AFD testifies at Bottle Bill hearings

The battle lines have been drawn in the debate about whether Michigan’s 27-year-old bottle deposit law should be expanded. The Michigan Beverage Container and Recycling Task Force, a group of Michigan senators, is holding a series of public hearings on this matter across the state. The senators also will evaluate if Michigan needs new approaches to recycling. A report will be issued to the full Legislature in September. A session was held last month at Oakland University and AFD members were on hand to state their case.

"This committee is charged with a pretty awesome task," acknowledged Senator Mike Bishop, a Rochester Republican who sits on the task force. A core issue of the discussion is whether the 10-cent deposit on soft drinks, beer, milk beverage and wine...
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It’s time to support our country

By Terry Farida

As we go to press, the first bombs have fallen on Iraq. Whether or not you agree with President Bush and his decision to go to war with Iraq, we must stand behind our country. President Bush is our elected leader. Although we may or may not support all of his policies, we have entrusted him with guiding our nation. It is important that we stay united in support of our government and our troops in the Middle East.

War is something that no one wants. However, sometimes it is inevitable. We pray for a swift end, with as few casualties as possible. Many Americans have family and friends in Iraq. The people of Iraq are on our minds now, more than ever. Providing a better government and a better life for them is the U.S. goal, although that may be difficult to understand as troops descend and bombs drop.

Please remember that we are all U.S. citizens first and that it is paramount that we stand behind our troops, who are risking their lives for us. For those Americans who are of Middle Eastern descent, a show of support for our government is even more important. The FBI issued a warning that the war with Iraq may lead to increased incidents of hate crimes against Arab Americans, Muslims and other minorities.

According to the FBI, after September 11, 2001, there was a “spike” in attacks on Arab-Americans. Muslims-Americans, as well as Indians, Sikhs and other minorities. The attacks declined markedly after approximately three weeks, reports the New York Times.

In Michigan we were fortunate to have experienced very few hate crimes against Arab-Americans after September 11. This is due, in part, to efforts made through education. I believe that the people in Michigan have a better understanding of the Middle Eastern culture than people in many other states. The media play a big role in this education, as well as our schools, churches, mosques and synagogues. We have broken down many racial barriers since the last war with Iraq.

We, as Americans, are fundamentally decent, peace-loving, and compassionate people. The overwhelming majority of us are people of faith, believers in a just and loving God. If there was ever a time to forget our differences and unite, this is that time.

We must help each other cope. Show your patriotism by flying an American flag. Let your customers know that we stand together, regardless of race, creed or color - behind our country.

Pray for the victims of war, their families and for our country. Remember, above all, we are Americans and together we will rise in defense of all that we cherish.

Food for thought

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

-T. Roosevelt
Spartan names Sturken as president, Edison as VP of Marketing


Craig C. Sturken was named President and Chief Executive Officer of Spartan, effective March 4. Dennis Edison joins Spartan in the newly created position of Executive Vice President of Marketing and Merchandising.

Sturken has spent the past 10 years as Chief Executive Officer of the Great Atlantic & Pacific Tea Company's (A&P) Midwest and Atlantic regions. Most recently, as CEO of A&P's Atlantic region, Sturken led the effort to return the 370-store, 35,000-employee retail operation to sales growth and profitability. While there, Sturken is credited with a significant turnaround of the region's revenues and profits. As the eight-year Chief Executive Officer of the Detroit, Michigan-based Midwest division, Sturken directed the operation of 130 retail stores and 15,000 employees under the Farmer Jack, Food Emporium and Kohl's supermarket banners. Sturken brings more than 40 years of retail grocery and wholesale experience to Spartan Stores.

Dennis Edison is former Divisional President and Chief Executive Officer of the midwest region, and assistant general manager for Nash Finch, Inc.'s Michigan operations. Edison will report directly to Sturken. The new position is designed to better coordinate the retail and distribution marketing and merchandising efforts. The vice president of marketing and the vice president of retail merchandising used to report to the CEO but will now report to Edison. The vice president of wholesale merchandising will also report directly to Edison.

Douglass tapped to succeed Sheetz as NACS chairman

Bill Douglass, CEO of Sherman, Texas-based Douglass Distributing Co. (nine stores), leads the slate of new officers that was elected by NACS' board of directors last week following the 2003 Leadership Assembly in Naples, Fla. As NACS' newly elected vice chairman and treasurer, Douglass will succeed Stan Sheetz as NACS Chairman of the Board for a term that will commence in October 2004. Also elected to the NACS Executive Committee were Jay Riker, president of Anderson, Ind.-based Riker Oil Co. (30 stores), who will serve as NACS vice chairman of industry relations; Sam Turner, president of Dalton, Ga.-based Calfee Co. of Dalton, Inc. (143 stores), who will serve as NACS vice chairman of government relations; and Scott Hartman, president of York, Penn.-based CHR Corp. (52 stores), who will serve a second term as NACS vice chairman of research and development. Stan Sheetz, president and CEO of Altoona, Pa.-based Sheetz Inc. (277 stores), will be NACS 2003 chairman of the board. The NACS Executive Committee board members will assume their new positions following the 2003 NACS Show, which runs from October 11-14 in Chicago.

Douglass is currently a member of NACS Executive Committee as vice chairman of government relations. He is CEO of Douglass Distributing Company, which operates convenience stores and petroleum-marketing locations. After serving in the U.S. Marine Corps and as a U.S. Army officer, Douglass also worked with Exxon Corp. prior to founding Douglass Distributing.

Peanut-allergy therapy trials show promise

Researchers conducting a study of uni-IGE therapy in patients with a peanut allergy have announced that the drug, known as TNX-901, significantly boosts patient sensitivity from half a peanut to almost nine peanuts. This increased threshold, according to doctors, would likely protect against most allergic reactions due to unintended ingestion of peanuts.

The incidence of peanut allergy, a life threatening disorder that affects approximately 1.5 million Americans, has been on the rise in recent years. Allergic reactions in peanuts cause between 50 and 100 deaths annually in the United States.

Spartan closes 13 Food Towns

Spartan Stores Inc. announced last month that it will close 13 unprofitable Food Town grocery stores in the Toledo, Ohio area, citing the stores' lack of profitability in a tough competitive climate.

The move will affect some 660 employees.

The company, which currently operates 39 Food Town stores, said it is considering the sale of the remaining 26 stores to other grocery operators or converting them to other formats.

"We will begin to phase out full time operations, with a planned closure by the end of March," the company said in an internal memo. "We will continue to staff and operate these stores as we phase out operations.

"We regret having to make this difficult decision, but it is necessary to help expedite the process of returning our retail operations profitability. We have taken this step as a last resort after a careful evaluation of all possible options and we greatly appreciate the efforts and loyalty of the affected associates. We continue to review the other options for the remaining 26 Food Town stores and expect to reach a final decision before the close of our fourth quarter ending March 29, 2003."

The 13 stores were closed generating approximately $5 million in annual retail sales. The company plans to take a non-cash pretax charge of $10 million to $12 million during the fourth quarter.

Calendar

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

April 28-30
nacs.tech 2003
Wyndham Anatole Hotel
Dallas, TX
(763) 684-3600

May 20 - 22
NACS State of the Industry Summit
(703) 549-3600

June 7-10
National Association of Chain Drug Stores Marketplace Conference
San Diego, CA
(703) 549-3600

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

September 23 - 24
AFD Beverage Journal Holiday Show
Burton Manor, Livonia
(248) 557-9600

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AFD works closely with the following associations:

AFD Food & Beverage Report. April, 2003
Wall Street Journal puts loyalty cards to the test

How much cash do consumers really save by shopping at a supermarket that has a loyalty card, vs. a store with no card? None at all, and sometimes they pay more, says the Wall Street Journal, which conducted a comparison-shopping test at card and noncard stores in five cities—San Francisco, Brooklyn, N.Y., Chicago, Dallas and Atlanta.

The programs, such as the Kroger Plus Savings card and Dominick’s Fresh Values Club, are spreading quickly as the $398.2 billion supermarket industry scrambles to compete with discounters such as Wal-Mart and Target, says the report. Even Albertsons, which previously marketed itself with the slogan “no card, no hassle,” is now rolling out its own Preferred Savings Card. These programs are not conclusive and that shoppers wound up spending less money in a supermarket that doesn’t offer a card, in one case 29% less, says the report. Sale prices—once available to all shoppers—are now mostly restricted to cardholders in stores with cards and are called “card specials.” Items not covered by card discounts tended to be more expensive than at nearby noncard stores. As a result, the shoppers paid more at card stores than at noncard stores, the newspaper says. Supermarkets strongly defend their programs. The cards let stores “target savings” to their most loyal customers, Ertharin Cousin of Albertsons told the paper. Some card stores say they aren’t competing solely on price, but also on selection and store cleanliness. “Kroger doesn’t claim or advertise as the lowest priced supermarket in a particular market,” a spokesperson said. Stores also say studies based on short grocery lists such as the one the Journal used aren’t conclusive and that shoppers don’t stick to lists, but make impulse buys when they spot good deals.

But according to industry experts cited by the Journal, its shopping test was a typical one, because cards are designed to make customers feel like they got a bargain, without actually lowering prices overall. “For many customers, the amount of money saved has not risen,” says Margo Georgiadis, a specialist in loyalty programs at McKinsey & Co. The difference is that stores now make you carry a card to get the discounts, whereas before they just offered sale prices to all.

Stores that don’t have cards often cite fairness as the reason. “We believe that all customers should get the same price,” said one executive at Treasure Island Foods, Chicago.

Cards do generate more revenue for stores, however. About 10% of shoppers at card stores don’t use the cards, so they pay full price for things that are actually on sale. That is a windfall for stores because of the way grocery discounting works: Manufacturers—not stores—provide most discounts; the stores just pass along the savings. So, if a consumer is paying full price for an item the store got at a discount, the store can pocket the difference.

A growing number of consumers are getting suspicious about card programs, the report claims. Several limited studies by anticard group NoCards.org have found that stores with club cards are pricier than stores without them, says the newspaper, citing founder Katherine Albrecht. And many people simply resent having to carry around and use the cards, according to E.K. Valentin, a professor at Weber State University who has polled nearly 1,000 card users in Utah.

In Chicago, Treasure Island (noncard) beat Dominick’s (card) by 5%, according to the report. The totals were $89.97 and $94.77, respectively. The five impulse buys at Dominick’s were all more expensive at Treasure Island, but Treasure Island made up the difference with its own sale prices on other items. In Dallas, SuperTarget (noncard) beat Albertsons (card) by 8%, at $50.92 vs. $55.48, even though more than a third of the items were card specials at Albertsons.

In Atlanta, Wal-Mart SuperCenter (noncard) beat Kroger (card) by 29%, at $34.70 vs. $48.89. Executives for Kroger and Albertsons called it unfair to compare their stores with discounters such as Wal-Mart and Target because those stores compete on price alone and tend to be cheaper. Several chains also pointed out that their cards do more than offer discounts on food. Safeway, for example, offers a way to earn airline frequent-flier miles. Albertsons card program makes donations to local schools. CSP

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Twenty-five years ago, Michigan voters successfully pushed for a law designed to clean-up Michigan’s roadside litter. To this day, the Michigan Beverage Container Deposit Law — better known as the “Bottle Bill” — is regarded by many as one of the most successful environmental laws in state history.

That was then; this is now. Today, Michigan’s recycling rate is 33 percent behind the national average. We rank 28th in the nation. Worse yet, our current recycling rate pegged at just 20 percent is well below the 26 percent average rate of the other Great Lakes states. One of the leading contributors to our low rate is, of all things, the Bottle Bill.

So why has our most successful environmental law led to such low recycling rates? Interestingly, the very success of the Michigan Bottle Bill has stripped significant scrap revenues — primarily from aluminum — right out of the recycling waste stream. In fact, many in the recycling community oppose bottle deposit efforts at both the state and federal level because bottle deposit programs take away the most valuable recyclables, making it difficult for the programs to continue without major outside subsidies.

We’re seeing this even in Michigan, where financial problems have been the demise of a number of community recycling programs. In Columbia, Missouri, residents voted to rescind their Bottle Bill, favoring instead to increase their curbside recycling program and enhance litter reduction efforts. Some proponents of the current Bottle Bill see inclusion of noncarbonated beverages as the next logical step to improve Michigan’s recycling rate. But in reality, expanding the list of deposit items would have no appreciable impact on recycling rates, since these beverage containers represent less than 1 percent of the municipal solid waste stream.

Another unintended result of Michigan’s present Bottle Bill is the perception that it enhanced and strengthened individual recycling efforts. In fact, it ignores more than 98 percent of municipal solid waste (MSW). Despite that, it appears limited effort has been put forward to ensure that Michigan’s recycling policies keep pace with the rest of the nation.

In the meantime, the amount of MSW — more commonly known as trash or garbage — being thrown away by Michigan residents and dumped into landfills and incinerators, continues to grow. According to the Michigan Department of Environmental Quality (MDEQ), Michigan’s total waste disposal increased 7.3 percent between 2000-2001. The MDEQ said contributing factors to this increase include:

- Low prices for virgin manufacturing materials, reducing the demand for recycled content materials for industrial production and consumer products.
- Low landfill disposal costs, providing incentives for landfill disposal versus more expensive recovery and recycling of wastes.

Michigan needs a comprehensive recycling program which enables residents to maximize recycling and minimize the amount of MSW that ends up in landfills and incinerators.

Michigan residents are ready for a comprehensive approach to recycling. More than two-thirds (69 percent) say the state should devote more effort to protecting our environment and natural resources; 61 percent say the state should devote more effort to promote recycling. Only 16 percent see expansion of the present Bottle Bill as the answer to increasing recycling. Instead, a majority of voters 62 percent believe the best way to help the environment is through comprehensive recycling programs. The public is ready, willing and able to embrace Michigan Recycling Partnership looks at Bottle Bill
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A lawsuit by California’s attorney general over mercury in seafood has activists hoping that other states will also do more to warn consumers about the health risks of certain fish. California is suing five major grocery chains, demanding they warn customers that tuna, swordfish and shark often contain mercury in higher amounts than other fish.

"Generally, fish are an important source of protein," Attorney General Bill Lockyer said in filing the lawsuit last month. "But consumers deserve to know when they are being exposed to chemicals that can cause cancer, birth defects and reproductive harm."

The five chains are Safeway, Kroger, Albertsons, Trader Joe’s and Whole Foods. It’s possible other defendants could be added, Lockyer spokesman Tom Dresslar told MSNBC.com. The suit asks the court to prohibit the stores from selling the fish until they post a mercury warning. The complaint does not cover canned tuna.

Lockyer said the grocers violated Proposition 65, a state ballot initiative passed in 1986 that requires businesses to provide "clear and reasonable" warnings before exposing people to known carcinogens and reproductive toxins. The suit does not stipulate a type of warning, such as on packaging or at a fish counter. Dresslar said that would be decided by a court or a possible out-of-court settlement. In any case, he added, "it would not be a sign posted on a bulletin board at the entrance to a store where you also have 'room for rent' signs."

The defendants could also face millions in civil penalties. Under Proposition 65 and the state’s Unfair Competition Act, each defendant is liable for civil penalties of up to $2,500 per day for each violation.

Sign at fish counter?

Dresslar stressed, however, that a warning system, not monetary fines, is the "main objective" and that the state was talking to the grocers to try to reach a mutually agreed resolution.

The California Grocers Association said it hoped to broker a deal as early as Friday. "We’re working with the attorney general’s office on proposed signage," said spokesman Dave Heylen. The proposal would have signage at fish counters and identify swordfish, shark and tuna as species of concern.

Heylen said that if the state and the association can agree on signage, the association would then take the proposal to its members.

Bottle Bill

Continued from page 6

curbside pick-up and community drop-off recycling programs that bring comprehensive recycling in Michigan.

Michigan residents are even willing to pay for recycling if it means convenience and increased recycling rates. In recent surveys, voters said they would be willing to pay as much as $5 per month for more comprehensive recycling in their community, coupled with a litter control program.

The bottom line is, we cannot accomplish today’s goals with yesterday’s answers. Bottle Bill expansion is the wrong idea. Michigan needs a comprehensive approach to recycling. We have the resources to do so, plus strong citizen sentiment, combined with a willingness to embrace a new, improved philosophy that encompasses all aspects of the issue. The Michigan Recycling Partnership is ready, willing and able to assist in any way we can to help restore Michigan’s place as the national vanguard of comprehensive recycling.

Michigan Recycling Partnership (MRP) is a coalition of more than 45 businesses, organizations and individuals who share a concern over the lack of a comprehensive solid waste policy in Michigan. MRP is committed to embracing the challenge of Michigan’s solid waste management problem, and is already undertaking a number of activities to stimulate discussion and action on this critical issue.

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New breed of crooks are getting purse-onal

Psst... Want to know a secret? A lost or stolen wallet or purse is a gold mine of information for a new kind of crook—the identity thief. Identity thieves can use information found in your wallet or purse—from credit cards, checks, your Social Security card, even health insurance cards—to establish new accounts in your name. That could create an identity crisis that can take months to detect, and even longer to unravel.

If your wallet or purse is lost or stolen, the Federal Trade Commission suggests that you:
- File a report with the police immediately. Get a copy in case your bank, credit card company or insurance company needs proof of the crime.
- Cancel each credit and charge card. Get new cards with new account numbers.
- Call the fraud departments of the major credit reporting agencies: Equifax (800) 525-6285; Experian (888) 397-3742; TransUnion (800) 680-7289; Ask them to put a "fraud alert" on your account and add a "victim's statement" to your file requesting that creditors contact you before opening new accounts in your name.
- Ask the credit bureaus for copies of your credit reports. Review your reports carefully to make sure no additional fraudulent accounts have been opened in your name or unauthorized changes made to your existing accounts. In a few months, order new copies of your reports to verify your corrections and changes, and to make sure no new fraudulent activity has occurred.
- Report the loss to your bank if your wallet or purse contained bank account information. Cancel checking and savings accounts and open new ones.
- Get a new ATM card, account number and Personal Identification Number (PIN) or password.
- Report your missing driver's license to the department of motor vehicles.
- Change the locks on your home and car if your keys were taken. Don’t give an identity thief access to even more personal property and information.

Battle over bottled water regulations heats up

California’s East Bay Municipal Utility District has proposed two bills that would require makers of bottled water to follow the same disclosure rules as tap water. But makers of bottled water say comprehensive, transparent regulations are already in place at the federal level, and the bills would be “prescriptive and redundant.”

-San Francisco Chronicle

Will higher cigarette taxes lead to more ‘snuffing’?

With states and even some counties and cities piling on excise tax increases for cigarettes, some industry suppliers are betting that the higher costs of cigarettes will lead to more smokers “snuffing” their cigarettes to save the unsmoked half to puff later.

One such company is Zebra International, which recently introduced its “Puffer Snuffer.” Company President Ron Zandona said, “For people who think cigarettes are getting too costly and want to save their partially smoked cigarettes for later, they will love our product.” Rising cigarette taxes are boosting the popularity of snuffers, said Zandona. Most are small and lightweight, quickly extinguish the cigarette, and fit over the cigarette as it’s inserted back into the pack without the smell escaping to others in the pack.

Essentially, it’s a higher-tech version of a device that Zandona said he remembers his uncle tinkering with. Although the concept may have evolved over the years, the price remains relatively inexpensive. Puffer Snuffers sell for 99 cents—less than the cost of three cigarettes in New York City, where city and state taxes have jacked up cigarette prices to more than $7 per pack.

Zandona notes that his product is now sold in 400 stores in 16 states.
Wanted: Store owner to adopt a grocery store

The city of Olivet is searching for a new owner for their town grocery store, Carl’s Market. Located south of Charlotte and Lansing, within a mile of I-69, the store is a 15,000 square-foot metal frame building with an additional 3,000 square-foot pole structure addition. There is a duplex on adjacent property which could be included or excluded from the sale. The asking price for both properties is $350,000.

The city is willing to help in any way it can and may offer a tax break or help obtain a loan with Michigan Integrated Food and Farming Systems, according to Becky Palmer, Olivet City Clerk/Treasurer.

The owner, Rita Joseph of Potterville, closed the north Main Street store, in June 2002. "It’s been a big loss for our community," says Palmer.

The city has held three community meetings to discuss what to do. Olivet College, which has approximately 900 students and a dorm on campus has been involved in discussions.

The population is only 1,700, but there is a large school district made up of surrounding townships, and industry to draw customers from, says Palmer. The closest grocery store is six miles away.

There is a party store in town which has a Subway and Taco Bell inside. Carl’s Market used to be a Spartan and then a Roundy’s store. Shop Rite, Sav-A-Lot and Carter’s have been contacted but were not interested because there is a Super Walmart and a Meijers in Charlotte, 10 miles away. To inquire about purchasing the store, call Greg Ross of Ross Real Estate & Appraisal at (517) 393-2071.

MLCC offers Electronic Fund Transfer Payment Program

The Michigan Liquor Control Commission’s (MLCC) Electronic Fund Transfer Payment Program allows liquor licensees to pay for their liquor purchases electronically instead of by cash or check.

Here is how it works:
1. You must have a checking or savings account at a financial institution.
2. You must complete an EFT Authorization Form, available from the Liquor Commission, and return it to the MLCC.
3. The MLCC will notify each Authorized Distribution Agent (ADA) of your enrollment in the EFT program after verifying your account information with the bank.
4. From the time you enroll it will take up to 16 business days before you can begin paying by EFT.
5. When your enrollment is complete, the drivers will deliver your orders to you as usual and present a liquor invoice which must be signed by you. Your invoice will have a message indicating that you pay by EFT.
6. Funds, in the amount of the liquor purchase, will be electronically withdrawn from your account on the second or third business day after delivery.
7. Licensees with multiple locations may request a special report from the Liquor Commission, that can be produced for any specific period of time and transmitted to you, which lists the invoice date, number, ADA, invoice amount, total amount, licensee name and location to help with bank statement reconciliation.

To get an EFT Authorization Form, you may contact the MLCC Financial Management Division at (517) 322-1382.

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Thursday, April 10, 2003
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David Najor from Farmers Market
“The show experience is great. It gives you a chance to see and test products first-hand, and cash in on some opportunities. It’s nice to purchase items in a different environment away from the store, matching names with faces and building relationships.”

Mike Kassab from 3M Sunoco
“I went to see people that I hadn’t seen in a while. I also really enjoy walking around to look at the new products. And there are always some good deals.”

Jimmy Samona from 3 Bros. Party Store
“I place a lot of orders at the show.”

Steven Dudas from Rite Aid
“I want to see the new products coming to the marketplace.”

Call Ginny at AFD for more information at (248) 557-9600 or gbennett@afdom.org

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

Al McKenna from Jack’s Fruit Mkt.
“I attended the AFD Trade Show looking for new equipment. Check scanning services and reverse vending machines were of special interest to me last year. The great thing is that everything is under one roof, so it makes my job easier.”

Join Your Peers! Unlock the Door To Savings!

12...AFD Food & Beverage Report, April, 2003
McDonald’s combo meal includes Internet access

Avid web surfers are sure to find a new McDonald’s offer a very happy meal indeed. Select McDonald’s restaurants are slated to start selling combo meals that include a free hour of wireless Internet access or WiFi. Wireless WiFi, or 802.11b, Internet access will be offered at 10 McDonald’s operations in New York City and in three other U.S. cities during a three-month pilot program, reports the Associated Press.

Participating restaurants will post signs in their windows to attract laptop-toting diners. Customers can get another hour of surf time for $3 or with the purchase of an additional extra value meal.

Food industry loses Nino Salvaggio

Former AFD member, Nino Salvaggio, passed away last month. He was 56. A well-respected man in the food industry, Salvaggio was in the produce business all his life. He bought his first store in Roseville at the age of 22. Due to his success, he expanded and bought a little fruit market in St. Clair Shores. Later he sold his Roseville store to a partner and took on a new partner. Kirk Taylor, at the fruit market. The two continued to prosper and in 1986 they opened a trend-setting specialty store in Farmington Hills and then one in Troy a few years later. After being Salvaggio’s partner for 28 years, Taylor is continuing the business and opening another market in Clinton Township this month.

Salvaggio’s family continues in the business. Leo, his son, is a produce buyer and Andrea, his daughter, is in charge of merchandising and the floral department. Along with his children, Salvaggio’s staff includes his brother, Angelo, as the manager at the St. Clair Shores market; his daughter’s husband, Frank, as the assistant manager at the Troy market; and supervisors include his wife Patricia, two stepsons, a grandson, and two sisters.

At the time of Nino Salvaggio’s death, he was President of Nino Salvaggio International Marketplace. Nino Salvaggio’s burial was held at the Resurrection Cemetery in Clinton Township.

Memorial donations can be sent to the Nino Salvaggio Charitable Foundation for Children in Need, 27900 Harper Ave., St. Clair Shores, 48081.

AFD sends their deepest condolences to the family of Mr. Salvaggio.

Natural Light gets new look

Natural Light, the nation’s fifth best-selling beer brand, is rolling out a new look this month.

The new packaging for the number-one U.S. subpremium light beer features a wave background in silver; blue is the primary type color with red as the secondary color.

“Our new packaging puts a refreshing, up-to-date twist on this popular brand’s look,” said Tom Wilson, brand manager for Natural Light and Busch Families. “This clean, contemporary packaging update is sure to set us apart from competitive subpremiums.”

Springtime sweets

Hershey Foods Corp. is introducing a new flavor to the Limited Edition Kisses collection this spring: Extra Creamy Kisses with Toffee & Almonds.

Hershey’s will also bring back Limited Edition Rich Dark Hershey’s Kisses for the spring season. Hershey’s Rich Dark Kisses feature the signature-shaped Kisses packaging with gold and purple harlequin foil wrapping and a plume that reads “Dark.” Toffee & Almond Kisses combine the toffee with a nutty filling. They are wrapped in harlequin gold and auburn foil with a plume that reads “Toffee & Almonds.”

Limited Edition Kisses will be sold for a limited time, starting in April. The Limited Edition Kisses will be available in 9.2-ounce and 12-ounce bags, and will retail for approximately $2 and $2.49, respectively.

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Member Profile

Mexican groceries for sale around the corner

By Karen Braschayko

Just about anything from Mexico is now readily available to the retail industry, right here in Michigan.

Mexico Wholesale, a new distributor of Mexican groceries, produce, and other products, is able to deliver any authentic Mexican food that a retailer wants from their brightly marked building on McGregor in Detroit.

Mexico Wholesale carries brands from across Mexico, including La Preferida, Nestle USA, San Marcos, Supremo Food, Jarritos Sodas, James Nectars, El Papa Tortillas, La Moderna, Embasa, Knorr, Herdez, Dona Maria, La Victoria, cheeses and chorizos from La Costena, and complete lines of Mexican household goods, religious candles, and candies.

“We carry all of the popular brands from Mexico,” says Gary Garmo, Mexico Wholesale co-owner. From dairy products and tortillas to sodas and juices, Mexico Wholesale carries specialty Hispanic foods.

The popularity of Mexican cuisine has multiplied in the past twenty years. Back then liquid cheese, chips and salsas were the most popular “Mexican” food staples. Today, customers ask for more diverse Mexican items, including the tropical tastes of jicama, as well as a variety of chorizos, specialty cheeses, unique cremas and sundries.

“Everything they have in Mexico, we have here. Even the canned goods and detergents,” claims Edward Garmo, brother of Gary and the other co-owner of Mexico Wholesale. He explains that people coming into the U.S. from Mexico are accustomed to products from their country. Mexico Wholesale carries all these items, even scrub brushes and toothpaste. “Products that our retail customers can’t find anywhere else, we have them here. Anything we don’t have—ask and we’ll carry it,” said Edward.

Brothers Gary and Edward had owned a mini-market of Mexican products on Clark Street in Detroit for two decades before deciding to create a distributorship.

“We learned the business by running our store for twenty years, and now we supply other stores,” said Edward. “People sometimes wonder at the fact that we are Chaldean, but we have been in the business for a long time,” he laughed.

The Garmos saw an opportunity as the Mexican-American population swelled. “The Hispanic population was predominately Puerto Rican, but now Mexican Americans outnumber them by so much—it’s all growth,” said Edward.

In May of 2001, they opened Mexico Wholesale, and business is thriving. “We service supermarkets that have Mexican customers, and specialty stores, including many in Pontiac. We are reaching a large area now—Detroit, Pontiac, Saginaw, Toledo,” explained Edward. Mexico Wholesale currently has 11 employees with plans to keep growing.

Not only Mexican groceries but a Mexican atmosphere fills the warehouse. Hispanic music plays in the background and rows of bright piñatas line the ceiling. Newspapers of Detroit’s Hispanic community stand available near the entrance.

Mexico Wholesale is located at 5650 McGregor, at Junction, which is between Michigan Avenue and Vernor. Contact Gary or Edward Garmo at (313) 554-0310 or visit their booth at AFD’s Trade Show, April 9 and 10 at Burton Manor in Livonia.

The brightly painted warehouse on McGregor

Mexican products line the shelves

The point is . . .
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Reese’s Peanut Butter Cup facelift

Hershey Foods Corporation has revitalized the look of the largest brand in its stable and a true American icon: the Reese’s Peanut Butter Cup. With a trade dress that has been unchanged for more than 30 years, Reese’s partnered with the Cincinnati based brand identity consultancy LPK (Libby Perszyk Kathman) to create a new brand expression.

Andy England, director of marketing for the Reese’s franchise, said of the new swirling package design, “Consumers have shown an immediate positive reaction to the new image. This revitalized brand identity and packaging system keeps us relevant in a climate of changing consumer expectations. The strategic management of our design system is a key factor in our business model.”

The company said its Reese’s Pieces package has also been redone to give it a heightened sense of fun to more effectively speak to its pre-teen audience. The new candy design uses a textural background that echoes the swirl pattern used on the Reese’s Peanut Butter Cup redesign.

Gum wrapper chain is world’s longest

Ever wonder what your heavy gum consumers do with the gum wrappers? Some of them, like Gary Duschl of Ontario, Canada, get quite creative. Duschl recently set a Guinness World Record for the longest gum-wrapper chain. He has been working on the chain since March 11, 1965, and it now stretches for 34,077 feet.

The 466-pound chain contains 1,585,382 links made from 792,691 wrappers.

No cigarette-tax increase for Kentucky

Kentucky legislators agreed that polls showed that the state’s voters were not in favor of any new taxes this year, so there will be no cigarette-tax increase.

Although a number of bills were proposed that would have hiked the tax on tobacco products, none were given a hearing. The state’s cigarette tax will stay at 3 1/2 cents.

In another victory for the state’s retailers, the Kentucky Grocers Association, Kentucky Association of Convenience Stores, Kentucky Retail Federation and Kentucky Petroleum Marketers Association worked as a coalition to successfully get H.B. 346, which exempts sales tax on cigarette “buy downs,” passed in to law.

Low-carb diets causing lost sales

As more people seek to lose weight on low-carb diets, some food companies are finding their sales diminishing as well.

Food companies say that low-carbohydrate diets, such as the Atkins diet, are making consumers view carbohydrates in a negative light, and thus, reducing their sales of grain-based foods, reports Reuters.

“Just as the Atkins diet is making people think of carbohydrates in a negative light, and thus, reducing their sales of grain-based foods, new studies are showing that carbohydrates are bad,” said Judi Adams, director of the Wheat Foods Council. The Wheat Foods Council is made up of such companies as ConAgra, General Mills and Kellogg Co. It is launching an educational campaign directed at nutritionists and medical professionals. And the council plans to defend grains’ position in the Food Guide Pyramid when federal health officials start revising the pyramid. Some people are calling for grains to be taken from the foundation and for the recommended amount of servings of grain to be reduced.

Cloned cows’ milk would speed process of cheese production

New Zealand scientists have cloned cows that produce milk with higher than normal levels of protein. Scientists say that milk from these experimental cows would lead to faster cheese production.

The FDA has yet to develop a policy on selling milk or meat from genetically engineered animals.

-The New York Times
The newest instant games from the Michigan Lottery are a blast!

$20 – $2,000,000 Blast

- Largest top prize of any instant ticket: $2,000,000!
- Over 1,000 prizes of $1,000!
- Most ways to win on an instant ticket – 27 times!
- Best overall odds: 1 in 2.22
- Highest per ticket commission: $1.20

$3 – Harley-Davidson®

- Players can win one of three new Harley-Davidson® Heritage Softail® Classic Motorcycles or up to $50,000 cash instantly!
- Plus BONUS Drawings with lots of Harley-Davidson® merchandise and another chance to win a motorcycle!
- Over 1,000 prizes of $100!
- 12 ways to win!
Legislator Profile

Senator Wayne Kuipers helps manage the Michigan landscape

By Kathy Blake

State Senator Wayne Kuipers (R-Holland) ran a successful landscaping business for 15 years before trying his green thumb in politics. He has been developing a good track record moving from two terms in the House to his current position as senator.

He won his first election campaign for state representative in 1998 and served two full terms. Then he ran for state senator and was elected in 2002. He represents the 30th district which encompasses Ottawa County, the city of Grandville and Sparta Township in Kent County. His district was created from parts of four surrounding districts after the 2000 census redistricting.

Kuipers chairs the Senate Education Committee and is vice-chair of the Senate Committee on Commerce and Labor and the Senate Transportation Committee. He is also the Republican Caucus Chair and is serving on the Senate Recycling Task Force. The task force is holding hearings across the state to determine the impact and feasibility of expanding the bottle deposit law to include non-carbonated beverage containers as well as other recycling options.

"I'm going into this with an open mind. I have concerns about expanding the bottle deposit law unless we're going to look at wholesale changes to our recycling laws," said Kuipers.

He is familiar with how recycling works from his landscaping experience. He started a spin-off company called, "Compost Soil Technologies" that he created for recycling yard wastes, such as grass, leaves, brush, etc... They composted 50,000-70,000 cubic yards of waste into a soil product each year and sold it throughout Michigan. He had found there was enough demand for soil to make recycling yard waste profitable.

According to the Michigan Recycling Partnership, the recycling rate in this state is 33 percent behind the national average. The senator believes that the absence of aluminum in curbside recycling programs is the reason Michigan has such a low rate. Aluminum is the most valuable common waste product, so without it in the recycling stream, there's no incentive for recyclers to come into Michigan. For the most part, it's less expensive for manufacturers to use new materials rather than recycled, except for aluminum. "If you don't have a market for the end product, then recycling won't work," Kuipers said.

While he was a state representative, Kuipers chaired the House Education committee and served on the Employee Relations & Labor committee. "That's always an interesting committee because it pits management against labor," mused Kuipers. "My business experience certainly gave me some advantage. I've always kept an open mind on issues and tried to come down on issues-- or come to a conclusion-- as the facts were presented," said Kuipers.

When he was in the House, he was appointed to chair the House Republican Task Force on Government Waste, the select committee on Strategies to Reduce Teen Pregnancy and was a member of the Michigan Virtual High School. Continued on page 24
Small group market reform is under consideration

Here is a summary of small group market reform bills being introduced in Michigan to help make insurance affordable for small businesses. AFD supports small group market reform and asks its members to contact their legislators to make this a reality.

In his December editorial, AFD Chairman Terry Farida outlined the plan for small group market reform. We are pleased to say that this plan has now transpired into House Bill 4278 and Senate Bill 235. But we still face an uphill battle. At the end of this article is a draft letter which we urge you to send to your legislators. You can copy ours, download it at afdom.org or, better yet, write your own. If you don’t know whom your senator or representative is, please call the House of Representatives clerk at (517) 373-0135 or the Senate clerk at (517) 373-2400.

To make this reform happen, we need your support now!

The small group market reform bills were introduced in both the Michigan House and Senate in March. House Bill 4278 and Senate Bill 235 propose rating reforms that were recommended by the Coalition for Health Insurance Market Reform (CHIMR). These reforms are similar to those already implemented in 47 other states.

Called SEHMRA, for Small Employer Health Market Reform Act the bills establish a common set of rating guidelines for the small group market. Under these guidelines, health risks would be distributed among all carriers thus increasing small group rate stability. This in turn will allow more businesses to continue to afford health care coverage. The purpose of this act is to allow for distinct geographic pools within which all small group carriers follow the same rating regulations.

Here are the guidelines:

• It allows ten geographic pooling areas, none of which can be smaller than a Michigan county. Limiting the size of a geographic area to no smaller than a county helps alleviate the difficulty of delineating boundary lines and assists in deterring carriers from segregating communities with specific economic characteristics into separate rating areas.

• Defines small employer as an organization operated as a sole proprietorship or employing 99 or fewer eligible employees. This gives more stability to the small group pool. By allowing a larger small group to enter the pool, risk is diluted by spreading it amongst a larger number of people. Additionally, by considering a sole proprietor a group of one, coverage becomes more accessible and affordable for entrepreneurs.

• Additional premium of up to 25 percent allowed for sole proprietors. An additional added premium of 25 percent for sole proprietors business protects carriers against the elevated risks of providing health care coverage to groups of one which are statistically much more costly to insure than other small groups.

• Carrier must offer sole proprietors at least one benefit plan with a minimum level of catastrophic coverage and any additional coverage required by the commissioner. The establishment of a standard minimum benefit package for sole proprietors sets a base line standard to which all carriers must adhere. More enhanced sole proprietor packages can be offered by the carrier.

• Carrier can establish an annual sole proprietor open enrollment period that lasts at least one month or a six month waiting period for coverage for preexisting conditions. This helps stabilize carrier risk. By encouraging enrollment of groups of one during specific limited periods, the inclination of applying for coverage only when sick and in need of health services will be reduced.

• Within each pool, the rate can vary no more than +/- 25 percent from the index rate based on allowable case characteristics being industry, age, gender, group size, claim experience, participation, health status and wellness. Rate bands would help stabilize the small group market and preserve Michigan’s high rate of health insurance coverage. By limiting premium adjustments to a reasonable amount, abusive rating

See Small group market reform Page 28

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

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Frozen Assets
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Lottery Lowdown

Daily 3 Red Ball Double Draw is back!

Beginning April 7, the Michigan Lottery is bringing back the Daily 3 Red Ball Double Draw promotion. The Daily 3 Red Ball Double Draw promotion will run from April 7 through April 26. The Lottery held its first Daily 3 Red Ball Double Draw promotion in September 2002 and it was a tremendous hit with players. The Red Ball fell five times during the September 2002 promotion, creating 9,000 additional prize winners and generating an extra $1.3 million in prizes.

After each regular Daily 3 evening drawing (Monday through Saturday) during the promotion, the Lottery will conduct another drawing from a separate machine containing five white balls and one Red Ball. When the Red Ball is drawn, the Lottery will draw a second set of Daily 3 numbers, giving players a second chance to win on the same ticket.

When a white ball is drawn, the Lottery will take it out of the machine and set it aside. This increases the chance that the Red Ball will be drawn the next night. Double Draws will not occur on nights when a white ball is drawn. Whenever the Red Ball is drawn all the balls will be returned to the machine for the next Daily 3 evening drawing.

The Lottery will pay out the exact same prize amounts for the Red Ball Double Draw winners as it does for the regular Daily 3 evening drawings. The Red Ball is guaranteed to fall at least three times during the course of the promotion. Players can watch the drawings live Monday through Saturday evenings at 7:29 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!

"$2,000,000 Blast" Off. On April 3, the Michigan Lottery will debut its newest $20 instant game called "$2,000,000 Blast." This game features a $2,000,000 top prize that can only be won in a grand-prize drawing. Similar to the recent "2,000,000 Celebration" game, there will be more than 1,000 prizes of $1,000 available in this new game. Winners of $1,000 prizes will automatically be entered into the grand-prize finalist drawing. Five finalists from the qualified entry pool will be selected for the grand-prize drawing for a chance to win a $2,000,000 top prize.

The dates and location of the finalist grand-prize drawing will be announced by the Michigan Lottery at least 30 days prior to each drawing event. The "$2,000,000 Blast" instant game provides players an opportunity to win up to 27 times on one ticket, and overall odds of just 1 in 2.22 of winning any cash prize.

Harley-Davidson® Instant Game Rides Again. The "Harley-Davidson" instant game was so popular with players in the past two years, we've brought it back for a third time at the request of players and retailers alike! Available April 24, each $3 ticket offers players the opportunity to win one of three Harley-Davidson Heritage Softail Classic motorcycles or one of two $50,000 cash prizes. Players who don't win have the opportunity to enter a second-chance drawing. The Lottery will conduct four separate second-chance bonus drawings connected to this game, selecting 235 players in each to win an official Harley-Davidson merchandise prize pack. The second-chance drawings will be held on May 23, June 20, August 1, and September 26. On October 17, the Lottery will draw one lucky winner from the 940 total winners of Harley-Davidson merchandise prize packs to win a Harley-Davidson Softail Classic motorcycle.
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Contact your General Wine & Liquor Sales Representative:
Phone (313) 867-0521
Fax (313) 867-4039
Lottery
Continued from page 22

To enter the second-chance drawing, players must send in two non-winning Harley-Davidson instant tickets to the address provided on the ticket back. Tickets can also be entered online at http://www.michigan.gov/lottery.

Retailer Commissions. The second quarter is quickly approaching and it is time to set your sights on your instant game sales goals for the next quarter. Your goal for the second quarter (April 1 - June 30) will be a 2.5 percent increase over the same quarter in 2002. Your Lottery District Sales Representative or your Tel-Sell representative will provide you with your historical instant sales information to help you identify and achieve your goals each quarter.

“Buy One $5 Instant Ticket, Get One $2 Instant Ticket Free.” On April 27, the Michigan Lottery will insert “Buy One $5 Instant Ticket, Get One $2 Instant Ticket Free” coupons into more than 1.6 million select home-delivered newspapers throughout the state. Each coupon redeemed will earn you an additional 53 percent commission for each $5 instant ticket you sell. Offer expires on May 25.

“Wheel of Fortune” Second-Chance Drawing. In February, the Lottery held two of the four second-chance drawings for its “Wheel of Fortune” instant game. The grand-prize winners in each of the second-chance drawings received a trip for two to Hollywood, CA to audition for the Wheel of Fortune television game show. Additionally, in each drawing, 250 players win Wheel of Fortune merchandise prize packs.

In the February 6 drawing, the lucky grand-prize winner was a Warren man and in the February 27 drawing the grand-prize winner was a lucky lady from Detroit. There are two remaining second-chance drawings - April 10 and June 5. Players enter the second-chance drawings by sending two non-winning Wheel of Fortune tickets to the address listed on the back of the ticket.

New Instant Games For April. The Lottery will introduce six new instant games in April. Two of these games will debut on April 3 - the $1 “Super Duper Double Doubles,” with a top prize of $4,000, and the highly-anticipated $20 “$2,000,000 Blaat,” with a $2,000,000 top prize! The $2 bonus game, “Money, Money Everywhere,” goes on sale on April 10, offering a $20,000 top prize. The $5 “Wheelin’ n’ Dealin’” also hits stores on April 10, featuring a $40,000 top prize. Just in time for Mother’s Day, the $2 “Happy Mother’s Day” instant ticket debuts on April 17, with a $15,000 top prize. Finally, on April 24, the new $3 Harley-Davidson roars into stores, offering top prizes of $50,000 and Harley-Davidson motorcycles.

Legislator Profile
Continued from page 18

Advisory Council.
Kuipers is a member of the American Legislative Exchange Council’s Education Task Force, a committee made up of legislators nationwide who are devoted to promoting excellence in education. He is an honorary Rotarian, and past member of the Holland Kiwanis and Rotary Clubs.

Kuipers is an active member of the Holland Area Chamber of Commerce and has served on its board of directors and on the Leadership Holland Executive Committee. Kuipers was also on the board of directors for the Holland Home Builders Association, as well as chair of its legislative committee.

He is actively involved in educational service programs including Kids in Career Kaleidoscope, a mentorship program for local youths; Lakeshore Link, a job shadowing series and the Holland Special Education Ministries. He served as director of Kids Hope, a program that matches volunteer tutors from community churches with disadvantaged kids from area schools.

Kuipers earned a Bachelor of Arts degree in special education from Calvin College in 1983. He went back to earn his master’s degree in Management from Aquinas College in 1995. He started in politics by volunteering on Pete Hoekstra’s congressional campaign in 1992.

A lifelong resident of the Holland area, Kuipers currently serves as a management consultant for Bosch’s Landscape and Lawn Specialties, Inc.

Senator Kuipers and his wife Jodi have three children aged 14, 12 and 10 who are active in sports. The family goes boating together and the senator enjoys reading, jogging and golfing.

To reach the senator, call (517) 371-6620, email: senwkuipers@senate.michigan.gov or write The Honorable Wayne Kuipers, State Senator, State Capitol, PO Box 30036, Lansing, MI 48909-7536.
Time to get really “Tee’d Off!”

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- exposure in the Food & Beverage Report
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- signage at the club house
- exposure in the Food & Beverage Report
- special gift for each golfer

**HOLE SPONSOR PACKAGES:**
All packages include: continental breakfast, BBQ lunch, dinner reception with open bar, snacks and beverages on the course, green fees with cart, free use of driving range and door prize eligibility. You are also automatically qualified for all gaming holes, including longest drive, hole-in-one for $10,000 and more!

**NON-SPONSOR OPTIONS:**
- $750 per foursome or $200 per golfer (dinner included)
- $75 dinner only (no golf)

**SHOTGUN START:** 9:30 A.M.

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We'll help you get “Tee’d Off” without losing your cool!
Authorized Cellular offers AFD specials on Verizon Wireless

By Michele MacWilliams

Walking into an Authorized Cellular store can be a mind-boggling experience. The staff is so knowledgeable and choices so diverse that it often takes awhile to absorb all the information. Once that happens, the visitor realizes that these people know their stuff and are committed to personally fitting each customer with the right plan and the right phone at the right price.

Authorized Cellular began as a vehicle security company, started in 1983 by David Gagnon. Soon his brother, Greg, joined the business.

In 1986, Authorized Cellular became an exclusive agent for CellularOne, which later became AirTouch Cellular, and is now Verizon Wireless.

Today, the company has over 40 employees and seven retail sales and service centers. For five years, Authorized Cellular has ranked in the Michigan Private 100, which determines the private companies with the largest growth rates.

In 1992, Authorized Cellular enjoyed the ranking of the 480 fastest growing privately held company in the U.S. by Inc. Magazine.

Stores are located in Sterling Heights, Madison Heights, Macomb Township, Grosse Pointe, and Roseville, with corporate offices on Van Dyke in Sterling Heights.

Authorized Cellular changes with the industry “Since 1986, Authorized Cellular has seen dramatic changes in the technology of the modern cellular and communication industries,” says David Gagnon. “We have also seen an explosion in the specific of these industries and the specialized experience needed by retailers of wireless services,” he adds.

Technology has moved rapidly for an industry that was in its infancy just 20 years ago, when “car phones” were actually mounted on dashboards and the transceivers (the electronics in the big box) were stored in the car’s trunk.

On the Verizon horizon

Gagnon says that Internet access is now commonplace and soon we’ll be able to not only read our emails on our phones, but our wireless phones will read the messages to us and we’ll be able to reply by voice instead of text.

Global positioning, text messaging, camera phones, color monitors, Internet access... the options available to the wireless phone user are increasing all the time. Gagnon maintains that one of the most important obligations of a wireless retailer is to keep up with all the rapid industry advances. Knowing what programs are available gives his sales staff the ability to custom tailor a wireless plan for each customer.

“The big mistake that people make when signing on for wireless service is that they run out and get the lowest priced program, when it may not actually be the most cost-effective for them,” he asserts. Gagnon says that many stores aren’t exclusively wireless retailers and don’t have the expertise to provide customers with the plan that suits them best. He says that from low-cost providers, service can be spotty and the purchaser can end up paying much more than they expected, experiencing dropped calls or worst yet, not receiving a signal at all.

“Our company philosophy is to make every customer happy and save them money, so that they don’t begin ‘churning’;” explains Gagnon. Churning means moving from one wireless plan to another and another. He says the average churn rate for the industry is about 50 percent a year, while Authorized Cellular’s rate is 12 to 15 percent.

One of the reasons for the company’s low churn rate is their VIP Pass. A program that includes added benefits for Verizon subscribers. With the VIP Pass, Authorized Cellular provides free billing analysis, airtime rewards, trade in credits and a 30 percent discount on accessories.

AFD member benefits

Authorized Cellular has developed a special plan that is available to AFD members. All AFD members in good standing are eligible to receive additional discounts and benefits including a five percent reduction off Verizon’s Local Digital Choice and America’s Choice plans. Members also receive the Authorized Cellular

Van Dyke in Sterling Heights.

Authorized Cellular offers AFD specials

Gagnon with a state-of-the-art wireless phone

AFD Food & Beverage Report, April, 2003
The scoop on forklift safety

Forklift accidents account for approximately 100 fatalities and 90,000 workplace injuries annually in the U.S. In addition to the human cost, employers spend $150 million or more per year solely because of forklift accidents. The most common forklift accidents are caused by employee errors such as:

- Forklift tipping overs
- Loads falling off forks
- Forklifts striking pedestrians
- Using a forklift as an elevator and falling from raised forks
- Horseplay

How Employers Reduce Forklift Accidents

Establish a forklift safety program for operators and non-operators. The safety program should include the following elements (your plan may have more elements and details depending on hazards at your facility):

- Forklift training and evaluation for operators
- Awareness training for employees who work around forklifts
- Forklift safety inspections
- Routine maintenance and repair
- Refueling techniques and precautions

Operator Training and Evaluation

The first step in preventing accidents is to teach employees how to safely operate a forklift. There are two parts to this training. First, conduct classroom training that details general forklift operation and forklift safety. Second, give employees hands-on training with the specific machine (or type) they will operate. Employees must not be allowed to operate a forklift until they have successfully completed the training. Employees should receive refresher training at least every three years. In addition, refresher training is required when a driver is seen using the forklift in an unsafe manner, is involved in an accident or has a near-miss incident. These drivers should not be allowed to use the forklift again until they complete refresher training.

Forklift Pedestrian Training

Many grocery employees have never worked near forklifts before and may not understand the hazards associated with these machines. Therefore, all employees should receive forklift pedestrian training. This training should be covered during new employee orientation and should explain the following points:

- Where forklifts normally operate
- How to do if they encounter a moving forklift
- Hazards of the battery charging area
- Special hazards associated with your facility

Forklift Safety Inspections

Many accidents can be prevented if the operator detects potential mechanical problems prior to using the forklift. Therefore, at the beginning of each shift, the forklift operator should thoroughly inspect the forklift. Employers should create a forklift inspection checklist and document that operators complete inspections.

Checklist items will vary by machine. The forklift owner’s manual or your service company are good sources of information to help you create a thorough checklist.

Forklifts are reliable machines and will most often check out fine. However, should a problem be found with any checklist item, the forklift must not be used until the necessary repairs are completed.

Maintenance and Repair

Routine service and timely repairs help ensure that your machine operates as designed. Consult your service manual and a qualified service company to develop and implement a service schedule. Finally, document all services and repairs performed on each machine.

Refueling

Most forklifts use one of three power sources: electricity (battery), LP gas, or diesel fuel. Electric forklift batteries are most dangerous during the recharging process because they release flammable gasses. The charger can also be a hazard as it may cause electrical shock or create a spark, which can ignite the battery gasses. Therefore, take precautions when charging batteries:

- Charge batteries where there is enough airflow to dissipate flammable gasses.
- Have employees wear appropriate personal protective equipment, such as rubber-soled boots, goggles and rubber gloves.
- Prohibit smoking or open flames near a charging battery.
- Ensure the battery charger and all electrical wiring are in good condition.

Follow the charging directions outlined in the forklift owner’s manual.

Forklifts gas and diesel forklifts have additional special hazards. Consult with your Grocers Loss Prevention Specialist or your service company for specific safety recommendations.

OSHA and Forklifts

On December 1, 1998, OSHA enacted an updated forklift safety standard (1910.178). The standard applies to all powered industrial trucks (electric, LP gas, or diesel) that are generally found in grocery operations. Sections I, through Q of this standard apply to operator training and general safe forklift operations.

The OSHA forklift standard specifically outlines requirements for forklifts:
- Operator training and certification
- Attachments and load carrying
- Refueling
- Types and usage applications

Service and Repair

For additional information about how the OSHA standard may apply to your operation, review the Federal OSHA website at www.osha.gov, and search by powered industrial trucks, or contact your Grocers Safety and Loss Prevention Consultant.

Forklifts are powerful tools that make our lives easier and our businesses more profitable. Please take the appropriate steps to ensure that your forklift operators and your forklifts are working safely!

Jason Wintlow
Safety & Loss Prevention

That’s the spirit—U.S. alcohol sales growing

From vodkas and rums infused with natural fruit essences to premium varietal wines from Italy, Australia and California at the full-bodied appeal of imported beers to the citrous refreshment of maltematives, adult beverages were all about flavor last year.

All three segments—spirits, wine and beer—of the beverage-alcohol business in the United States posted gains in case volume and retail sales last year, according to Adams Handbook Advance 2003 published by Adams Beverage Group.

The U.S. distilled-spirits industry was up for the fifth consecutive year in 2002. Total spirits consumption climbed 1.8 percent to 153 million 9-liter cases. Wine rose for the ninth year in a row up 3.3 percent to reach 241.6 million 9-liter cases. And beer—the largest beverage-alcohol segment—grew for the seventh straight year—up 1.8 percent to 2.8 billion 2.25-gallon cases.

The consumer proved resilient in 2002. Economic uncertainty, a declining stock market, the crisis in corporate America and a looming war were not able to put a cork in the growth of beverage-alcohol consumption.

"Consumers' unquenchable thirst for high-end premium products contributed to the upswing in spirits, wine and beer sales in 2002," said Bob Keane, spokesperson for the Adams Beverage Group.

High-end beverage-alcohol products—imports in particular—across all categories continue to outperform the business as a whole. This trend began to surface in the "90s and will likely endure.

In 1994, imported spirits accounted for 35.9 percent of consumption. The figure jumped to 38 percent last year. Flavor and mixability were other key factors contributing to spirits growth.

Among wines, imports and varietals walked away with the gains. Imported wines grew at a considerably faster rate last year (9.5 percent) versus domestics (1.7 percent). On the beer front, maltematives, light and imports advanced. An influx of new product introductions fueled maltemative growth, even as some were scaled back.

Retail dollar sales for the beverage-alcohol market climbed 6.3 percent in 2002 to $137.2 billion. And the future looks bright, with all three segments forecasted to grow in 2003.

Tubby's Inc. builds new headquarters

Tubby's, Inc. has moved into a new corporate headquarters in Clinton Township. The 6,000 square foot building is located at 35807 Moravian Road.

All of the corporate offices are housed in the new building including franchise development, accounting, purchasing, operations and marketing.

A family owned franchise company, Tubby's, Inc. was founded in 1968 at St. Clair Shores with it's first store on Harper Ave. near 13 Mile Road. That store is still in operation.

Tubby's Grilled Submarines is celebrating its 35-year anniversary in 2003. Tubby's has 87 stores open and operating in Michigan, Florida and Iowa with right new locations scheduled to open in the second quarter of 2003 in southeast Michigan.
Small group market reform
Continued from page 19
practices, such as offering younger, healthy groups extremely low rates to attract their business and older less healthy groups unreasonably high rates to deter their business, would be greatly reduced.
- Upon renewal, rate adjustments are limited to 15 percent for changes for case characteristics. Placing limits on the amount a rate can be adjusted for charges in case characteristics and permitting the adjustment only current renewal of the contract will help prevent carriers from exorbitantly increasing a groups rate when one of the group's members becomes ill.
- Two-year transition period for existing business. A transition period is needed to incrementally adjust rates for existing business so that their rates fall in line with those established for other groups within the same geographical area.
- A self insured business can be assessed an additional 50% premium for two years following its move to underwritten coverage with the carrier. Assessing additional premium to self insured groups for two years following their move to underwritten coverage will prevent these groups from continually switching between self-insured and underwritten insurance coverage in an effort to avoid high medical cost incurred by their members.
- Benefit plan options, number of family members and Medicare eligibility can be used in the determination of rates. As is customary with all insurers, the selection of expanded plan options spousal or dependent coverage and supplemental coverage beyond that which Medicare provides warrants an adjusted premium.
- A carrier cannot apply case characteristics leading to one employee within a group being charged a higher premium than any other member of the group. All carriers will use a composite rate when billing a small group business. A premium bill that indicates a uniform rate for the combined case characteristics of the group rather than being applied at an individual level, better protects the privacy of each individual subscriber. Composite billing also lessens the threat of an employer discriminating against an older employee in order to lower its group health insurance expenditures.
- Minimum participation requirements allowed—can require a group to enroll certain number or percentage of eligible members. Maximum 75 percent for groups of six or more.

DRAFT LETTER FROM SMALL BUSINESS OWNERS
Date
The Honorable
Address
Dear Rep. Or Sen:
As a small business owner in [town/city], I am writing to urge you to support the Small Employer Health Reform Act, or SEHMRA, introduced recently in the Michigan House as House Bill 4279 and in the Michigan Senate as Senate Bill 235. In addition, HB 4279 and SB 234 are companion bills that modify the Blues' enabling legislation so that the Blues can operate under new market rules. Rapidly rising health insurance premiums are putting a severe strain on my business. [Describe the effect high premiums have had on your business and what you've done to cope. Examples: raising employer co-payments, raising deductibles, lowering wages or limiting pay increases, hiring fewer employees, postponing investments in your business.]
When I have to spend too much on insurance premiums, I'm unable to hire new workers, give adequate pay raises, and provide reasonable benefit options for my employees. My business is less able to contribute to the general good of my community.
SEHMRA is very similar to the rating reforms that 47 other states implemented in the 1990s, the type of reform recommended by the National Association of Insurance Commissioners for state small business health insurance markets. SEHMRA would establish uniform rating rules that all insurers in the state would abide by, thus spreading bad health risks more evenly among insurers and stabilizing rates for small businesses. I understand that a number of factors contribute to the rising cost of health insurance. It's a complex issue with many different facets. However, we have an opportunity to address one of those factors by enacting rate reform for our state's small group market.
I invite you to call me at [phone number] if I can be of any assistance to you as you consider supporting SEHMRA and helping small businesses like mine.
Thank you,

Sincerely,
(your name)
PLAYERS CAN'T WAIT FOR THE RED BALL TO FALL

During the first Double Draw event, held last September, the Red Ball fell five times, generating an extra $1.3 million in prizes for 9,000 additional second chance winners. Watch the excitement rise — and sales too — with the return of the Daily 3 Red Ball Double Draw! Players 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 Red Ball Double Draw in 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 — just like before!

Limited time only! April 7 - 26, Monday - Saturday Evening Drawings

AFD Food & Beverage Report, April 2003...79
Welcome to the 19th Annual AFD Buying Trade Show

Treasure of Values!

Wednesday, April 9, 5:00 p.m. to 9:00 p.m.
Thursday, April 10, 2:00 p.m. to 8:00 p.m.
Burton Manor in Livonia

Your purchase at the show will give you a chance to open our Treasure Chest! The more you buy, the better your chances!
AFD’s 19th Annual Buying Trade Show
Treasure of Values
Unlock the door to savings!

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Additional Services:
- Bigger Profits - Better Service
- Utility Payments System
- Pre-Paid Credit Card
- Money Transfer
- ATM Cards
- Credit Card Processing
- Cash Gift Cards

Call Us for More of These Services!
Get ready to “Flip It” in April 2003 with an exciting new product introduction from 7-Up Bottling Group called d'nL. Billed as the upside down or flipped 7UP, d'nL is bright green in color, includes a kick of caffeine and features a blend of fruit flavors. Get ready to “Flip It”

Buy 10 cases of Absopure 25 oz and 240 ct. of Kar's 2/$1 and get a $6 cooler for free.

American A Systems is offering a $2,000 discount on Check Cashing Systems. During the show hours, you will be able to purchase a system for $3,995 + tax, which includes hardware, software and support (regular price is $5,995 + tax).

Browning will display at the upcoming show is their new digital video alarm monitoring systems. From General Wine: purchase three cases of Margarita Ville 1.0 liter, and one case of Mr. & Mrs. T Salt, and you will receive a case of Roses Lime Juice (25 oz) for one penny.

General Wine: purchase three cases of Mr. & Mrs. T Bloody Mary (Motts)

Budweiser

Central Alarm Signal will be featuring their new digital video recorder systems for cameras – no more tapes or VCR headaches! They will also be demonstrating new digital wireless alarm monitoring systems.

Central Alarm Signal, Inc.

Country Fresh has a bright new look and a complete line of farm fresh products. New packaging and new graphics give the entire product line a fresh look. Looking as good as they taste, Country Fresh has a new line-up of juices, teas, and lemonade for you to see and sample at the show.

Country Fresh

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Country Fresh
Bacardi Flavors
Now available through
TRANS CON
**SPECIALS, from page 32**

Freddie the Fresh Guy and Twinkie the Kid will be at the Interstate Brands/Wonder Bread/Hostess booth offering samples of new products. Be the first to sample four new Country-Style Bread varieties in the Home Pride Line. For your sweet tooth, sample new Apple Spice Cupcakes from Hostess. For healthy bread fans, sample Roman Meal Sandwich 20-ounce Loaf, 7-Grain, and 100% Whole Wheat. Capitalize on the excitement of Wonder Bread/Hostess Holiday products. You can order Beefsteak Wonder Bread/Hostess frosted baseball cupcakes with red icing stitches around the season opener, and even Ho! Ho! Ho! ’s at Christmas time.

A new bakery snack program from Clover Hill Bakery will be unveiled at the 1 & K Distributors booth. Offer your customers various cakes, donuts, and glazed and frosted honey buns pre-priced 2 for $1 retail (racks available).

**KANSMACkER**

Kansmacker is offering a new low price on their new compact, stainless steel, three-in-one reverse vending machine (accepts aluminum, plastic and glass). They will also be demonstrating three new single machines. Purchase a new machine at the show and get 10 cases of free bags. Delivery must be complete within 15 days.

Come try King Henry’s Pumpkin Seeds and Trail Mixes “new” to the town near you!

Kowalski Companies is offering an outstanding price discount on their Kowalski Hard Salami.

Melody Farms will be introducing Looney Tunes flavored milk. These brand new, single serve flavored milk bottles are now available in five fun flavors, including Bugs Bunny Vanilla Shake, Tasmanian Devil Chocolate, Sylvester Strawberry, Twetty Banana and Road Runner and Wiley E. Coyote Orange Cream. Visit the Melody Farms booth for a free sample and trade show specials.

**Michigan Beverage Distributors** will have great discounts on the following items: F1 Hi Energy Drink, Base Energy Drink, Langers Juice, Reebok Fitness Water, Northland Spring Water, Canada Classic Spring Water, Guzzler, and Daily’s Little Hugs & Hugs.

**Miller Brewing Company** has a new lineup of 24 oz. single serve bottles: Miller Lite, Miller Genuine Draft, Miller High Life, Foster’s, and Jack Daniels Hard Cola.

**MSI / Bocar** will be offering special show only pricing on Intermetro, Super Erecta and Quick Slot Shelving.

Nash Finch has a complete line of dollar items for you to preview at the show. Also come and see a new line of Authentic Mexican Foods called Avanza Products. And come learn about Value Choice, which is a line of items that competes with the Save A Lot concept.

**MSI / Bocar** will be offering special show only pricing on Intermetro, Super Erecta and Quick Slot Shelving.

**National Wine & Spirits corporation**

Come to the National Wine & Spirits booth to sample new Classic 12 Canadian Club Whiskey with 40% alcohol content.

**Northstar Insurance Agency**

Northstar Insurance Agency will be accepting information from business owners in order to provide same or next day commercial insurance quotes. They will be quoting with “A” rated companies such as, Zurich and the Hartford.

**POSI**

POS Systems Group is offering a Computer Scanning System starting at $1,999.00 (regular $2,999.00). Free for AFD Members only; three months of support, 100 Smart Gift Cards (with your store’s name), Quick Start Barcode Database (includes all of MLCC Liquor Codes & Prices), on-site consultation from a former party store or grocery store owner, and a $199.00 Laptop Scanner to the first 10 stores who sign up!

**Schul COFFEE CO**

Special from Schul Coffee: Buy one display box of ground once get coffee packs, get one free. Limit 10.

**Taylor®**

Show special from Taylor Freezer: purchase, lease or rent a Taylor Froster carbonated beverage unit, and receive ($5) gallon bag-in-a-box of Pepsi Syrup at no charge. Offer good through April 2003.

**Tom Davis & Sons DAIRY COMPANY**

New from Tom Davis & Sons Dairy: See the new “turn-key” co-brand parlor concept from Ashby’s Sterling Ice Cream. Also new, Ashby’s convenient new containers. Single-serve milk sales are hot! Catch the new flavor introduction from Nesquick and Hershey’s, such as Cookies & Cream Shake, Double Chocolate Shake and Vanilla Shake.

Borden will also introduce a new line on all their dairy products. In a departure from milk and ice cream, Tom Davis is introducing products from Michigan’s own Brownwood Acres—mustards, sauces, jams and cherry and blueberry juice concentrates.

**Treasure Chest:** get a key to the treasure chest when you arrive at the show. Find out if your key opens the lock and take home your “treasure.”

There’s no end to the excitement! With over 100 companies there is something for everyone; deals, new products, games, prizes, cash giveaways, fun, and a key that may open the treasure chest at the show.

**AFD’s 19th Annual Buying Trade Show, Treasure of Values**

Thursday, April 10, 2003

5 p.m. - 9 p.m.

Thursday, April 10, 2003

2 p.m. - 8 p.m.

Burton Manor

27777 Schoolcraft Rd., Livonia

**Prices: play the fun games, win the great prizes.**

**Distributors** is accepting information from many companies such as, Zurich and the Hartford.

**Ways Than One.**

**Delivers In More Ways Than One.**

**One Source**

**MANY RESOURCES**

- Blue Cross Blue Shield Health Care
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- Close Faxed Long Distance
- MatterCard/Visa Assistance
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- AAMAC & AHA Insurance
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For more information on any of these excellent programs, call ASSOCIATED FOOD DEALERS OF MICHIGAN

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**For more information on any of these excellent programs, call ASSOCIATED FOOD DEALERS OF MICHIGAN 16410 West Ten Mile Road • Southfield, Michigan 48075 1-800-66-66-AFD or (248) 66-66-AFD.**
National Wine & Spirits congratulates AFD on another successful Trade Show. Be sure to visit us at our booth!

Coverage

Employees of a grocery store may be governed by the FLSA in either of two ways. Any establishment which is part of an enterprise with an annual dollar volume of sales of at least $500,000 (exclusive of excise taxes at the retail level that are separately stated) must abide by the Act’s requirements. Any employee of a grocery store, regardless of its sales volume, who is engaged in interstate commerce activities, or any closely related occupation directly essential to such activities, is “covered” on an individual basis in any week in which they are so engaged. Most grocery stores are subject to, and must comply with, the Federal Child Labor Provisions.

Child labor provisions of the FLSA

The Federal child labor provisions were enacted to protect the educational opportunities of minors and prohibit their employment in jobs and under conditions detrimental to their health or well-being.

1. Once youths reach 18 years of age, the Federal child labor provisions no longer apply to their employment.

2. Under Federal law, youths 16 and 17 years of age may perform any non-hazardous job, for unlimited hours. State law otherwise restricts employment between the hours of 6am and 9pm Sunday through Thursday and until 11:30pm on Fridays and Saturdays. However, youths may work until 11:30pm on any day during school vacation periods.

3. State hour limitations:
   - May not work more than a weekly average of 8 hours a day, nor more than 10 hours in any day.
   - Combined school and workweek shall not exceed 48 hours. Youth shall not be employed more than 48 hours a week when school is not in session.
   - Shall not work more than 6 days in a week.

4. Federal hour limitations:
   - May be employed between the hours of 7am and 9pm between Labor Day and June 1. During the period of June 1 through Labor Day, youth may be employed until 9pm.
   - Shall not be employed more than 3 hours on school days and not more than 8 hours on non-school days or when school is not in session.
   - May not be employed more than 18 hours a week while school is in season. Youth shall not be employed more than 40 hours in non-school weeks.

5. Minors 13 years of age and younger generally may not:
   - May not be employed more than 48 hours in non-school weeks.
   - Shall not work more than 6 days in any week.

6. Special circumstances
   - May work involving the loading and unloading of goods to and from trucks.
   - All work in a warehouse and all work involving the use of ladders or scaffolding.
   - All work in freezers and meat coolers, and most work in the preparation of meats for sale.

7. The Secretary of Labor has declared many occupations to be hazardous, which restrict the types of jobs and/or industries in which youths under 18 years of age may be employed. Although not exhaustive, the following list includes the most common jobs which occur in grocery stores that are prohibited by one or more HO. Under the child labor provisions, workers under 18 years of age generally may not:
   - Operate or assist to operate, clean, oil, set up, adjust, or repair certain power-driven meat processing equipment including meat slicers, meat grinders, meat saws, and patty forming machines – even when used to process materials other than meats, such as vegetables or cheese.
   - Operate or assist to operate, clean, oil, set up, adjust, or repair certain power-driven bakery machines such as horizontal or vertical dough mixers, dough sheeters/rollers, and combination bread-slicing and wrapping machines.
   - Drive or serve as an outside-helper on a motor vehicle on a public road, but 17 year-olds who meet certain specific requirements may drive for limited amounts of time as part of their job.
   - Operate or unload scrap paper balers or paper box compactors; 16 and 17 year-olds may load such machines under specific circumstances.
   - Operate certain power-driven hoists, including forklifts.

8. Combined school and work week shall not exceed 48 hours. Youth may not be employed more than 48 hours in non-school works.

9. State laws may have higher standards, such as mandatory age certificates or work permits for young workers and work hour limitations for 16 and 17 year olds. When these apply, employers must comply with the higher standard.

Special Report: Child Labor Laws

Employment standards administration wage and hour division

The following is the U.S. Wage and Hour Division and the State of Michigan’s rules for child labor compliance.
Detroit’s finest meet with AFD members

AFD Attorney Jim Brillanca addresses the crowd.

AFD President Mike Sarofa

Fred Dally, AFD vice chairman of community relations

David Gagnon of Authorized Cellular gave away a state-of-the-art wireless phone and some special Verizon deals for AFD members.

Percy Wells and Herman Curry of Coca-Cola were one of the night’s sponsors.

North Pointe Michigan's Leader in Liquor Liability for 15 years running!

- Competitive Rates
- Endorsed by AFD for 15 consecutive years
- Never assessable, no deductibles, policy fees or surplus lines tax
- Available through the Independent Agent Network with over 1,000 agencies to serve you

Our outstanding service has made North Pointe #1!
For more information on any of our fine dairy products please call:

Country Fresh

Grand Rapids 800-748-0480
Flint 800-572-5390
Livonia 800-968-7980
Pharmacists recommend the Pharm brand for its quality.

we recommend it for all its benefits!

- Increased Profits
- Outstanding Consumer Savings
- Comprehensive Variety
- Everyday Low Cost

"As a pharmacist, I recommend the Pharm brand because it provides a quality alternative to comparable national brand items that are priced much higher. Pharm products are excellent. They must meet high quality standards before they even make their way to your shelves. Plus, they carry a 100% satisfaction guarantee to ensure consumer confidence."

Dinorah Espinoza-Dykstra
Pharmacist

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