Spartan Stores closes 12 outlets
Spartan Stores Inc., which owns 100 supermarkets and 25 discount drugstores in Michigan and Ohio, is closing 12 stores in the two states, affecting about 400 workers. The stores are closing in phases and all closures will be completed by the end of September. Four of the twelve stores are in Michigan. Spartan, which now employs nearly 12,500 people, may offer some workers jobs in other stores, said spokesman Jeanne Norcross. The action comes after the company had a first-quarter net loss of $43.8 million, or $2.21 a share, compared with income of $5.6 million, or 26 cents a share, a year earlier. Spartan Store closings:
1. Family Fare
2153 West Main Street
Lowell, MI
2. Gless’ Markets
2100 North Mitchell
Cadillac, MI
3. Food Town
644 West Market Street
Tiffin, OH
4. Food Town
332 South Main Street
Marion, OH
5. Food Town
27335 Telegraph Road
Flat Rock, MI
6. Food Town
3000 Van Horn Road
Trenton, MI
7. Food Town
1971 Bayney Street
Ashland, OH
8. Food Town
1544 Covington Avenue
Fope, OH
9. Pharm
1500 West Michigan
Sidney, OH
10. Pharm
21 Yellow Spring Road
Fairborn, OH
11. Pharm
1520 West Main Street
Treyn, OH
12. Pharm
713 South Sandusky Street
Bucyrus, OH

Stay Connected to the latest industry trends and new product introductions

Attend the AFD / Beverage Journal Holiday Show on September 25 & 26. See page 16 and 17 for show specials and details. Here are some of the latest industry trends, straight from the experts:

Sean Cahill from Discount Pop and Beer:
“The non-alcoholic beverage industry is on fire right now. We are seeing a wild frenzy of product introductions, designed to gain market share from the teas and fruit beverages. The interesting thing is that the products are being introduced so rapidly, with such massive marketing budgets, that consumers are sampling, and then moving on to the next trendy thirst quencher. It’s hard to tell who is going to end up with the repeat business right now. The only sure thing in our industry, is that water continues to be in strong demand.”

Kevin Downey, owner of Fox & Hounds Restaurant:
“Proposed impaired driving legislation in Michigan, moving the legal driving limit from .08% to .05%, has dramatically influenced consumer drink choices in my restaurant. Our patrons are ordering less liquor and more beer and wine. We have never been a big beer house, and until recently, we only offered six different wines by the glass. Now we have a regular rotation of beer on tap, and an expansive bottled beer selection. Moving from six to 15 different wines by the glass has also been important. We offer mini wine tastings right at the customer’s table, which includes three glasses of wine, a pad for notes, and an instant jolt to the conversation. People want to experiment, and will eagerly try new micro-brews and upscale wines.”

Sam Sheena from Farmington Hills Wine & Liquor: “Consumers prefer clear alcoholic beverages. American Whiskey and other brown liquors are not as popular as they used to be. The dominant seller is vodka, a pad for notes, and an important. We offer mini wine tastings right at the customer’s table, which includes three glasses of wine, a pad for notes, and an instant jolt to the conversation. People want to experiment, and will eagerly try new micro-brews and upscale wines.”

Made in Michigan Special Edition
Help us celebrate the bounty of Michigan products during our October Made in Michigan special edition. Please call Ray Amyot at 1-800-66-66-AFD or (989) 386-9666 to be a part of this exciting publication!
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Lachine: 989-379-3264
Lansing: 517-321-0231
Mt. Pleasant: 989-773-3158
Pontiac: 248-334-3512
Saginaw: 989-755-1020
Petoskey: 231-347-6663
St. Joseph: 616-921-6004
Port Huron: 810-987-2181
Traverse City: 231-946-0452
West Branch: 989-345-2594
Michigan’s taxes boost smugglers’ business

Chairman’s Message

The tax hike seems to be having three specific impacts.

One is that people stocked up. Sales of cigarettes to convenience stores were up 30 percent according to one estimate, and the shelves of many were empty of tobacco products as the clock ticked toward the hour when the new tax was imposed. “People who usually buy three packs, now they’re taking a carton,” one retailer told the Associated Press in July. “People who buy a carton, now they’re taking three. They’re using their credit cards because they don’t have cash. It’s an investment.”

The second impact is that the state estimates that some 44,000 people are expected to stop smoking. The irony of all this would seem to be that if people stop smoking, the government’s ability to gather revenue from this so-called “sin tax” would be greatly diminished.

This leaves some retailers pointing to the example of Seattle, which is considering a tax on lattés. In other words, the definition of “sin” seems to shift as a population becomes more virtuous... or at least, it does when “sin” is a money-making proposition.

Which brings me to the third impact. The tax is filling the wallets of smugglers and cash registers of convenience stores across the border in Ohio, Indiana and Illinois.

With the prospect of losing business to other states, it may be tempting to purchase cigarettes from smugglers. They have already figured out how to reproduce Michigan’s tax stamp and with the recent tax increase, their business will be booming.

Smuggling isn’t just limited to the cigarette industry. Alcohol and wine are big business too. Since prohibition people have been selling bootlegged spirits and the tradition continues.

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.

See you at the AFD/ Beverage Journal Holiday Show

I look forward to seeing you at our annual Holiday trade show, this year on September 25 and 26 at Burton Manor in Livonia. There you’ll find great LEGAL deals on wine, spirits and other beverages. Don’t miss this opportunity to sample new products, purchase holiday inventory and visit with your friends in the industry.

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.

AFD Food & Beverage Report, September 2002...
Budget shortfall dominates summer legislation

For the first time in 25 years, state lawmakers override a governor's veto. Last month, they overrode Governor Engler's veto on revenue sharing, restoring $845 million to lawmakers overrode a governor's line-item revenue sharing because he said it would strain the budget if the ballot proposals for the November election pass.

The budget shortfall surpassed all other legislative issues in Michigan's House and Senate this summer. The mainstay of the budget bailout proposal is a balance between higher taxes on tobacco products and cuts in a number of spending areas. Negotiations were expanded to include more money for education, full funding of the Wayne County Care Choice Program, a two-year roll back in the proposed single business tax reduction, and a reduction in the amount of proposed cuts to revenue sharing payments.

Despite giving in on a number of key issues, and direct involvement by Governor Engler, majority Republicans had a difficult time solving the budget stalemate. Most of the problems could be traced back to the Republican caucus where members refused to follow their leadership and would not provide the votes needed to either pass a tax increase or make the budget cuts needed to solve the problem. Compounding the problem was a unified Democratic caucus that was unwilling to give Republican votes on any of the key issues.

The "Lame Duck" session promises to be spirited and interesting. Issues remaining on Governor Engler's wish list include an increase in the cap on the number of charter schools, approval of another Indian casino near Grand Rapids, and the complete restructuring and possible sale of Blue Cross/Blue Shield of Michigan.

There have been a number of issues debated before the legislature that are of interest to AFD and its members. Probably the biggest is the recently passed increase in Michigan's tax collected on tobacco products. The increase from seventy-five cents a pack to a dollar and a quarter per pack placed Michigan second behind only New York in the amount of tax that is collected per pack.

There are two likely results of the passage of this tax increase. The first is that smokers will attempt to buy cigarettes and other tobacco products from cheaper sources. Other states that have yet to pass the increased tax on tobacco and the internet are the two most likely sources. This will result in a drop in sales for AFD members, especially ones in the southern part of the state where access to Ohio, Indiana and Illinois is easier.

The second result of passage of the increased tax is that our neighboring states are almost certain to follow suit, so increased cigarette prices are likely in almost every state.

As serious as the tax increase will be for business, an amendment that was offered to eliminate the payment to store owners for shelf space considerations would have been just as damaging. Karoub Associates joined forces with AFD and other business to defeat the shelf space amendment.

The tax increase on other tobacco products was not as drastic as the increase was on cigarettes, actually ending up lower than most in the industry had expected.

Two other legislative issues of interest to AFD would be bills introduced by Senator Shirley Johnson. The first would allow restaurants that cater events off premise to sell liquor for the event.

The bill would have allowed restaurants that cater events off premise to sell liquor for the event.

Karoub Associates joined forces with AFD and other businesses to defeat a shelf space amendment.

restaurants that cater events off premise to be allowed to sell the liquor for the event as a part of their catering license. The effect of the bill would be that the host could simply hire a restaurant/catering company to handle all of the food and beverage including liquor, eliminating the need for the host to purchase the liquor from a store. The concern from AFD was that the store would not only lose the liquor sale, but they would also lose sales on ice, beer and snacks. These items could be provided by the caterer, but often the host buys all of these items from the store when they pick up the liquor for the party.

The bill was reported out of committee, and the supporters of the bill (the Michigan Restaurant Association) attempted to rush it through the Senate. Only a quick grass roots effort by AFD members allowed Karoub Associates to stop the bill in its tracks.

Right on the heels of the failure of the catering bill, Senator Johnson introduced a bill that AFD supports that would allow stores to hold wine tasting demonstrations in their businesses.

The final issue of concern for AFD is the recently passed General Government Budget that included an amendment that would allow for Sunday sales of lottery tickets. AFD is concerned that selling lottery tickets on Sunday will tie up staff in the stores that is usually kept at a minimum on Sundays. If additional employees are required to process the Sunday sale business, the store owner could actually see a loss in revenue as a result of selling lottery on Sunday. The bill only allows Sunday sales, and does not require it, but common sense would dictate that once stores begin selling lottery on Sunday, that customers will expect every outlet to do so.

During a meeting with Karoub Associates, Speaker of the House Johnson mentioned that a number of caucus members will introduce a bill in the fall to make Sunday lottery sales illegal. It is doubtful that the bill would pass, but it would make a perfect vehicle bill to legislatively increase the percentage paid to lottery outlets for doing sales on Sunday.
National Wine & Spirits congratulates AFD on another successful Holiday Trade Show. Be sure to visit us at our booth!
Have a Coke and a chocolate milk

Bloomberg News reports that Coca-Cola has begun rolling out Nestle Choglit milk drink in 11-oz. cans, with plans to bring out a 15-oz. bottled version later this year.

The non-carbonated drink was created by Beverage Partners Worldwide, a joint venture between Atlanta-based Coca-Cola and Nestle of Switzerland, and is an attempt to compete with Cadbury Schweppes’ Yoo-hoo in the $20 billion-a-year milk category.

Fridge pack boosts Coca-Cola’s sales

A long, thin carton that holds 12 cans of soda is being hailed by loyal fans of Coca-Cola and Diet Coke, says industry observers. The fridge pack, which got its start from aluminum company Alcoa, is easier to store in refrigerators. Since its introduction in Atlanta and Chicago, sales of Coca-Cola soft drinks in cans there have increased by more than 10%, the company says.

Tarantula Margarita gets a new look

Tarantula Margarita, a ready-to-drink margarita made with real tequila, has new packaging.

Available in 4 packs of 200 ml plastic, flask shaped bottles, it gives retailers a variety of conveniences and multiple placement options: cooler, shelf and/or case stacker.

Tarantula Margarita contains 5.5 alc/vol (11 proof) and the target shelf price is $5.99 per 4-pack.

Tarantula Margarita is produced by McCormick Distillers. It is distributed by National Wine & Spirits 1-888-697-6424.

Got Licuados? milk industry introduces classic Latin drink

The California Milk Processor Board (CMPB), creators of the “Got Milk?” advertising campaign, will use print ads for the first time to introduce “Licuados” blender drinks to the Anglo population. Three new ads will start running this month in the California editions of national magazines.

Licuados (pronounced lee-kwah-dohs) are milk-based blender drinks from deep family and social significance across Mexico and Latin America. Traditionally made at home with milk and seasonal fruits, they are also popular at “Licuado bars” where servers combine a variety of ingredients in creative and exotic ways.

“Licuados are a passionate drink for passionate people,” says Jeff Manning, CMPB’s executive director. “Like sangrias and burritos, Licuados will rapidly bridge the gap between Latin and American cuisine.”

Pre-advertising research conducted by the CMPB among California women 25-49 shows that, while awareness of Licuados is predictably low, more than 60 percent make blender drinks at home more than once per month, of those, most use milk as an ingredient.

“You can use any ingredient you want in Licuados - from mango to M&Ms,” said Manning.

ATMs to show commercials

Bank of America automated teller machines soon will be featuring commercials on their screens.

While consumers are waiting for cash to pop out of the slot, Bank of America plans to occupy their time by promoting television shows and other products. The ads are just seven seconds long - and run both when nobody is using the ATM and during the time lag while transactions are being processed.

Bank of America will run the ads on 2,000 ATMs in California for the next two months, and if it works out, could expand the initiative to its national network of 14,000 ATMs.

In an Associated Press story, a bank spokesman said, “We’re still looking at how our customers are receiving it. If it has value, great. If not, we’re not going to do it. The jury is still out on that question.”

Retailers that have ATMs in their stores need to be concerned that these commercials could alienate customers, turning ATMs from conveniences to annoyances.

After all, they put the ATMs in to provide better customer service, not to inundate shoppers with useless promotional messages.
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- Bear Flag
- Brown Forman
- Canandaigua Wine
- Cannon Wine
- Caravelle
- Carriage House (Verdi)
- Chalk Hill Winery
- Charles Jacquin
- Charles Krug Winery
- Corterra
- David Sherman Corp.
- Deloach
- Diageo
- Distillerie Stock
- Gaetano Specialty
- Great Lakes Liquor
- Halewood International
- Heaven Hill Dist.
- Kendall-Jackson
- King Estate
- Kobrand
- Mott’s
- Leelanau Wine
- Magic “Energy Kick”
- Matt Brewing Co.
- Pacific Wine Co.
- Pernod Ricard
- Poca Import
- Purple Wine Co.
- Raymond Vineyards
- Remy Amerique
- Royal Wine
- Rutherford Benchmark
- Seagram’s Classics
- Sebastiani Vineyards
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Kmart, Wal-Mart cut store hours...and create opportunity

MorningNewsBeat.com reported yesterday that albeit in different ways, both Wal-Mart and Kmart are cutting hours at some of their stores. At seven of its 110 supercenters - in Michigan, California and Alaska - Kmart has ended 24-hour operations, changing open hours to 6 a.m. to midnight. The cuts are a response to slow traffic at these particular units as well as the company's overall diminished sales numbers since it declared bankruptcy last January.

Arkansas-based Wal-Mart also has selectively begun to trim labor hours at some stores as a way of cutting costs in the current down economic climate. Wal-Mart reportedly has banned overtime from specific units, and had part-time hours trimmed until it gets closer to fall, when back-to-school and the holidays kick in.

For convenience stores, this can create opportunity in markets where these kinds of cutbacks can be seen. Convenience of location and hours of operation can be an extraordinarily powerful marketing tool when used in the right way and backed up by the right products at the right prices.

Dollar stores buck trend

Healthy outlook for small-format value retailers, at expense of c-stores

Rapid new-store expansion, a compelling price/value/convenience model and growing consumer appeal have created a healthy outlook for the small-format value retail sector in general and dollar stores in particular, reports Retail Forward, a management consulting, market research and executive development firm specializing in retail intelligence and strategies, in its recent report, "Dollar Stores and Other Small Format Value Retailers."

"Unlike many other retail sectors—which suffered through the recent economic recession and continue to perform sluggishly as the economy grapples for recovery—dollar stores and other small format value retailers have bucked the trend," said Sandy Skrovan, author of the report and vice president of Retail Forward.

Coming soon:
disposable cellphones

Reuters reports that Hop-On, a small California company, has gotten U.S. regulatory approval from the Federal Communications Commission (FCC) to sell "throwaway cell phones." The company says it will target the nation's convenience stores as the best possible location from which to sell the new product.

Reportedly, the stripped-down cell phones will cost $40 and offer 60 minutes of initial local service, though cards that can add on additional minutes will be available, as will the ability to make toll calls for extra charges. The plastic phones are about the size of a deck of playing cards.

The product will first be rolled out in Southern California, and then be available throughout the country by the end of the year.

The company also reportedly is looking for co-marketing agreements with outside companies that would allow retailers and manufacturers to create their own, branded disposable cell phones.

Beer: Suddenly health food?

A new Dutch study on the health benefits of beer, reported on by the Wall Street Journal, suggests that beer "is slowly bubbling to the top as a beverage that not only lifts spirits but delivers protection against major ailments such as heart attacks, stroke, hypertension, diabetes and dementia."

The study took place over two decades and tracked the specific impact of moderate consumption of beer — less hypertension, lower risk of heart attacks, increase in "good cholesterol" levels — that may even outweigh the benefits of red wine.

Researchers define moderate drinking as one drink a day for women and up to two a day for men.

New signage for the beer cooler clearly may be in order.

Wal-Mart’s growth strategies

In five years, Wal-Mart could be twice as big as it is today if it increases its market share in newer areas such as gasoline, and major categories such as food and apparel, predicts Retail Forward.

In the recently released report The Age of Wal-Mart, Retail Forward, a management consulting and market research firm specializing in retail intelligence and strategies, expects that Wal-Mart will continue to grow rapidly and test the outer edges of its brand reach with consumers.
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Service is a "breeze" for Four Seasons Beverage and Equipment

According to Chester Mazzoni Sr., Four Seasons Beverage and Equipment—a full-service slush and drink company—was formed with one goal in mind, good customer service.

He looks at his product from the retailer's point of view. "When a customer enters a store," says Mazzoni, "the retailer has a brief opportunity to make a profit. When equipment is down or when the store is out of product, that relates to a lost opportunity to profit. Our belief is that, when our customers are serviced well, then and only then can they service their customers well."

Mazzoni adds, "Service after the sale is as important as the sale itself.

Satisfied service customers are our best means of advertising. Keeping our customers satisfied is the only way we can make our business prosper."

Four Seasons Beverage was founded with that philosophy in mind, by Chester Mazzoni Sr. and Patrick Janssen. Mr. Janssen has over twenty years in the restaurant and slush business. He has heard and seen complaints over and over and has seen the same problems again and again in customer service.

The two men designed their new company to be the most service-oriented slush and beverage provider in the business.

When developing the business, service was the first focus at Four Seasons.

The second was a slush and granita product that tasted great. Mr. Janssen said, "In all my years in the slush business, I heard over and over, "This sells, but it has no taste." So he created drinks that would stand out in customers' minds and give them one more reason to come in the store. "When you have a product that people like they will go out of their way to get it," Janssen assured.

Breeze Freeze is the brand name for the slush and granita drinks that Four Seasons developed, and the company has over 30 flavors. Some of the favorites are strawberry-banana, blue raspberry and cherry. New successes like Banana Split and Pina Colada are also selling well.

Breeze Freeze is an adaptable and trendy new product. Bars and nightclubs use it in frozen drinks such as rumrunners and hard lemonade.

Breeze Freeze slush drinks are popular in restaurants, convenience stores, and gas stations.

"There are a lot of slush companies out there, but no one offers the level of service and fine products that we do," said Chester Mazzoni III, service manager.

To fill a growing niche, Four Seasons Beverage has ventured into the healthful food products market as well. Fruit granita is especially popular among gyms and health clubs. With zero fat, only 130 calories, and at 25% pulp, it is guilt-free, nutritious refreshment after a workout. The concentrate is much more stable than other forms of smoothies, making it convenient, profitable and tasty.

"It's a top-shelf product. It's something Jared from Subway would drink," Janssen kidded.

A big advantage to all of Four Seasons' products is convenience. With a one-year shelf life and no refrigeration needed, the syrups are easy to store and maintain.

"Profitability is much higher too," Janssen added.

With other mixes, bar drinks like daiquiris require the bartender to open a new package and mix several drinks at a time. If all of the daiquiris are not sold, the remainder must be thrown away. Four Seasons' products do not cause this waste.

"There are many companies that storeowners can do business with. Some sell slush, some sell equipment, some have service, some have generic advertising material and, for some and/or all, this is just a part of their business. These companies also carry many other product lines to sell to storeowners."

It's like the old saying, "Jack of all trades and master of none." The focus at Four Seasons is the slush business. Be the master of one and then, and only then, will you be able to service your customers the way they expect to be serviced," Janssen reasoned.

Four Seasons Beverage & Equipment has one focus and that is the slush business. The company carries slush, granita, and equipment—both manual and auto-fill (2 bowl and 3 bowl) as well as high-volume slush equipment used in stadiums and convention halls.

"As anyone knows, advertising is a must to promote and sell products and we have created the advertising needed," said Chester Mazzoni Sr.

"We have three sizes of throw-away cups printed with the Breeze Freeze Logo and the cost to our customers is the same or less than they are paying for plain cups that they are currently purchasing. We have thermal refillable cups with the Breeze Freeze Logo as well. Along with offering posters, table tents, flags, banners, and laminated signs, we can also provide personalized window and door signs with the name of the store on them."

"When a machine is down, our delivery personnel, Four Seasons Beverage and Equipment has built its business on the concept of service. "Customer service is key to any business, and that is what we are trying to provide," explained Dennis Richardson, senior administrator.

"When a machine is down, our customer is not making any money and neither is Four Seasons. Typically, service calls in the industry are done within two to five days. Our goal at Four Seasons is to service the equipment promptly," Richardson added.

"When equipment is down, no one profits."

Four Seasons Beverage is working to raise name recognition of their product, and they are doing it in ways to help the community. "It should be Coke, Pepsi, and Breeze Freeze," Janssen joked.

"We want to do this for our customers and the community too by helping sponsor fundraisers and car washes that help schools and churches."

For example, Four Seasons will donate the machines and equipment to a charitable organization for the day so the group can give away a free slush with every car wash. During the Woodward Dream Cruise, Four Seasons set up at 13 Mile Road and Woodward, sponsoring a fundraiser to benefit the family of the Royal Oak police officer who was recently killed. The event was covered by Detroit oldies station WOMC FM, 104.3.

The company has grown in leaps and bounds since it started business in February. "When you give people something they want, word travels fast," said Richardson. Four Seasons Beverage is proud of its rising reputation.

To date, it has 177 customers in Michigan, and has recently expanded to Ohio, Canada, Florida, and Illinois.

Four Seasons Beverage will be at the AFD/Beverage Journal Holiday Show on September 25 and 26 at Burton Manor in Livonia. There will be special prices on equipment and products. Orders will be taken for spring delivery.

"With only a small deposit, you can buy ahead at the discount prices," Richardson added.

Four Seasons Beverage will also hold an open house in November. Call toll-free at 1-877-736-3362 for details.
Here's to real friends.
Jim Beam and Jim Beam Black are available through your local Future Brands LLC Representative, or call 1-888-697-6424.

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Jim Beam® Kentucky Straight Bourbon Whiskey, 40% Alc./Vol., ©2002 James B. Beam Distilling Co., Clermont, KY
Michigan State Fair Wine and Spirits competition welcomes national wine judges

Some of America's most notable wine experts were in East Lansing to judge nearly 250 locally grown wines from 25 of Michigan's 32 wineries.

This year's judges included Dan Berger, wine columnist for the L.A. Times and noted author and wine competition coordinator. He was joined by Doug Frost, the only American who is both a master of wine and a master sommelier. Also judging were well-known Michigan wine experts, including Madeline Triffon, master sommelier, Joe Borrello, executive director of Tasters Guild International; and Sandra Silfven, wine writer for the Detroit News.

The day-long event was held July 30 at the Kellogg Hotel and Conference Center in East Lansing. Thirty gold medals were awarded to 13 wineries. From those, five wines were chosen to receive Best of Category awards:

**Dry White:**
- Chateau Grand Traverse 2001 Whole Cluster Riesling

**Semi Dry White:**
- Peninsula Cellars 2001 Select Riesling

**Red:**
- Good Harbor Vineyards Harbor Red

**Sparkling:**
- L. Mawby 1995 Mille

**Specialty:**
- Winery at Black Star Farms 2000 A Capella Ice Wine

Wal-Mart tests “dollar store” concept

The same week that a study by Retail Forward suggested that the small format sector and dollars stores would perform well because of their “compelling price/value/convenience” approach, Wal-Mart announced that it is testing a “dollar store” boutique in a number of existing units, including some in Texas and Maryland.

Essentially, these stores have segregated sections in which all items cost a buck or less.

The concept could spread to other stores if it catches on with consumers.

There is some concern within the traditional dollar store business that Wal-Mart could build freestanding dollar stores, starting up its own chain using the format. However, Wal-Mart spokesman Tom Williams told Dow Jones that “the company hasn’t broken ground or signed leases for any separate dollar-store business, and the company hasn’t been shopping for irregular merchandise or closeout products often associated with dollar-store outlets.”

However, he wouldn’t rule out the possibility of a freestanding chain. “I wouldn’t want to speculate, but we are very comfortable with the store-within-a-store concept,” Williams said.

Wal-Mart has tested the store-within-a-store concept before, most notably with candy stores. Considering its clear intentions in the gasoline business, and now this test of dollar stores, one has to wonder if eventually Wal-Mart will start getting into the convenience store business.

Kellogg launches new integrated web site

Site includes both Kellogg and Keebler food service programs

Kellogg Company's, Food Away From Home division has launched www.fafh.com which integrates the Kellogg's and Keebler brands. The site, designed to educate restaurants, food stores and the vendor community about available Kellogg and Keebler products, is a first for the division.

The site is designed for food service customers to find product information as well as detailed promotional offers intended to boost sales. Recognized icons, such as Tony the Tiger and Ernie Keebler help demonstrate product diversity while providing eye-catching animation.

SpectraCom Inc. designed and built the site for Kellogg's Food Away From Home division.
WIN THREE GOLD MEDALS AND SOME OF IT’S BOUND TO GO TO YOUR HEAD

2002 marks Miller Lite’s third gold award-winning year as best American Light Lager at the World Beer Cup.

GREAT TASTE, LESS FILLING.
suppliers like Brown-Forman have realized the consumer demand for premium and super premium brands. Over the past few years, they have introduced Jack Daniel’s Single Barrel, Gentleman Jack and Woodford Reserve to great success and rave reviews. These three brands have proven you don’t have to be imported vodka to show good growth and gain consumer loyalty. Time will tell, but I believe the premium and super premium brands will continue to grow, and the next hot brands may come from the rum and imported cordials categories. Two brands to watch for, Appleton Estate VX Rum and Amarula Cream.

The fastest growing category in 2002 is Tequila, after a large drop last year fueled by a shortage of product and price increases. Tequila is back on the positive side with a sales growth of 4.5%. Rum was second in sales growth and Vodka third. Jose Cuervo leads the Tequila category with over a 51% share, and Jose Cuervo 1800 with almost a 9% share. The biggest gain in share of market was Sauza; it grew its share of the market by almost 1.5%. In the large vodka category, Smirnoff is the volume leader, followed by Popov and Absolut. Smirnoff’s growth is being led by their flavors. Both Stoli and Smirnoff grew their flavor business in the first half of 2002. According to IRI Infoscan, Smirnoff is the #1 selling flavored vodka in Michigan. The consumer is going to see more flavor types, and more vodka brands producing flavors over the next few months. The number two category, rum, was next with about a 13% share.

I’m also interested in meeting new distributors. I attend the show to preview new releases in the wine market, and I did see some Chilean wine that I was not familiar with,” said Sam Shoukrí from Showwerman’s Fine Wine. “I want to know the best way to pair beverages with food. I’m also looking for unique ideas about how to promote certain products.”
Make the Connection

AFD/Beverage Journal Holiday Show

Sept. 25, 2002 5-10 p.m.
Sept. 26, 2002 4-9 p.m.
Burton Manor  Livonia

Admission ticket required. $10 at the door.

Connect with FUN!
Connect with DEALS!
Connect with SPECIAL PROMOTIONS!
Connect with NEW PRODUCTS!

The pieces fit, so make the connection. Attend the AFD/Beverage Journal Holiday Show.

For more information contact Ginny at (248) 557-9600

The law requires that you be at least 21 years of age to attend this show. Proper attire please. No bags in or out.
"Make the Connection" at the AFD/Beverage Journal Holiday Show with these specials!

Connect with new products and show specials. Here are samples of some of the most deals:

**Absopure**

Buy 10 cases of Absopure Spring Water (16 oz, 25 oz, 1 liter and 1.5 liter) and get five cases free.

**Brown-Forman Worldwide Beverages**

is proud to introduce Amarula Cream, the finest natural and rich smooth cream liqueur. On the wide-open plains of Africa grows the Elephant Tree that bears the wild Marula fruit. From the Marula fruit an oak-aged liqueur is created. This captivating and exotic cream can be enjoyed on the rocks, neat or in creative cocktails.

Buy one case of coffee from the Coffee Connection and receive $5 off a second case.

**Comerica**

Comerica Bank will be raffling off goodie bags full of merchandise, and they will be serving baklava throughout the show.

**General Wine**

will be sampling:
- Jack Daniel Malt, Jaz Hard Lemonade, Red Square, a vodka energy drink, Raw Spirit, an English vodka premix in an aluminum bottle, and Caribbean Twist, a refreshing premix malt beverage.
- Only 2000 cases a year are produced of these exceptional German wines. Josulete Wines, Inc. is the only distributor in Michigan for the Kroth Winery located in Merl, Germany, a family owned and operated business since the 1800's. Come and sample Merler Konigslay Riesling, Merler Klosterberg Riesling Cabernet, Merler Konigslay Riesling (late harvest), and Merler Konigslay (select harvest). All grapes are grown on steep terraced slopes and are of exceptional quality.

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Profit up to $5,088.00 with every $540.00 invested; ask for more details when you visit Four Seasons Beverage & Equipment. Take advantage of special holiday show pricing on top of the line Breeze Freeze Ultra Gourmet Ice System, and receive free installation and training (manual fill frozen drink machine or auto fill frozen drink machine).

Frank Kaminskas & Associates will be raffling off an Anheuser-Busch stein.

Future Brands LLC will be sampling two new flavors, Dekuyper Tropical Pineapple and Dekuyper San Tropique.

**General Wine Liquor Company**

General Wine will be sampling the following new wines: Talus 1.5 liter from California, Hartford 200 ml, & 1.75 liter and Archipel both.
KANSMACHER

Kansmacker will display their new Stainless Steel Reverse Vending Machine. Also look for the introduction of new machines that will accept individual containers, and separate machines for cans, plastic and glass. Any orders placed at the show will receive ten cases of free bags.

Marketplace Solutions

Customers receive faster and more accurate checkouts, and employee training time is reduced with ECR Software Corporation's Catapult point of sale software. Market Place Solutions is the exclusive dealer and will be introducing this software package at the show.

Miller Brewing Company will be sampling Jack Daniels Hard Cola, Skyy Blue, Stolichnaya Citrona and Sauza Diablo.

Mountain Air will be raffling off a Commercial Portable Air Cleaner each show day.

AFD is accepting nominations for the Board of Directors

It is time to choose our new AFD Board of Directors for 2003. Any voting member of the association may be nominated to sit on our board.

In order to be eligible, you must be a member in good standing for no less than the prior 12 months and you must be nominated in writing, no later than October 19, 2002. All nominations require the support of 26 other members in good standing or a majority vote by the nominating committee. If you are a retail member, you must seek a retail position on the board. If you are a general member, you must be nominated to stand for a general director's position.

In addition, the AFD will accept nominations for regional directors' positions for regions 5 and 6. Please send your nominations with supporting signatures to the AFD Nominating Committee, 18470 West Ten Mile Road, Southfield, Michigan, 48075.

Our board of directors sets policies by which the AFD is governed. We urge all AFD members to get involved by nominating candidates you feel will devote their time and talent to represent the food industry with professionalism and integrity.

NATIONAL WINE & SPIRITS CORPORATION

National Wine & Spirits will be sampling the following new products: Smirnoff Apple Twist, Kahlua Especial, Kahlua Black Russian 4Pack, Red Bull Vodka, Tarantula Margarita 4 Pack, and Tipperery Irish Cream. They will also be featuring limited quantity holiday gift sets, and retailers will have a chance to place their preorders.

This is just a small sample of the new products and trade show only discounts that will be available. There will be hundreds of exhibiting companies showing, selling and sampling the very latest new products. Plus, there will be fun games, and cash prizes will be awarded every hour.

Get Quenched!

Absopure Natural Spring Water Is Available In Just The Right Size For People On The Go!

Absopure Tastes Great Because It Comes From Our Own Natural Source In Pristine Southern Michigan!

Absopure Tastes Great Because It

Comes From Our

Own Natural Source In

Pristine Southern

Michigan!
The first Michigan Lottery $20 instant game was so successful, retailers and players alike were celebrating. So let's do it again! Here are the facts on $2,000,000 Celebration:

- Over 2,000 prizes of $1,000.
- Players who win the $1,000 prizes will be automatically entered into the $2,000,000 grand prize drawing, to be held on January 31, 2003.
- $1,000 winning tickets must be presented at a Lottery office or licensed Claim Center at least seven calendar days prior to the drawing to be eligible for the $2,000,000 grand prize drawing.

Don't forget - this game is not part of your weekly standing orders. So if you haven't placed your order, make sure you do it today. Then celebrate!

- Largest top prize of any instant ticket $2,000,000
- Highest per ticket commission $1.20
- Best overall odds 1 in 2.25
- 27 ways to win
The Coca-Cola Bottling Company of Michigan Thanks the City of Detroit for 100 Great Years
Excitement will rise waiting for the red ball to fall!

By Acting Commissioner Jim Kipp

Just a reminder that beginning September 2, the Lottery will be giving Daily 3 game players a second opportunity to win on the same Daily 3 ticket! The Daily 3 Red Ball Double Draw promotion will run from September 2 through September 21, 2002.

After each regular Daily 3 evening drawing (Monday through Saturday) during the promotion, the Lottery will conduct another drawing using a separate machine that contains five white balls and one Red Ball. When the Red Ball is drawn, the Lottery will then draw a second set of Daily 3 numbers, giving players a second chance to win on the same ticket. Prize amounts for the Red Ball Double Draws are the same as for the regular drawings.

When a white ball is drawn, it will be taken out of the machine and set aside—resulting in one less white ball to draw from the next night and increasing the chance of drawing the Red Ball. Double Draws will not occur on nights when a white ball is drawn.

Whenever the Red Ball is drawn, all of the balls will be returned to the machine for the next drawing. It is guaranteed that at least three Red Ball Double Draws will occur during the promotion, and players can watch the drawings live every evening at 7:28 p.m. on their local Lottery network television station.

With all of the additional winners that will be generated, your sales will be sure to rise as players wait for the Red Ball to fall!

Free Instant Ticket Coupon. In February and April of this year, Lottery players throughout the state redeemed special promotional Lottery coupons that offered one free $2 instant game ticket with the purchase of any $5 instant game. Those coupons were distributed via select home-delivered newspapers and they were a huge hit with your customers!

Due to the huge success of the first two instant ticket coupon promotions, the Lottery has chosen to distribute another “Buy a $5 Instant Ticket, Get a $2 Instant Ticket Free” coupon on September 15 in more than 1.6 million home-delivered newspapers across the state. Coupons expire October 13, 2002, and must be validated by October 27.

The redemption method on the new coupons is exactly the same as it was for the first coupon. When a customer comes into your store, makes a $3 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 instant game ticket. You will receive a 2-percent cashing commission on each coupon you take in!

“$2,000,000 Celebration” Instant Game Ticket. The brand-new $20 “$2,000,000 Celebration” instant game, which went on sale September 5, is different than any Michigan Lottery instant game to date. More than 2,000 prizes of $1,000 will be awarded, offering players terrific odds of 1 in 852 to win that prize! Instant prizes ranging from $20 to $540 will also be available and may be paid by any Lottery retailer (approximate overall odds of winning a cash prize are 1 in 2.25).

When winners of $1,000 prizes call AFD at:
(248) 557-9600
or
(800) 666-6AFD

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Celebrate Harvest Time In Michigan!
As a bonus to advertisers of Michigan made products, The Food & Beverage Report will publish editorial copy about your company and/or products without charge. Also, there is no added charge to advertise in this special section; regular contract rates apply.

Send in your advertising and editorial copy today. However, editorial copy must reach AFD by September 10. We reserve the right to edit submitted material to fit space available.

The Food & Beverage Report offers you total market coverage in Michigan with circulation at 10,000+ and readership at 25,000*. Our distribution includes the retail food trade including major food stores, independent food stores, party stores, manufacturers, wholesalers and distributors.

Let Customers Know You Support and Promote Michigan-Made Products!

*Average 2½ readers per copy

For additional information and rates, call 1-248-557-9600 • 1-800-666-66-AFD
Meet the AFD 2002 Scholars

The Associated Food Dealers of Michigan is proud to award scholarships for the 2002/2003 school year to these deserving students. Thanks to the support of our sponsors from the AFD Scholarship Golf Outing in July, we were able to award 30 scholarships this year!

Michelle O. Adebayo
Submitted by Superior Fish Co.
Sponsored by Pernod Ricard USA

Michelle plans to attend her first year of college at the University of Michigan in Ann Arbor. She graduated in 2002 from the Academy of the Sacred Heart High School in Bloomfield Hills where she received high honors. She participated in varsity lacrosse, basketball, and skiing, and was the Blue and Gold school spirit group leader. Michelle also volunteered at an elementary school once a week and monthly at Focus Hope, a charitable food organization.

Rebecca M. Brooks
Submitted by Maria’s Bakery
Sponsored by CROSS-MARK Sales Agency

Rebecca will be a freshman attending the University of Michigan in Ann Arbor, studying business. She graduated in 2002 as valedictorian from Wayne Memorial High School in Wayne. She received the Michigan Merit Scholarship and awards for outstanding work in Accounting II, Ecology and AP English.

Heather L. Drake
Submitted by Foster’s Supermarket
Sponsored by Absopure Water Company

Heather will be a junior at Michigan State University in East Lansing, studying early childhood development. She graduated in 2001 from Manton High School in Manton, where she was on the honor roll. She was also a member of the National Honor Society, track, band, color guard, and received the Michigan Merit Scholarship.

Noor Elias
Submitted by Chaldean Federation of America
Sponsored by Chaldean Bottling Co. of Michigan

Noor will be attending Oakland University in Rochester, studying accounting and finance. She graduated from Troy High School in Troy with a business department award and a red cord for her grade point average. She was a peer mediation member while in high school.

Tim K. Habib
Submitted by Leon’s Party Store
Sponsored by Kowalski Companies

Tim will attend his junior year at the University of Michigan in Dearborn, studying computer engineering. He graduated in 1997 from Churchill High School in Livonia and received a mathematical scholarship award from Schoolcraft College in 2000. He has maintained a 3.9 grade point average throughout college.

Matthew J. Hakim
Submitted by Emily’s Delicatessen
Sponsored by DTE Energy/Detroit Edison

Matthew will attend his sophomore year at the University of Michigan in Ann Arbor, studying theatre and dance. He graduated in 2001 from De La Salle Collegiate High School in Warren. There, he was vice-president of the National Honor Society, founder and first president of De La Salle Drama Club, captain of the forensics team and captain of the debate team. He received the Macomb Scholarship Award and the AP Scholarship Award. Now in college, he is part of the Executive Public Relations of Residence Halls Association.

Julia D. Hawkins
Submitted by Breadsmith
Sponsored by Canadigna

Julia will attend her junior year at Franklin College Switzerland, studying international economics and international banking and finance. She graduated in 1999 from John Cooper High School in The Woodlands, Texas. She was a TAAPS current events finalist, played on the golf team, was French Club president and belonged to the National Honors Society. She was the student union secretary for the 2001/2002 academic year, and will be student union president during the 2002/2003 academic year.

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*AFD Food & Beverage Report, September 2002*
Sonia will attend her junior year at Wayne State University (WSU) in Detroit, studying nutrition and health sciences. She graduated in 2000 from St. Agatha High School in Redford. She is the secretary of the Chaldean American Student Association at WSU.

Matthew P. Michlitsch
Submitted by Fortino’s
Sponsored by Diageo
Matthew will be a senior at Purdue University in West Lafayette, Indiana, studying biomedical engineering. He graduated in 1999 from Grand Haven High School in Grand Haven. Matthew is a member of the National Society of Collegiate Scholars, Phi Beta Sigma Honor Society, Alpha Lambda Delta Honor Society, and National Service Fraternity. He has been on the dean’s list throughout college and has received semester honors for the last 2-1/2 years.

Sandra N. Montgomery
Submitted by Pepsi Bottling Group
Sponsored by Pepsi-Cola (Detroit)
Sandra will be a sophomore at Wayne State University in Detroit, studying electrical and computer engineering. She graduated in 2001 from Crockett Technical High School in Detroit. She has a grade point average of 3.3 and is a member of the Society of Women Engineers, (SWE).

La’Mont C. Muhammad
Submitted by metro Foodland
Sponsored by Interstate Brands- Wonder Bread/Hostess
La’Mont will attend his junior year at Wayne State University in Detroit, studying accounting. He graduated in 1997 from Ford High School in Detroit. He is president of the Pre-Law Student Association, serves on the student Senate and is vice president of communications. La’Mont is a member of the Golden Key International Honor Society and the National Association of Black Accountants.

Roxanne M. Major
Submitted by Cracker Barrel
Sponsored by North Pointe Insurance Company
Roxanne will attend her junior year at Michigan State University in East Lansing, studying business administration. She graduated in 2000 from Marian High School in Bloomfield Hills. Throughout high school she was on the honor roll, was a member of student government, and received a Scholar Athlete and Service award.

Muldeena Ogunmola
Submitted by NAAACP
Sponsored by Brown-Forman Beverage Co.
Muldeena will be attending Alabama State University studying fine arts and marketing. She graduated from Detroit High School of Fine Arts in Detroit, where he won the Silver Key in Scholastics two years in a row.

Mathew S. Pisching
Submitted by Eastown Distributors
Sponsored by Eastown Distributors
Mathew plans to attend his first year of college at the University of Michigan in Ann Arbor, studying electrical engineering. He graduated in 2002 as valedictorian from De La Salle Collegiate High School in Warren. He was captain of the golf team, a Science Olympiad, a National Merit Finalist, and a member of the National Honor Society.

Lauren M. Ramsey
Submitted by NAACP
Sponsored by Kar Nut Products
In the fall, Lauren will attend Michigan State University in East Lansing, studying microbiology, pre-med. She graduated Cum Laude from Lewis Cass Technical High School in Detroit. She was the first place gold winner at the science and engineering fair of Metro Detroit, received the Principal’s 4.0 Award and the Outstanding Leadership Award from the Catholic Youth Organization.

Jennifer C. Stanis
Submitted by Stephen’s Nu-Ad
Sponsored by General Wine & Liquor Co.
Jennifer will attend her sophomore year at Oakland University in Rochester, studying Nursing. She graduated in 2001 as valedictorian from Utica High School in Utica. She received the Presidential Academic award, MAC All Academic Athletic award, and the US Marine Corp. Scholastic Excellence award. Now she is on the dean’s list and received semester honors.

Gregory R. Sheena
Submitted by Village Pantry Foods
Sponsored by Alex Bell Memorial Scholarship
In the fall Gregory will be a freshman at Wayne State University in Detroit, studying pre-business. He graduated in 2002 from St. Mary’s Prep High School in Orchard Lake.

Mary L. Shelly
Submitted by Duffey’s Derby
Sponsored by People’s State Bank
Mary plans to attend her first year of college at the University of Michigan in Ann Arbor, studying English. She graduated in 2002 from Crosswell Lexington High School in Crosswell. During her senior year, she was the secretary of the National Honor Society, and participated in the English Academic Games, band, French Club, and Quiz Bowl.

Gregory R. Reid
Submitted by Drakes Barrel
Sponsored by The Drake’s Dock
Bryan will be a senior at the University of Michigan in Ann Arbor, studying aerospace engineering. He graduated in 1999 from Lincoln High School in Ypsilanti. Bryan is currently vice-president of Aerospace Honors Society, he's on the dean’s list and has received the Landes Prize for Outstanding Technical Writing.

Addison J. Steinman
Submitted by Niagara’s Food and Beer
Sponsored by Miller Brewing Company
Addison will attend his first year of college at Monroe County Community College in Monroe. He graduated in 2002 from Monroe High School in Monroe.

Stephanie M. Sulaka
Submitted by Nicklas Distributors
Sponsored by National Wine and Spirits Corp.
Stephanie will attend her junior year at Central Michigan University in Mt. Pleasant, studying elementary education. She graduated in 2000 from Shrine High School in Royal Oak. She is the College Republican’s Secretary, a member of the National Honor Society, and is currently on the Dean’s list.

Cassidy L. Volek
Submitted by Nash Finch
Sponsored by Central Distributors of Beer
Cassidy will attend her freshman year of college at the University of Missouri in Rolla, studying aerospace engineering. She graduated in 2002 from Birch Run High School in Birch Run. She was student council class secretary, vice-president of the National Honor Society, and MHSAA Scholar Athlete Finalist.

Julia R. Weiss
Submitted by Francemouth IGA
Sponsored by Faygo Beverages
Julia will attend her sophomore year at Lake Superior State University in Sault Ste. Marie, studying education. She graduated in 2001 from Frankenmuth High School in Frankenmuth. She is on the LSSU basketball team and helped win the GLAC Conference and made it to the NCAA tournament. She also received the Board of Trustees Academic Scholarship.

Meet the AFD 2002 Scholars

AFD Food & Beverage Report, September 2002...25
Scholars, continued from Page 25

Scholars say thanks

Dear Canandaigua,
I just wanted to thank you for your contribution to the AFD Scholarship Program and for sponsoring me in particular. I really appreciate your financial support toward my college education. Without companies like yours many college students would find it very difficult if not impossible to attend the college of their choice. This program has helped me do this.

Thank you and all of those at Canandaigua again for your support. My family and I appreciate what you have done. I hope that you will continue to support students like myself in the future.

Sincerely, Julia Hawkins

Dear Faygo,
Thank you again for being my sponsor. As I now start my second year at LSSU, I appreciate so much your sponsorship of this scholarship. I plan on using the money for my books and tuition. Your kindness is something I think of often, for without my scholarships, attending LSSU might not be possible.

Thank you again, Julia Renee Weiss

Dear Anheuser-Busch,
I am writing to thank you for being my corporate sponsor for the scholarship that I received. I greatly appreciate it. I am going to use the scholarship towards Wayne State University to pursue a career in Pharmacy. It is a great assistance in helping me finance my schooling. I could not say thank you enough for your generosity. Thank you.

Sincerely, Matthew Hakim

Dear Spartan,
Thank you for being my sponsor for the Associated Food Dealers of Michigan scholarship. The scholarship will help me pay for tuition and books this year at Grand Valley State University. I appreciate your generosity and would again like to extend my thanks.

Sincerely, Megan Zimmer

Dear DTE Energy,
After living through my first year of college at the University of Michigan, I know how expensive life can get when you are away from home. Coming from a household of four brothers, my father has several huge expenses each month. Your sponsorship of the Associated Food Dealers scholarship is a tremendous help to me and my family. I want to thank you very much for making it easier for my father to continue sending me to college.

Your generosity will alleviate much pressure from my father, who insists that I not worry about my financial life while studying at the University. I had quite a successful first year here, and I am looking forward to continue. My current majors are theatre and dance. So thank you again for all that you have done and your generosity, it is greatly appreciated by me, my father, and my four brothers.

Sincerely, Megan Zimmer
Scholars say thanks

Dear General Wine & Liquor,
Thank you so much for making my AFD scholarship possible. The scholarship money will go to good use and it is truly appreciated. I hope you enjoyed the golf outing and the banquet as much as I did. It was wonderful to meet you and again thank you very much.
Sincerely, Jennifer Stanis

Dear Coca-Cola,
I would like to thank you for being my corporate sponsor for the AFD scholarship award. The money will be put to good use toward my higher education. Thanks for helping make a difference and supporting students such as myself.
Sincerely, Braden Boji

Dear Petitpren,
I would like to take this time to thank you for your sponsorship that allowed me to receive a scholarship on behalf of the Associated Food Dealers. It was very nice meeting you at the banquet program. The scholarship money will be very helpful when I move forward through my college career. I appreciate it more than you probably know and once again would like to thank you for your generosity.
Sincerely, Sonia Lousia

Dear AFD Scholarship Committee and Central Distributors of Beer,
Thank you for all your hard work, time and effort. If it wasn’t for you, the scholarship and dinner would not have been as wonderful. You all are wonderful, dedicated and organized people.
Sincerely, Cassidy Volek

A Big Thanks for all the time and products that were donated to make the AFD Scholarship Golf Outing a success!

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Jason Van Hoofe
Shane Seaman
Charlotte Blackwell
Steve Collins
...and all the others that helped!!!
As energy drinks power up market share, Magic Recovery invades U.S.

By Michele MacWilliams

Energy drinks—those slim, 8 ounce cans of carbonated liquid that offer a punch of caffeine and other pick-me-up products—are moving from the bar scene into mainstream.

Red Bull, the industry leader with roughly 70% of the 7.55 billion (2001 est.) energy drink market, introduced the category in 1985. Originating in Austria, the caffeine, sugar, vitamin & mineral-packed beverage became a hit as a mixer in nightclubs and as an energy booster for cramming college students and long-haul truck drivers.

Anheuser Busch, Hansens and other beverage companies quickly jumped on the bandwagon to introduce competing products. According to Beverage Market Corporation, energy beverages garnered more than 7 percent of soft drink sales in 2000, and the category is growing quickly.

Convenience stores are by far the largest channel for energy drink sales, with 69 percent of the market. The reason is that the drinks are primarily purchased individually, for an immediate, quick energy boost.

The newest entry into the energy drink arena is Magic Recovery. Produced in Sweden, Detroit Red Wings’ defensemen, Nicklas Lidstrom, is a major principal in the parent company, Swedish Beverages Inc. Sam Scarletta, central regional vice president, says that what sets Magic apart from the others is its ingredients are all natural.

According to Scarletta, Magic Recovery works in three stages with a carefully balanced combination of fructose, guarana and ginseng. The company’s sales brochure says that Magic sharpens the senses, improves concentration, coordination and quickens reflexes.

“People have become more health conscious and they exercise more,” says Scarletta. “We want to stay healthy and eat and drink products that are good for us.” Magic Recovery fits into this mindset.

Lidstrom swears by this stuff and drinks it when he plays.

The ingredient list for Magic Recovery are: water, fructose, citric acid, guarana extract, carbon dioxide, natural and natural identical flavors, maltodextrine, ginseng, sodium citrate and natural caffeine.

Ginseng is a root that originated in China and has been used for thousands of years to improve stamina and concentration. Guarana seed contains more natural caffeine than coffee or tea, but has been rated “generally recognized as safe,” by the US Food and Drug Administration. Together with fructose (sugar), the company says Magic provides fast-acting energy that is particularly well suited for the active sports enthusiast.

The company claims that Magic is free of chemically manufactured ingredients such as tumor, preservatives, or artificial colorings.

“Recent market trends have indicated a move toward natural products and away from chemically-based brands and Magic is in the perfect position to fulfill consumer demand for something natural and different,” said Mervyn Silver, managing director of Megaboom Ltd., the UK distributor for the brand.

Magic is currently sold in a number of European countries and has now crossed the Atlantic to invade the U.S.

Marketing Magic Recovery to the U.S. market has started, naturally, in the Midwest, where Lidstrom’s name is well known. Scarletta says that 20,000 cans were passed out at the Red Wing’s last game of the Stanley Cup. More were handed out the next week at the victory parade.

“We’re introducing the product at major Michigan events, including U of M football games, during the Woodward Dream Cruise, and at the U of M Bookstore during the first day of classes,” enthused Scarletta.

In addition, in-store signage that includes photos of Lidstrom, billboards, and radio commercials will support brand identity of the product, which at an intended retail price of $1.99, is at the premium end of the energy drink category.

Magic Energy is being distributed in Michigan by CROSSMARK Marketing Agency, Tom Davis & Sons’ Dairy and General Wine and Liquor. Look for it at the AFD Beverage Journal Holiday Show, Sept. 25 and 26 at Burton Manor in Livonia.

Engler signs under-age license

Though he vetoed the funding for the change, Governor John Engler signed legislation providing for driver’s licenses of those under legal drinking age to be vertical rather than horizontal.

Under the license bills (SB 924 and SB 925, PA 553 and PA 554), anyone under age 21 would be issued a “portrait” license or state ID card rather than the current “landscape” oriented card. The card also would be required to carry the date on which the person will turn 18 and 21.

The program was set to cost $1 million from the State Services Fee Fund, but Mr. Engler argued in his veto letter for the general government budget (HB 5646, PA 528) that the fund was not the appropriate revenue source of the project and that $1 million for developing a new license, given the current state of the budget, was excessive.

“We’re going to review the new law to see what our options are and if we have options because certainly this will be a very expensive program and it is one we cannot do without the funding,” said Elizabeth Boyd, spokesperson for the Department of State. But she noted that the bills are not effective until July 1, 2003, “so we have some time to study.”

Sen. Loren Bennett (R-Canton), sponsor of the legislation, said he expected, based on the veto message, that the funding was cut in response to the three ballot proposals and that, should those proposals fail, it would again be considered for funding.

Kathy Chesney, spokesperson for the State Budget Office, said the contract for the driver license production is expiring and the plan is to include the new design in the term of the new contract. “We believe we can build it into the criteria for the contract proposal, so we don’t believe moving to vertical driver license should cost that much,” she said.
During the Daily 3 Red Ball Double Draw promotion, excitement will rise — and so will sales! Players have a great new reason to come to your store and play the Daily 3 game: when the Red Ball falls during the evening drawings, they get a second chance to win on the same ticket. And it's guaranteed to happen at least once a week!

So make the most of the Daily 3 Red Ball Double Draw for your store. Remind your customers to play the Daily 3 and to watch the evening drawings to see if the Red Ball falls. Because when it does, more happy winners will come back to your store for more!

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YOU CAN COUNT ON US—WE’RE AFD

Snapple Big Apple Spree

Wendy Kaufman, a.k.a. “The Snapple Lady” “teased” off on a Circle Line ship to inaugurate her Snapple Summer Spree—she traveled all over the Big Apple this summer, handing out ice cold Snapple to hot and thirsty New Yorkers.

Consumers continue to show brand loyalty

According to a new survey released by the Grocery Manufacturers of America (GMA), three quarters of all American consumers consider a product’s brand before making a buying decision, and 49 percent of US consumers say that a “familiar brand name” is the first or second most important factor in making a supermarket purchasing decision.

Other details from the GMA study:

* Sixty-seven percent of respondents said they would “chase the brand” to a different store if it wasn’t available or do without until the next shopping excursion.
* Consumers are twice as likely to choose a brand that is of high quality but costs more, than one of average quality that costs less (57 percent to 28 percent).
* Americans would also pay a higher price for “a product whose taste they enjoy” (41 percent) and a “product with added health and nutritional benefits” (25 percent).
* Eight-four percent of those polled said that store brands “copy national brands’ products.” Sixty percent say that store brands look like national brands and 37 percent said that store brands develop new products on their own.
* More than eight-in-ten Americans frequently consider the price of a product before making a final selection. Over half (55 percent) say that an in-store product sale or coupon is most or second most important in making a specific purchase, including 50 percent of those with household earnings of $90,000 or more.
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"Made in Michigan"
Representative Switalski welcomes the "tug and tussle" of politics

by Kathy Blake

State Representative Michael Switalski (D-27) greets the challenge of being a legislator with open arms. "I enjoy it. It's a great tug and tussle," he said noting that resolving differences between various interest groups is the key to good government.

"If we do our job right, we fashion an honorable compromise that represents the best interests of everyone in the state," says Rep. Switalski.

"It's always fresh," he said in regard to the diversity of problems that he and his colleagues face in Lansing.

Senate nominee

Rep. Switalski is the Democratic nominee for the 10th district state Senate seat in southern Macomb County. He defeated State Board of Education member, Sharon Gire, in the Democratic primary last month. He is running against Republican Stephen Rice for the state Senate seat this fall.

Committee assignments

Currently in his second term, Switalski represents the 27th district which includes the cities of Eastpointe, Roseville and St. Clair Shores in Macomb County. He serves on the Appropriations committee. "That committee seems to be where people work together the best, regardless of party affiliation," says Switalski.

His subcommittee assignments are: vice-chair of Family Independence Agency; vice-chair of School Aid and Department of Education and the subcommittee on Community Colleges.

Switalski is concerned with the Family Independence Agency, which has the third largest budget in the state. A major part of that budget goes to the food stamp and WIC programs. He says the biggest problem with food stamps is the error rate due to manpower constraints. The representative requests input from members of the Associated Food Dealers on what the agency can do to make processing food stamps easier and more efficient for all involved.

Cigarette tax

Rep. Switalski voted against the budget package that included the 50 cent cigarette tax increase. "I thought it was bad policy. It's not bringing in any new money, it's just shifting who pays us," he said. According to the representative, the single business tax acceleration and other cuts will cost us $300 million. The revenue from the cigarette tax increase is projected at $300 million.

"What did smokers do, why do they have to pay this?" says Rep. Switalski. Studies have shown that most smokers are at or near poverty level income, and the representative doesn't feel they should pay the budget deficit.

Now that we have the second highest cigarette tax in the nation, Rep. Switalski believes "the sales in convenience stores will be down because people are going out of state to purchase cigarettes or buying on the black market."

Bottle bill expansion

Switalski sponsored a bill for bottle deposit expansion in 2001 to include water and juice containers. Since the original bottle deposit bill was passed by voters, it would take 3/4 of the legislature to amend it. While Switalski is concerned with the impact on the environment from the increased consumption of single-use, non-carbonated drink containers, he is aware that it could create hardships for retailers and wants input from those affected to make it fair and as painless as possible. "I don't want to make anyone rich or lose their business over it," he said.

Background

Switalski was chief of labor relations at General Dynamics, Detroit Arsenal Tank Plant from 1985 to 1993. He was appointed to fill a vacancy on the Roseville City Council in 1989. Switalski has a rather political family. His mother had also served on the Roseville city council in the early '80s and his older brother, Mark Switalski, is a circuit court judge in Roseville.

Rep. Switalski became a Macomb County Commissioner in 1993 and served until 1998 when he was elected to his current state representative seat. While a commissioner, he also chaired the Macomb County Planning Commission, was trustee of the Macomb County Retirement Board and served on the Area Agency on Aging.

Switalski graduated from Roseville High School in 1973. He received a B.A. in classical languages and an M.A. in history at Louisiana State University and went to Scotland in 1981 to work towards his Master of Letters in Politics, at the University of Aberdeen.

While in Scotland, he met and married Roma Heaney, a native of Scotland. Rep. Switalski is himself half Polish with Scottish and Irish background. They have a son who plays soccer which the representative coaches. The three have begun playing golf together for recreation. The family celebrates Robert Burns birthday every year with a "Burns night party." Burns was a famous Scottish poet who wrote often about his "barley bree," a Scottish whiskey.

At the party, Rep. Switalski serves Haggis and single malt premium whiskey to commemorate the poet's life.

To reach the representative, call (517) 373-0854, email: mswitali@house.state.mi.us or write Rep. Michael Switalski, Michigan House of Representatives, PO Box 30014, Lansing, MI 48913.
Bill Newlands named president of Allied Domecq Wines USA

William A. Newlands, Jr., was recently appointed to the position of president of Allied Domecq Wines USA. Newlands replaces Mike Jellison who will help in an interim transition. Newlands takes full responsibility of Allied Domecq's North American wine business.

Graduating from The Wharton School, University of Pennsylvania, with a B.S. in marketing and Human Relations, and completing his MBA at Harvard Business School, Newlands joined Ernest and Julio Gallo in 1985, completing his tenure as Vice President of Marketing.

In 1995, Newlands joined LVMH as President and CEO of the North American still and sparkling wine group. In 1999, he joined Wine.com and served as President and CEO until the sale of the business last year. Under Newlands' leadership, Wine.com grew from $2 million to a $30 million business.

Miller promotes Mikulay, Brodman and Stein

Miller Brewing Company recently named: Bob Mikulay executive vice president, sales and marketing; Douglas Brodman, senior vice president sales and distribution and Regenia Stein, vice president national accounts and sales planning.

Mikulay has been with Miller as senior vice president-marketing, since 1999. Previously he served as senior vice president of marketing for Philip Morris USA, Miller's parent company.

Brodman served as Miller's vice president of national accounts and sales planning prior to his new appointment.

Steve was formerly group sales director-supermarkets. He joined Miller in 2001 as team director National Kroger Companies. Previously, Stein worked at Kraft Foods organization for 18 years and rose through the ranks to director of sales strategy and then director of category sales planning.

Noelle Clark to Head Consumer & Industry Services

Noelle Clark, an experienced business leader and small business advocate has been tapped by Governor John Engler to lead the Michigan Department of Consumer & Industry Services following the departure of Kathy Wilbur.

Together with her husband Ellis, Clark owns and operates Lansing-based Hasselbring-Clark Company which sells and services copiers and advanced imaging equipment copiers. As employees of the company in 1976, they bought and turned it from a six-employee firm with annual sales of $300,000 into a company with more than 50 employees and annual sales in excess of $10 million.

Clark was a delegate to the 1995 White House Conference on Small Business. She currently serves on the National Board of Directors for the National Federation of Independent Business (NFIB), the Advisory Council of NFIB/Michigan and is a member of the Michigan Workforce Investment Board.
USDA to force stores to audit produce and meat suppliers

Charged by Congress with implementing a Country of Origin Labeling program for fresh grocery products, the US Department of Agriculture is considering placing the burden solely on retailers. The obvious problem with this is that only the producers, growers or the importers really know where their fresh products come from.

USDA is getting ready to issue guidelines implementing the new law which becomes mandatory on Sept. 30, 2004 (it’s voluntary for the next two years). The USDA is seriously considering requiring supermarkets to police their suppliers by mandating that retailers audit them to make sure their country of origin declarations are complete and accurate. The USDA’s “incentive” for retailers to do this will be to levy fines of up to $10,000 per error on the supermarket, but not on the supplier.

What the USDA is considering would make supermarkets liable for their suppliers’ mistakes. This would be like the Food and Drug Administration suddenly deciding that supermarkets, not manufacturers, should be liable for fraudulent labels on branded products simply because they are sold in retail stores. This places an unfair and illogical burden on all supermarkets, but it inflicts the greatest harm on the smallest operators.

Large companies generally have a large number of suppliers knocking on their doors. This makes it more likely that they will be able to select only those suppliers who consistently and accurately label all of their products with the country of origin. The smallest supermarkets are unlikely to have that same range of choice. In addition, the larger companies are able to spread the cost of supplier audits over all of their stores. Since the cost of a supplier audit is virtually the same regardless of the size of the retailer, the cost burden will fall disproportionately on the smallest supermarket companies.

Why would the USDA do this? The answer is disturbingly simple. This policy would minimize the number of sites inspectors have to check and make USDA’s job of supervisingcountry of origin labeling easier. Faced with the choice of placing the regulatory burden where it belongs or taking the easy way out, we believe the USDA is preparing to take the easy way out.

The Food Marketing Institute (FMI) has held several face-to-face visits with USDA officials and filed 13 pages of written comments asking USDA to implement a program that would distribute responsibility for country of origin labeling more fairly. You can view those comments at http://fmi.org/gp/comments/.

However, indications are that USDA officials are set to disregard any approach that places the compliance burden on suppliers as well as supermarkets. We need your help and we need it now! What can you do? Write a letter to Secretary of Agriculture Ann Veneman on your letterhead asking that the burden of providing country of origin information for fresh products be shared equitably.

You can find a copy of a sample letter below or on the FMI website by clicking on L01. You can copy the text to your letterhead and then just fill in your own information as indicated in the letter.

If our industry is prepared to make itself heard, we still have time to change USDA’s mind and get implementation rules we can live with. But time is short. Don’t wait, send your letter today.

Sample Letter

[Insert Date]

The Honorable Ann Veneman
Secretary of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Re: Country of Origin Labeling Program

Dear Secretary Veneman,

I am writing to urge you to hold suppliers—not just retailers—responsible for accurately determining the country of origin of meat, fish and produce, as required by the Farm Bill. I am the [insert brief job description, e.g., owner, store manager] for [insert company name]. Our company is located in [city, state] and operates [insert number] stores.

Suppliers are the only ones who can determine a product’s country of origin accurately. We can’t tell by looking at bananas whether they were grown in Honduras or Costa Rica or by looking at beef whether it was born, raised and slaughtered in the U.S. If USDA truly wants to implement a program to provide consumers with accurate country of origin information on fresh products, USDA must require suppliers to provide information to retailers—preferably directly on the products—and USDA must hold suppliers accountable for the accuracy of the country of origin determinations that they make. Requiring retailers to audit their suppliers for the accuracy of their country of origin determinations would be extremely unfair.

Our company fully intends to comply with the law when country of origin labeling becomes mandatory on September 30, 2004 and we would like to institute a voluntary program before then. But, rest assured, we certainly will not label voluntarily if we have to audit our suppliers for the accuracy of what they tell us and be liable for their errors.

[Your title]
cc:
USDA AMS Docket
Room 2085-S
Mail Stop 0299

1400 Independence Ave., SW
Washington, DC 20250-0299

Bush plans incentives to boost small investors

In late August, President Bush said he plans to propose a package of incentives to help small investors recoup some of their losses and entice them into a skittish stock market. White House officials said he wanted to sign the measures into law this year.

State revenues inch up in 3rd quarter

State tax collections were up for the first time this fiscal year at the beginning of summer, but a state economist said in August that Michigan’s economy is still weak.
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In a decision handed down in July, Chevron USA v. Echazabal, the U.S. Supreme Court unanimously ruled that employers are not required, under the job applicants whose own health and safety would be put at risk by performing the job — even if the job applicant is willing, undertake the risk to himself or herself.

The Supreme Court’s decision appears to provide retailers much more discretion in refusing to hire job applicants with medical conditions, or who are otherwise disabled, within the meaning of the ADA, according to Christina Parascandola, an attorney with NACS’ legal counsel, Collier Shannon Scott, PLLC.

In this case, Chevron refused to hire a job applicant who had Hepatitis C to work in a refinery because the company was concerned that exposure to toxins in the workplace would make the applicant sicker and possibly kill him. The applicant sued Chevron under the ADA, arguing that Chevron’s medical screening was an unlawful qualification standard because the threat posed by his medical condition was only to himself and not to others in the workplace.

The Court rejected these arguments and held that Chevron’s screen was lawful. It reasoned that, under the Occupational Safety and Health Act, employers have a duty to provide employees a safe place of employment. Therefore, an employer must be allowed to conduct pre-employment medical screening to determine whether a prospective employee has a medical condition that would put himself or herself at risk on the job. According to Parascandola, retailers should exercise caution in conducting such screening.

“The Supreme Court’s decision does not change the basic prohibitions in the ADA regarding testing of job applicants. Such screening must be job-related and consistent with business necessity. Most importantly, employers still cannot ask job applicants about medical conditions or require them to undergo medical examinations before a job offer is extended,” she noted.

Employers may, however, condition a job offer on the results of a medical examination. (The same rule applies to pre-employment drug testing, although there are other restrictions on drug testing, which vary from state to state.) Also, the examination must be required of each candidate for other employee performing the same job. Furthermore, such screening also is restricted by Title VII of the Civil Rights Act, which prohibits discrimination based on race, color, sex, religion or national origin.

“The law on pre-employment medical screening is evolving, and will be refined further as developments in other forms of testing, such as genetic testing, will make it possible to determine with greater certainty whether workplace conditions will affect the health of certain individuals more than others. Retailers should review their existing screening programs to ensure that they are in compliance with the ADA and other requirements,” Parascandola said.

For more information and if you have additional questions, contact Christina Parascandola at (202) 342-8824 or cparascandola@colliershannon.com.
Lottery, continued from page 22

Many players are familiar with the current validation code system and they often try to play the games using only the codes—sometimes throwing away winning tickets. The new three-character codes are designed to alleviate this situation. Keep in mind that, for a while, both sets of codes will be in circulation at the same time. Sight validation codes are for your convenience when cashing prizes of $25 or less. All winning Michigan Lottery instant tickets must be validated on your terminal before paying out any cash prizes to ensure that prizes are not paid out for tickets that have expired, were previously validated or were reported stolen.

Welcome Washington To Mega Millions! Mega Millions will become even bigger this September, as Washington state joins the group! Mega Millions tickets will be available in Washington beginning September 4, and the first drawing to include Washington will be conducted on September 6. That addition will make Mega Millions a 10-state game, with a potential for even larger jackpots and increased ticket sales. However, the addition of Washington will not affect the prize levels, price of tickets or game matrix.

Unclaimed Prizes. One $150,000 Big Game prize still remains unclaimed. If your store has sold a top-prize winning ticket that still has not been claimed by its rightful owner, be sure and remind your customers to check their tickets, as any one of them could have a winner and not realize it! All unclaimed prizes revert to the state School Aid Fund after one year from the draw date. Following are the details for the current unclaimed Lottery top prize: The Big Game for $150,000, 10/12/2001, 04-12-17-22-49, Gold Ball 22 (match first five), purchased at 7-Eleven #32618 in Warren.

U.S. reports decline in food-borne illnesses

The Center for Disease Control and Prevention reported that incidents of E. coli, salmonella, and other bacterial illnesses caused by food have declined 23 percent since 1996. Recent data from FoodNet also shows the decrease in the major bacterial food-borne illnesses, indicating progress toward meeting the national health objectives of reducing the incidence of food-borne diseases by 2010. The national health objectives for 2010 target specific goals for the reduction in the incidence of four food-borne diseases: Campylobacter, E. coli O 157, Listeria, and Salmonella infections. The combined estimated incidence of infections caused by these four pathogens in 2001 was 21% lower than in 1996.

Hershey Foods project to blow kisses in Times Square

A make-believe candy factory in Hershey Foods' latest project, which would make it among the largest ad displays in New York's Times Square since the 1930s. What analysts call experimental marketing, the store on 48th Street and Broadway is an attempt to make the company's presence known in high-traffic tourist locations. — The Wall Street Journal

Coca-Cola To Give Coke Classic, Diet Coke New Look

Coca-Cola says it plans to roll out new packaging for its Coke Classic brand. The look, which is expected early next year, would return to the ribbon the Georgia-based company originally used in 1966. — The New York Times

For more information on any of these excellent programs, call: ASSOCIATED FOOD DEALERS OF MICHIGAN 18470 West Ten Mile Road • Southfield, Michigan 48075 1-800-66-66-AFD or (248) 557-9600

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systems engineers
scanning specialists
production coordinators
human resources specialists
warehouse supervisors
frozen foods managers
company vice presidents
inventory controllers
bill processors
category analysts
receptionists

Spartan Stores, Inc.
The Food People

A publicly traded company