislation.

“Unless the law is changed, the onerous estate tax—with rates ranging from 37 to 55 percent—will be reinstated in 2011,” the Coalition’s letter said. “The uncertainty surrounding repeal, along with the phase-out approach, will require business owners to continue with estate-planning strategies that are costly, cumbersome and time consuming.”

“If the death tax were permanently repealed, resources currently allocated to estate planning would be reinvested into business, thus creating and shoring up job opportunities and providing a much-needed boost to local economies,” the letter said. It was signed by 75 other business organizations.

Brach’s rolls out Popz

Chocolate-covered caramel popcorn

Brach’s Confections will introduce a “fun and irresistible” new product to the chocolate world this month—Popz. New Brach’s Popz is chocolate-covered caramel popcorn, available in both milk chocolate and white fudge.

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Michigan Consumer and Industry Services (517) 373-1580
Michigan Department of Treasury/Tobacco (517) 241-8180
Michigan Department of Attorney General (517) 373-1110

To reach your representative or senator, call the numbers below to get the phone number for your district.

House of Representatives: (517) 373-0135
Senate: (517) 373-2400
U.S. C-store industry counts more than 124,500 stores

Store count reaches record number, NACS says


The four percent increase in the number of stores follows a 0.3 percent increase in 2000, a 5 percent increase in 1999, and a 4.5 percent increase in 1998. Ten years ago, the official industry store count stood at 103,400; 20 years ago there were 71,400 stores.

"The convenience store industry's impressive growth in 2001 shows that consumers have clearly embraced the innovative new services and products that retailers continue to introduce to deliver convenience and speed of service to their customers each and every day," said Teri Richman, NACS' senior vice president of strategic alliances and initiatives.

"This growth is remarkable given the year-long downturn in the economy and increasing competition from other retail channels."

The report shows that 14,385 c-stores opened in 2001, more than offsetting the 9,600 stores that closed.

Texas leads the nation in total number of c-stores (12,775), as well as number of c-stores selling motor fuels (10,824). California was the next closest, with 5,158 c-stores selling fuel. The eight-state South Atlantic region—including the District of Columbia—was home to the most c-stores in the country, 28,135 stores—nearly one-quarter of all c-stores in the U.S., with the six-state New England region having the fewest, 6,010 c-stores.

The industry continues to be dominated by small, independent operators—company with three or fewer units. Some 54.9 percent of all c-stores are now classified as independents, an increase from the 50.7 percent reported in 2000.

The continued growth of independent retailers shows that 75 years after its founding, the convenience store industry is still a place for entrepreneurs and a gateway to small business ownership," said Richman.

Texas accounts for more than one in 10 of all U.S. c-stores at 12,775.

Alaska had the fewest c-stores at 133.

The rest of the top 10 are California (9,087 stores), Florida (8,316), North Carolina (5,224), Georgia (5,203), New York (4,698), Ohio (4,624), Michigan (4,132), Illinois (3,973) and Pennsylvania (3,929).

There are more single-store operations than chain stores, NACS says. A total of 67,598 of the 124,516 c-stores are categorized as single-store operators in the latest store count.

Texas has the most single-store operators (6,831), followed closely by California (6,705); however, California has a higher percentage of single-store operators, 73.7 percent versus 53.4 percent. Florida has the most stores operated by companies of 500-plus c-stores at 2,787.

Some 97,490 stores, or 78.3 percent of all U.S. c-stores, now sell motor fuels, an increase from the 76.1 percent that retailed motor fuels in 2000.

Overall, c-store retailers sold approximately 79 percent of the gasoline purchased in the U.S. in 2000.

NACS is a trade group representing more than 1,200 retail and 1,700 supplier members.

Separately, the number of gasoline stations in the U.S. continued to decline in 2001, according to a study by Camarillo, Calif. based research firm Lundberg Survey Inc. That study estimates that there are currently about 130,000 gasoline stations in the U.S., many with c-stores.

Detroit C-store market overview

With 1.75 million households, Detroit is home to more than 1,200 convenience stores, which average monthly sales volume of $47,000. Sixty-nine c-stores, however, top the $101,000/month mark.

While the average monthly gasoline volume in Detroit is 111,000 gallons, 108 of the more than 1,600 gasoline stations pump more than 200,000 gallons/month. The average household spends $1,743 on gasoline per year.

Big oil names Amoco, Mobil and Shell are the top three marketers in the market, while 7-Eleven, Amoco and Mobil are the top c-store names.

Top household expenditures include dairy, bakery and cigarettes, all exceeding $400/year in sales, on average.
Ten training tips to help eliminate tobacco sales to minors

Tobacco sales to minors is a problem that must be dealt with continually. As long as there are cigarettes for sale, minors will attempt to purchase them. Here are some tips to help:

1. Teach new employees how to effectively deal with customer confrontations. Most training of new employees does not adequately prepare cashiers to confidently handle customer confrontation or other difficult situations. Prepare your employees for these situations before they get behind the sales counter. Role-playing is a great way to provide cashiers with a real-life situation in a less stressful environment.

2. "What's recognized is repeated." Management should not take it for granted when an employee checks ID and refuses a sale. Managers should try to "catch" their employees in the act of doing something good. Compliment cashiers when you observe them carding customers and refusing underage sales. Repeat performance is more the result of positive reinforcement.

3. Equip your store with "We Card" age-of-purchase calendars. Reports continue to show that cashiers are being presented IDs from minors that prove they are underage. Unfortunately the cashier may not be taking the time or properly calculating age when sales to underage customers are made. The "We Card" calendar takes the math out of the transaction.

4. Communicate to store employees all compliance check results, both good and bad. Communicate to your entire staff when your store is notified of a compliance check, not just any failings.

5. Conduct ongoing training. Training cashiers when you hire them is tough enough. If cashiers only hear management focus on this issue once or twice a year, then they may assume the issue is not really that important. Make it a discussion point at regular meetings. Give employees an opportunity to discuss the challenges they face with customers when enforcing age-restriction laws.

6. Use the video camera as a tool for managers and frontline associates. If you have a camera, let employees know you watch the videotape. Make a point on occasion to watch the video and pick out a particular situation that occurred on the employee’s shift—preferably a positive one. This will send the message to employees, for good or bad, that you do watch the videotape!

7. Establish a fair, but strict policy for disciplining employees who make a sale to underage customers. Your store policy should send an important message to your employees that this is an important part of their job, and that you take it seriously. Be fair and consistent, and remember that sometime employees who have failed a compliance check once can be the ones to never forget to check IDs again!

8. Prepare younger frontline associates to deal with peer pressure. If you have minors working for you, prepare them to handle peer pressure. Friends and other underage customers may think they have an "in" with your employee. Make sure your employees know there are no exceptions (use the video camera as a deterrent.)

9. Use experienced cashiers to help train new employees. Experienced cashiers have heard every excuse customers have used, and may relate well with new cashiers. Sharing these experiences can help the new employee prepare for the future.

10. Use "We Card" signage and point-of-sale materials to clearly communicate store policy. Most minors will attempt to purchase tobacco products in a store that looks like an easy target for success. And stores can get reputations quickly. Having the "We Card" signage posted prominently on windows, doors and near the register sends a message to minors that they’re likely to be carded if they enter your store, and some may decide to go elsewhere. Signage helps reduce the numbers or times your cashiers have to encounter underage customers attempting a purchase.

New York passes $3.90/carton cigarette excise tax increase

Governor Pataki proposed a $3.90-per-carton tax hike to respond to some of New York's budget needs, as well as money for increased wages to health care workers. The tax passed less than two-weeks following his announcement and will go into effect on April 1, 2002.

New research clarifies red wine’s benefits

Researchers are finding how red wine can offer protection against heart disease, according to a recent study. There's a natural chemical in red wine that may protect against clogged arteries. This may help explain why French people have traditionally had a low rate of heart disease, despite a diet rich in fat-laden foods. Red wine contains polyphenolis, which had previously been credited with red wine’s heart benefit.

The study was conducted by dousing cow cells growing in lab dishes with polyphenols taken from popular red wines. The polyphenols slowed the test tube production of endothelin-1, a natural chemical that may contribute to clogged arteries. According to the findings, drinking a glass or two of red wine a day could decrease production of endothelin-1.

Although all red wines tested offered the endothelin-1 benefit, Cabernet Sauvignon appeared to be the most effective. Red grape juice was also shown to slow production of endothelin-1, but not as much as red wine. The white and rose wines tested had no effect.

Studies have shown that another benefit of drinking red wine is it may boost the blood levels of the helpful cholesterol HDL.

New area codes for Oakland County

Beginning in January, all new phone customers in Oakland County received a new area code: 947. Existing customers will keep the 248 code. Until this summer, callers in Oakland County can use the seven-digit number or the full 10-digit number to get their call through to the new 947 numbers. But as of June, callers will have to use all 10 digits.

This means that calling a next-door neighbor may require dialing an area code.
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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* 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.
National study shows Lottery products are an asset to retailers

As Lottery retailers, you are keenly aware of how popular Lottery products are in your stores and how much money the sale of Lottery tickets generates each year. A recent National Association of Convenience Stores (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 analyzed each product category to determine how Lottery products ranked. According to the study, the top six products sold in convenience stores are:

- Cigarettes: 27.6%
- Lottery: 17.4%
- Beverages (non-alcoholic): 13.6%
- Food Service: 12%
- Candy: 4.7%
- Beer: 4%

The fact that Lottery is the second-highest product category demonstrates the value of Lottery products to your business as a whole.

With regard to transaction dollars, the study showed that frequent Lottery customers spend approximately $7.07 per visit; infrequent Lottery customers spend about $4.80 per visit and non-Lottery customers spend around $3.47 per visit. According to the study, Lottery customers purchase at least one other item on 95 percent of their store visits. That means that almost every time a Lottery customer comes into your store they will buy not only a Lottery ticket, but another product you sell as well!

As part of the study, store managers were interviewed to determine their opinions about customers with relation to Lottery products. In the interviews, over 50 percent of store managers agreed that customer traffic has increased with the introduction of Lottery products in their stores. Furthermore, many managers stated that they believe that if Lottery tickets were unavailable in their stores, between 10 and 30 percent of their customers would visit less often.

An especially noteworthy piece of the study was the "shrink" component. Shrink was analyzed as a percent to sales before and after the introduction of Lottery, and the results showed no difference in shrink before or after Lottery products were introduced. It is a common public misconception that the introduction of Lottery tickets in a store will increase the degree of shrink.

The information in this study is very enlightening and important. It illustrates that retailers who sell Lottery tickets attract more customers, and once in the store, the likelihood of customers purchasing additional merchandise greatly increases.

Retailer Commissions. As you near the second quarter of this year, it is time to focus on your instant game sales goal for the next quarter. The goal for the second quarter (April 2 - July 1, 2002) will again be a two-percent increase over the same quarter in 2001. Your Lottery District Sales Representative or your Tel-Sell representative will provide you with your historical instant sales information and will help you identify and achieve your goals each quarter.

Big Game Countdown. The countdown has begun to a bigger, better and more exciting Big Game! The addition of New York to The Big Game will significantly increase the player base for the game, making it necessary to make changes to the game. May 14 marks the final drawing for The Big Game in its...
A great promotion dawns again
Players buy 5 Rolldown wagers, get 1 free and retailers earn 20% more commissions

Michigan Rolldown Bonus Play promotions are always a glowing success. From March 4 through March 30, every Rolldown player who purchases a 5-panel ticket will receive a sixth Easy Pick FREE. Retailers earn 20% more commissions on every five-panel ticket sold.

With the previous Bonus Play resulting in over 350,000 free wagers and an average 20% increase of $1 in sales statewide, you'll be sure to bask in the glow.
QUALITY THAT TAKES YOU BACK

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Powerade provides carbohydrate fuel and rapid rehydration. It does not increase strength.

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Stewart's Ginger Beer honored with American Taste Award

The American Tasting Institute has selected Stewart's Ginger Beer as an American Taste Award winner in the soda category for 2001. Stewart's first introduced their authentic alcohol-free beer in 1992. In staying true to the original Jamaican-style ginger beer, Stewart's Ginger Beer - which features a zesty pepper-flavored taste - was instantly a hit among ginger beer drinkers nationwide and continues to be a ginger beer favorite. A panel of American Tasting Institute chefs - founder Chef Jesse Sartain and other A.T.I.-affiliated chefs - conducted a blind tasting in San Francisco using premium sodas. The products were judged on appearance, freshness, and most importantly, taste. As an award recipient, Stewart's Ginger Beer was judged "excellent" in all categories. Chef Jesse Sartain and his professional Chef colleagues founded the American Tasting Institute in 1993 to promote taste, safety, and nutritional standards. Stewart's flavorful "Fountain Classics' line of sodas includes Root Beer, Cream Soda, Orange N' Cream, Ginger Beer, Key Lime, Lemon Meringue, Cherries N' Cream, Grape, Peach, Black Cherry Wishniak, Birch Beer and Strawberries N'Cream.

Non-carbonated drinks: The last frontier?

In a move the New York Times says signals the fact that non-carbonated drinks may be the "last frontier" in the beverage business, PepsiCo has created a new 100-employee unit dedicated to selling and promoting that class of beverage. Non-carbonated beverages made up just 15 percent of PepsiCo's sales in 2001, but accounted for 75 percent of its growth last year. The company believes that in the next five years, bottled water, fruit drinks, iced tea, and coffee could generate as much as 40 percent of PepsiCo's North American sales.

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Miller Brewing in talks for merger or buyout

Miller Brewing Co. has held informal talks with several potential buyers or merger partners, including Adolph Coors Co., Scottish & Newcastle PLC, and South African Breweries, Ltd., the Wall Street Journal reported. Pressure is building on Miller to find a partner because the brewer is seen as a drag on earnings growth for parent Phillips Morris Cos., the newspaper said.

A deal could prove difficult because analysts perceive weakness in the U.S. beer market and expect stiff competition from Anheuser-Busch. Although Miller is the no. 2 U.S. brewer, its share of the U.S. beer market has fallen below 20 percent for the first time since the mid-1980s. Industry experts said Miller could fetch as much as $5 billion, depending on the terms, the newspaper said.

AFD Trade Show offers show specials, new products and PRIZES!

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 be offering show specials and new products. Attend the show, visit the participating booths and get your score card stamped. A completed card, selected in a drawing, qualifies you for a chance to win a million dollars by hitting a hole in one (courtesy of Allied Domecq). Plus, AFD will be giving away great prizes and CASH throughout the show!

Of special interest to Spartan retailers will be an opportunity to hear 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. See page 23 for more details and call Ginny Bennett at AFD (248) 557-6600. This is a show you can't afford to miss!

SUPervalu earnings up

Strong improvement in its retail grocery operations, improved efficiency and cost-cutting helped Supervalu Inc. boost earnings by 24 percent in the third fiscal quarter, beating analysts' expectations. Supervalu said that earnings for the quarter totalled $39 million, or 44 cents a share, up from $47.5 million, or 36 cents a share, a year earlier. The results beat the mean estimate of analysts surveyed by Thompson Financial/First Call by 4 cents.

"Our above-consensus third quarter results were driven by strong improvement in our retail operations including strong momentum at our extreme value retail formats, Save-A-Lot," said Jeff Noodle, president and chief executive of the Eden Prairie-based grocery retailer and wholesaler.

"We also continue the important work of repositioning our distribution network for improved efficiency, completing the reconfiguration of five facilities so far this year."

E-Commerce, Kmart get high customer satisfaction marks

In two separate, new studies - one on purchasing items online and the other on the retailer Kmart - both scored well in terms of customer satisfaction.

According to a report issued by the American Customer Satisfaction Index (ACSI), e-commerce scores well on key components of customer satisfaction, such as perceived quality and value. In fact, overall satisfaction with online retail is higher than traditional retail. Amazon.com posted the highest score among e-commerce companies, followed by BarnesandNoble.com and eBay.

The Index is produced through a partnership among the University of Michigan Business School, ASQ, and consulting firm CFI Group. The e-commerce report was produced in partnership with ForeSee Results, a firm that specializes in assessing web customer satisfaction.

As for brick-and-mortar companies, Kmart, which currently is in bankruptcy, showed the largest jump in customer satisfaction among discount and department stores for the fourth quarter. However, because previous scores had been low, the study also showed that Kmart had the most room for improvement.

Kmart's score still trailed Target, a company that this year's study showed had the highest score among e-commerce and traditional retail. Amazon.com posted with online retail is higher than overall satisfaction, such as perceived quality and value. In fact, overall satisfaction with online retail is higher than traditional retail. Amazon.com posted the highest score among e-commerce companies, followed by BarnesandNoble.com and eBay.

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Kmart's score still trailed Target Corp., which leads the sector in customer satisfaction. Target is followed by Nordstrom Inc. and Sears. Roebuck and Co. Among supermarkets, Publix scored highest on the index. - morningnewsherald.com
**WMU offers operations course for the food industry**

Western Michigan University and FMI are offering a week long course which is highly interactive, focusing on the complex operations side of the supermarket industry. The course takes place August 11-15 at Western Michigan University in Kalamazoo. Geared for individuals who are in store management positions, it is also ideal for those seeking to improve their knowledge of overall store operations.

Course content includes food industry trends, store layout, financial analysis, merchandising, retail technologies, recruiting and retraining employees and much more! The emphasis is on practical information for day-to-day supermarket operations. Plus, store tours of innovative local operators are part of the total learning package.

Tuition for FMI members is $1,695. non-members $2,495. Tuition includes accommodations, most meals, all course materials and store tours.

For more information, call Elizabeth Newton at (202) 220-0711.

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**OSHA recording rules effective 2002**

The revised OSHA illness and injury record keeping rules and forms took effect January 1, 2002. The agency is promoting the revisions as "updated, easier requirement for recording on the job injuries and illnesses."

OSHA’s website houses backgrounder, the official notices of the rulings, FAQ’s and the actual forms along with a briefing brochure and power point presentation on the new rule and forms in the “record-keeping” section of the www.osha.gov page.

The rules require senior managers to sign off on injury logs and then carry liability for their accuracy. Further, OSHA may use these records, which need to be held on file for six years, to target sites for inspection and determine the scale of a given inspection.

The agency will be mailing the new record-keeping forms and the instructions of how to fill out the forms to 1.4 million employers (affects all employers who staff 11 or more employees at any point in the year) affected by the rule.

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**Michigan Liquor Control Commission announces added feature for Electronic Fund Transfer customers**

The Michigan Liquor Control Commission announced a new advantage for liquor licensees with multiple locations to use Electronic Fund Transfer to pay for liquor bills.

Commission Chairman Dan Gustafson announced EFT participants will now receive an electronic report, which details by licensee location and by week for liquor invoices paid via EFT. The report enables electronic banking reconciliation for chain licensees. This enhancement to the Liquor Commission’s EFT program resulted from a partnership between state government and private industry. Commission staff worked one-on-one with multiple-location licensees to explore ways for the Liquor EFT program to fit their needs. The result was the design and implementation of the new report, which is generated and sent electronically by the Commission’s EFT program automatically.

“The best part about this service is that it’s free,” Gustafson said. “We hope this EFT program enhancement will entice more of our chains, both restaurants and stores, to sign up for EFT so they can reap the time and cost-saving benefits of this program.”

The program has successfully transferred $100 million in liquor invoice payments for liquor licensees since it was launched in February 2000.
Rep. Glenn Anderson is hooked on politics

by Kathy Blake

State Representative Glenn S. Anderson (D-Westland), was a wide-eyed young boy when he first saw politics in action. His grandmother would take his cousin and him to various political events in their native Tennessee city of Carthage. Taking it all in and storing it under his hat, Anderson continued to soak up information, receiving reinforcement from his educators.

Incidentally, Anderson went to the same elementary school and had the same third grade teacher as former vice-president, Al Gore. Anderson said the teachers there at Carthage Elementary School stressed civics and government, which surely contributed to both men’s career choices.

Anderson moved to Dearborn when he was in high school and in his senior year, he had the honor of being among the first 18-year-olds to vote in a presidential election. The 26th Amendment passed in 1971, lowering the minimum voting age from 21 to 18 years of age.

During the 1972 presidential campaign, Anderson became a precinct delegate for George McGovern who was running as the Democrat candidate. Although Richard Nixon became the president, Anderson was transformed by his experience.

“I met people from all over the country. It was extremely interesting to me to see how the process works,” said Anderson. After attending numerous county and state conventions over the past 30 years as a delegate, Anderson learned more than just the ropes.

“When I got to Lansing, (January 2001), I already knew a lot of people on both sides of the aisle.” This helped him become effective in his position as a freshman state representative.

Anderson is Democratic Vice Chair of the House Transportation Committee and is a member of the House Insurance and Financial Services Committee.

Rep. Anderson said that the legislature will be working on legislation to simplify Michigan’s method for collecting diesel fuel taxes. Currently, there are two taxes for diesel fuel which are combined together and partially rebated.

“The way diesel fuel tax is currently handled is convoluted and extremely complicated,” explains Anderson. The new proposal would eliminate the rebate, but the motor fuel tax would be raised from 15 to 19 cents per gallon, the same as the gasoline tax rate. The Motor Carrier fuel tax would be lowered from 21 to 19 cents per gallon. According to Anderson, the net diesel tax has not been raised since 1984.

The county road commissions are concerned because the proposal for spending the additional revenue, estimated at $36 million annually, would go to a new commercial highway fund, mostly benefiting the main routes, state and interstate roads, rather than local roads and bridges.

Rep. Anderson said that road maintenance warranties will be coming under scrutiny in the transportation committee. “We’re going to be working on road warranties for construction companies providing service. The existing warranty requirements are minimal and loosely defined. We need stronger language and improved requirements.”

Anderson said a bill requiring timely payment for services by health care providers passed unanimously in the Insurance and Financial Services Committee. The bill had formerly passed in the house and senate last session, but was vetoed by Governor Engler due to confusion on the term ‘clean claim’ The committee defined it as no challenge to the amount of the bill, due to pre-determined agreements of customary costs between insurer and provider. Rep. Anderson expects the governor to sign the bill this time around.

The representative also worked on House Bill 4657, requiring restaurants to give notification to customers when a gratuity is added into their bill. The business is given the option to either print the notice on menus or on a sign in a conspicuous place.

Rep. Anderson attended the University of Michigan-Dearborn and Wayne State University. He worked for Ford Motor Company for 28 years and has been a member of the UAW since 1972. He was a union steward for two of those years. His last position at the auto manufacturer was Quality Control Inspector.

Anderson received his realtor’s license in 1979 and is currently with Century 21 Towne Pride, although he says he hasn’t been showing many houses lately due to his responsibilities in Lansing.

From 1991-2000, Anderson served on the Westland City Council. He also served as Nankin Transit Commissioner, Planning Commissioner, and Civil Service Commissioner. He is a past director of the Michigan Municipal League Elected Officials Academy, Democratic Precinct Delegate and a member of the Western Wayne NAACP.

Rep. Anderson is married with two children, a daughter and a son. They vacation in his native state, Tennessee, to visit family members.

To reach Representative Anderson call him at (517) 373-2576, email: glennanderson@state.mi.us, or write State Representative Glenn Anderson, P.O. Box 30014, Lansing, MI 48909-7514.
AFD Trade Show Testimonials: Join your peers at

**AFD's 18th Annual Buying Trade Show**
April 23 and 24, 2002!
At Burton Manor, Livonia, MI

"The AFD show is valuable to us because of the deals," said Joyce Polsky from Fox Hills Medi Mart.

"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.

"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.

*Show Hours:*
Tues., April 23, 2002  
5 p.m. - 9 p.m.
Wed., April 24, 2002  
2 p.m. - 8 p.m.

"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.

Admission ticket required. • $5 at the door
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.

Call Ginny at AFD for more information at (248) 557-9600 or gbennettafd@pop.net.
AFD learns to make dough
Staff takes a tour of Wonder Bread facility

By Michele MacWilliams

Each year, for a change of pace, the AFD staff chooses a location to hold an out-of-the-office meeting. For our last meeting, Don Parks of Interstate Brands offered us their board room and, as a special treat, a tour of the Wonder Bread facility.

Ever “Wonder” how the bread in the white bag with red, yellow and blue polka dots is made? Read on! Opened in 1999, the 163,000 square-foot bakery is one of the largest and newest in the country. At this plant, in Northwood, Ohio, Interstate bakes bread, buns and dry goods such as croutons.

Amazingly, they can produce 10,000 loaves an hour on a breadline that runs three shifts daily. Altogether, the plant produces between 1,200,000 and 1,600,000 pounds of finished goods each week. That’s a wonder in itself!

It all begins in the patented 400,000-pound silos, where flour is stored and the 80,000-pound sugar tanks. They use liquid yeast, and the 90,000-pound tanks hold it at just the right temperature of 40 degrees.

Through a system of shoots, the ingredients are mixed on the mixing platform. It is a computerized batching system that makes 2,500 pounds of dough in each batch, and a dough divider plucks off just the right amount for the loaf. A rolling pin device, or sheeter, rolls the dough while pans are floured and dusted. Little dough balls then roll down a conveyer and plop into the proof box, a room that contains both wet and dry heat. The atmosphere is controlled to 180 degrees, with 70 percent humidity, the perfect environment for the dough to rise in the pans. After rising, the conveyer takes the dough through a buttering machine and then it’s on to the ovens.

“Oven” isn’t really a suitable word to describe this enormous unit. It is a 185-foot long tunnel, with 123 burners that produce 8 million BTUs per hour. That’s a lot of heat!

The loaves move slowly through the giant tunnel oven. We watched them bake through small portals along the side of the oven.

A gentle vacuum lifts the loaves from the pan. The internal temperature of the bread is now 200 degrees and must be cooled in a cooling device. Next comes the slicer. For those of us that weren’t around in the 1930’s to remember this fact, Wonder Bread was the first company to introduce sliced bread.

Razor-sharp band blades cut the bread into uniform slices. From there a machine gently puts each loaf into a bag and inks the shelf life and the retail price.

The loaves are placed on pallets by a state-of-the-art pulver palletizer machine that automatically groups and trays the product for distribution.

The Interstate Brands bakery in Ohio ships fresh breads south to Kentucky, west to Kansas City, North to Michigan and east to Pittsburgh. They produce stuffing and croutons for the whole United States.

Touring the plant was an interesting adventure. Tasting the product, as it comes off the line, just may be the best thing since sliced bread!
Annual trade dinner brought Michigan’s food and beverage industry leaders to the table

The 86th annual AFD Trade Dinner and Ball, “An Evening in Paris” was a night to remember. Approximately 1,000 industry leaders came to Penna’s of Sterling to eat, drink, dance, see old friends and make new ones.

Highlights of the evening included a beautiful rendition of “God Bless America” by Devon Dallo, daughter of AFD Chairman Emeritus, Sam Dallo. Bishop Kevin Britt gave a moving invocation and Sam Dallo passed the gavel to new AFD Chairman Terry Fanda.

Penna’s was transformed into a Paris nightclub, complete with an Eiffel Tower in the lobby, Paris artists sketching caricatures of guests and festive, colorful tables with fresh floral arrangements.

A special thanks go to AFD’s Trade Dinner Co-Chairs, Johnny Kanno of Market Square and Clark Walker from Coca-Cola Bottling Company, who were superb hosts!

Here is a photo from AFD’s 1962 Trade Dinner. Recognize any faces? Forty years have passed and the event is bigger and better than ever! For photos from this year’s event, turn the page.

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The 86th Annual AFD Trade Dinner and Ball, "An Evening in Paris"
Friday, February 8, Penna's of Sterling

Ed and Rusty Acho with Virsal and Jerry Yono
Independent Bakers' Larry Polok, Sandy Thompson of Avers, Josie and Ed Hanwick of Koppinger and Bob Bartok

(I to r) John Easterhouse, Carrie Pizzuti, Elizabeth Meram, Faiz Asmari and Joe David - all parts of National Wine & Spirits group

(I to r) Boh Althouse of Fleming, Thomas Simann of Lafayette Park Market and Suzie Althouse
Kevin Puente and Cheryl Livingston enjoy the hors d'oeuvres

(I to r) Elias and Bassina Francis, Henry and Collette Elkhoury, Mark Bodtke, Jill and Mike Rosch of General Wine & Liquor

Debbie and Scott Sobiedowski with Marty and Ken Barrow of Acorso
Rick and Shannon Brown with Mark Bodtke of General Wine & Liquor

Carl and Senaa Dallal of First Choice Mortgage and Sophia and Nick Najjar of Century 21
Deirdre Scott of Blue Cross Blue Shield gets her caricature drawn by one of the Paris artists

The Everfresh group.
Detroit Edison Group Tom Sokol, Sam Francis, Don Alexander, Yasmine and Namir Yono
(Top row, left to right) Jeff Whistle, Brian Belostrado, Jason Lcismam, Tim Stryer and Jim Trischett; seated: Rochelle Whistle, Karen Stryer and Ashland Trischett at the Anheuser-Busch table.

(Top row, left to right) Joe O'Bryan of American Bottling Group, Al Fawemyesi of VOS Buying Group and the Director of Sales for the Michigan Lottery. Terry Bunting.

Co-Chairs Johnny Karmo and Clark Walker at the podium.

Elvis and Bassma Francis

Desert Dalle sang “God Bless America.”

Sonya and Bashar Hens of Standard Federal

Johnny Karmo and Sam Dallio

David Dallio, his father, AFD’s past chairman Sam Dallio, and Al Chittaro of Fargo.

Phylis and Frank Desmer

Brian and Anwar Yuldo

Clark and Jennifer Walker

(Pictured, left to right) Peggy Valerio, Yvette Pierce, Tom Walker, Larry Pierce, Terry Valerio, Costas and Pamela Sambanis

Johnny and Diane Karmo with AFD’s new chairman, Terry Fusida.
Ashby's Sterling Ice Cream customers choose new flavors for 2002

Ashby's Sterling Ice Cream of Oak Park, held its annual "Flavor Selection Day" open house on Sunday, February 10, 2002 at the Holiday Inn - Fairlane where the company's customers and associates tasted 30 new flavors of ice cream brought in by flavor and ingredient companies from around the United States. The flavors were carefully savored and voted on to choose the best ones for Ashby's Sterling Ice Cream's lineup for the 2002 ice cream season.

Ashby's Sterling ice cream retailers and distributors were asked to eat their way through all 30 brand new flavors and vote on their top four favorites. Flavors such as Caramel Cheesecake, Bearfoot Brownie, and Bahama Mama were three of the flavors receiving favorable comments. New flavors will be introduced in April. Two of the flavors chosen at last year's open house: White Cliffs of Dover and Just Moussing Around went on to win "Best New Flavor" honors from the National Ice Cream and Yogurt Retailers Association (NICYRA).

By letting their customers decide the new seasonal flavors, Ashby's Sterling Ice Cream has been successful at winning the "Best New Flavor" award seven out of the previous 11 years as a member of NICYRA.

Ashby's Sterling Ice Cream is a division of Tom Davis and Sons Dairy Company, distributors of fine dairy products in Southeastern Michigan for over 55 years. Ashby's Sterling was created 15 years ago to fill the need for an "old-fashioned ice cream parlor ice cream" that was delicious and moderately priced.

Today, Ashby's Sterling Ice Cream is distributed throughout the United States East of the Rockies.

The point is... Color makes a difference!

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Mark your calendars for these AFD events!

**Trade Show: April 23-24, 2002**
Come and see over 200 food and beverage industry leaders display their new products and new services. The show specials are extraordinary! Retailer attendees are eligible to win cash shopping sprees to be spent on the show floor. The show dates are April 23 and 24, 2002 at Burton Manor in Livonia, Michigan. The law requires that you be at least 21 to attend this Trade Show. The deals are great, so come ready to buy.

**Academic Scholarship Program: Application Deadline March 31, 2002**
Every year we award over 30 academic scholarships to deserving youths who are affiliated with an AFD member organization. Applications are accepted from January 15 - March 31. The nail biting ends in May when all applicants are notified of the results.

**Lottery, Continued from page 16**

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**Scholarship Golf Outing: Wednesday, July 17, 2002**
Get in the swing! All proceeds from the golf outing fund over 30 academic scholarships. Here's the score. A day on the course includes, golf and cart, continental breakfast, barbecue lunch, snacks and drinks all day, dinner, premium open bar and door prize eligibility. The outing is on Wednesday, July 17, 2002 at Wolverine Golf Course and we need your swing to make the tournament complete. Grip it & Rip it!

**AFD/Beverage Journal Holiday Show: September 24-25, 2002**
The show dates are September 24 & 25, 2002 at Burton Manor in Livonia, Michigan. Come and see new holiday products, and enjoy special holiday pricing. The law requires that you be at least 21 to attend this show.

**Toast Michigan: November**
AFD will repeat its successful all-Michigan wine tasting event. A portion of the proceeds go to charity.

**Training Seminars T.I.P.S. Call to set up a seminar for your employees.**
AFD offers training seminars to help you inform your employees. Most frequently, we host a two hour T.I.P.S. training seminar in order to teach and certify retailers to sell alcohol for off-premise consumption within the law. Call Dan Reeves (248) 557-9600 and we will set up a seminar for your employees.

Call AFD's Special Events Director, Michele Mac-Williams, with any questions at (248) 557-9600.

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AFD Food & Beverage Report, March 2002
Rocky’s Party Store’s contribution to America’s rich diversity

By Ginny Bennett

Every new culture that comes to the United States makes up another piece that adds texture, color and strength to the patchwork quilt of America.

The stitches hold the pieces together and are like the individuals in the group. Some are delicate and decorative, others strong and straightforward and sewn together they make the whole of America - the most uniquely diverse country on earth.

Since they came from Iraq in 1980, the Bitrus family of Rocky’s Party Store in Washington Township has become an integral part of the societal fabric of Macomb County. Macomb is growing rapidly with an influx of Hispanics, Asians and Chaldeans like Karim and Ansaf Bitrus and their children.

Recently the Bitrus’ were singled out by the Macomb Daily and the Macomb-Romeo Observer as representative of the best of the newcomers that have changed the ethnic face of the community.

The Bitrus’ are typical of many mainstream middle American families that blanket this country and make America work so well. From beyond our borders some might describe us Americans as a crazy quilt of cultural disparity. What they don’t understand is that when we are tested we are Americans first and we can come together as one.
Bad customer service costs

Would you believe that more than twenty percent (on average) of your customers walk out of your stores without making a purchase? An equal number stop shopping at your store altogether, and twenty-six percent tell their friends and urge them not to shop there if they experienced bad customer service, according to a survey sponsored by MOHR Learning, the retail training unit of Boston-based Provant, Inc.

"While the most common response to poor service is to complain to a store manager, many people seem to protest with their pocketbook instead," said MOHR Learning CEO, Michael Patrick. "Retailers need to recognize the less visible impact of bad service - the quiet erosion of their customer base." In the survey, consumers were asked: "When you experience bad customer service when shopping, which of the following describes your typical reaction?" They were allowed to select as many as apply. According to the survey:

- 39.3% complain to a store manager.
- 25.7% tell a friend about the experience and urge them not to shop there.
- 22.2% stop shopping at the store.
- 22% walk out without making a purchase.
- 15.3% just ignore it.
- 12.7% get upset, but continue to shop at the store anyway.

"Some retailers assume customers don't care about service and that it's something they take for granted," said Patrick. "But our research suggests people really get upset - even if they're reluctant to say anything. In fact, some customers who would never complain to a store manager will do so to their friends. And word-of-mouth can be as powerful in retailing as it is in the motion picture business." Patrick said retailers need to address individual customer complaints. The better solution is to provide training and supervision to employees so that such incidents are not repeated." Among the survey's other findings:

- Men are more likely than women (26% vs. 19%) to walk out without making a purchase, while women (44% vs. 34%) are more likely to complain to a manager.
- Customers ages 45-54 are least likely to ignore bad customer service, while those over 55 are most likely (9% vs. 18%).

- Source: Progressive Grocer, Daily News Center

Michigan Liquor Control Commission notes 2001 accomplishments

The Liquor Control Commission (LCC) had many accomplishments in 2001. Here are a few of the highlights:

Governor John Engler announced Daniel J. Gustafson as chairman of the LCC. In March, 2001, the LCC reintroduced a program to allow price reductions on certain liquor products in the state, helping retailers clear their shelves of products. Off-premises liquor license holders can now request approval over the internet from the commission to reduce prices, as much as 50 percent, on some items.

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Save money with Clear Rate Communications’ 4.9 cents/minute long distance phone program

Here’s another great reason to be an AFD member. You can save a lot of money on your long distance phone bills!

AFD recently selected Clear Rate Communications as the official long distance phone carrier for AFD and its members. Based in Oak Park, Michigan, Clear Rate provides long distance phone service to business and residential customers. Unique features like the Automatic Rate Reducer, which lowers your long distance rate once per year every year guaranteed, separates Clear Rate from the other carriers.

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

• 4.9 cents per minute for all calls in the Continental United States, including local-toll, in-state, and state-to-state
• Same 4.9 cents per minute program for toll-free numbers
• No contract / no hidden or monthly fees / no minimum monthly requirement
• Low international rates
• 10 cents per minute to Canada
• Travel cards available at 22 cents per minute

Clear Rate provides its customers with a clear and concise invoice, so they can see the savings. The invoice was designed with the busy business owner, office manager, and consumer in mind, so it can be quickly reviewed and understood. Just another way Clear Rate provides convenience and service to its customers.

Switching your service has never been easier. In most cases, after Clear Rate receives your authorization, they handle the transition without any additional involvement from you. The transition to Clear Rate is seamless and trouble-free. Once service is activated, you will receive a welcome letter in the mail confirming that your service has been changed.

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

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Focusing on food: Retailers discuss what's next for convenience store food

In Traverse City,

It's been said that man cannot live on bread alone, but with margins shrinking, many convenience store operators have begun relying more heavily on "bread" to earn a better living. That is, increasing profitability.

Whether it's the bread wrapped around a made-to-to-order hamburger on the bread holding together a mound of fixings on a prepackaged sub, no matter how you slice it, foodservice can be a viable opportunity for c-stores.

"Nothing requires more labor and proper execution, but nothing can add more potential gross profit dollars than foodservice," said Grant Wilson, director of sales for Cincinnati-based Pierre Foods, during CSP's State of the Industry Executive Summit. The roundtable was moderated by Jeff Miller of Miller Oil and Kay Segal of CSP.

C-store retailers are carving out their foodservice niche with everything from quick-service restaurants to self-serve offerings. Even major oil companies are joining the ranks. Exxon Mobil, for example, is looking to gain its share of the foodservice dollar with its On the Run Cafe, a newly developed proprietary line of self-serve and made-to-order offerings.

Although finding the right foodservice operation can be tricky business from labor and tracking sales to developing a consistent quality, offering that consumers trust, most retailers believe in the profitability of foodservice in some form or another.

What's in a name?

Many c-store retailers consider branded quick serve restaurants to be growth opportunities. However, some are still weighing the operational pros and cons from taking a hands-off approach by leasing or opting to own to maintain quality, image and controls. While the jury is still out on these and other issues related to what's good at any of it. "We don't want a product that anybody else has," said Zain Horlacher, director of foodservice for the chain, which already operates several Dairy Queen, Brad Chivington, vice president of marketing for the company, said it too is developing its proprietary line. The chain is taking a step further by adding "components, that are modular and can go in and out of stores based on demographics," Chivington said.

Salt Lake City-based Maverik Country Stores is also on team "Can't get a better "wow" than Faster and fresher."

There is a cultural mindset in convenience stores that's fixed on inventory control, Miller of Miller Oil explained. The group agreed that c-store foodservice staff has to be trained to a new mindset of building inventory to highest sales rather than lowest.

Go back to the basics, suggested Mike McDonough, Piccadilly Circus. That means smiling, being friendly and offering hospitality, he said. "The basics are free, but nobody likes them because there's no "wow" factor," he explained. "But if we get people to come back, we can up the profit of all categories."

"Can't get a better "wow" than that," he said.

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