Insurance companies balk at blackout claims

By Mike Sarafa. AFD President

AFD is calling on Michigan's Office of Financial and Insurance Services (OFIS) and the State Legislature to look into practices of insurance companies in the aftermath of the Blackout of 2003. It seems that some insurers are still stallion on claims payments.

Apparentely they are saying that the blackout was equipment failure and not a disaster and therefore they may not be obligated for damages.

Waiting to determine the cause of the outage is creating hardship for the retail food industry. Obviously the blackout was not the fault of the stores that are awaiting responses from their insurance carriers. On September 17, AFD President Mike Sarafa testified at a Michigan Senate Technology and Energy Committee hearing in Lansing regarding this matter.

Vic Ventimiglia, owner of Vic's Market on Southfield Road in Beverly Hills, said that his insurance company has put a hold on his claim until the cause for the blackout is determined.

Vic's claims adjuster told him that if someone threw a switch, then it's not covered, but if it was a lightning bolt or some natural cause, then they'll honor the claim. Ventimiglia submitted a claim for $67,000 in lost perishable merchandise, has receipts for everything and the Department of Agriculture as a witness to the losses. Still, he has to wait.

Retailers put life on the line every day

Commentary by Michael G. Sarafa

AFD President

Last month, we were all horrified by the quadruple murder at Neil's Party Store in Westland. It was a gruesome reminder of the risk that retailer owners and their employees take every day. In a tough economy with people desperate for cash for drugs or gambling, the risk is even greater.

The tragedy is very personal for those individuals and families involved. Our sincere condolences go to the families of Feras Yousif, 29, and Conrad Hasper, 24 – the two employees of Neil's Party Store who were killed. The lives of their families and friends will be altered forever. The two customers who were gunned down make these killings all the more senseless if that is even possible.

This tragedy brought back tough memories for my friend Danny Thweni. He was 22 when his two older brothers were shot and killed.

With our Great Lakes, inland lakes and abundance of rich, fertile soil, Michigan harvests a wide variety of agricultural products. From apples to zucchini, we are fortunate to live in a state that provides a healthy variety of fruits, vegetables, meat, fish and food. Michigan is also a great state in which to do business. From the distributor that sells his products out of a station wagon to the food-manufacturing giants, Michigan is home to them all. Whether you were "Made in Michigan" yourself, or adopted this state as your own later in life, this funny, mitten-shaped peninsula is your home and a great one it is.

In this issue we profile Michigan companies and provide information on products that are made in Michigan. There are many reasons that we can be proud of our state. We dedicate this issue to the beauty our soil provides and the food and beverage-related companies that choose to make this great state their home. Michigan product and business profiles begin on page 10.
AFD works to remove liquor pricing cap

By Terry Farida
AFD Chairman

For the past two years, AFD has been working hard to try and raise the liquor discount on liquor. Our efforts to raise the discount from 17 percent to 20 percent have run into stiff opposition from those opposed to raising the state mark-up. Therefore, our efforts have shifted to a proposal that would allow for increased profit margin on just one quarter of liquor business would mean an additional $11.5 million in new gross profit.

AFD has been working relentlessly with the Michigan Liquor Control Commission to either increase the liquor discount or eliminate the mandated cap of 17 percent. It appears that we are making considerable headway on the latter.

If the state were to remove the current 17 percent "cap" on gross profits, retailers would have the flexibility to raise their prices, as they deem appropriate. In doing so, retailers will be able to substitute their own sound judgement and knowledge of market conditions for one-size-fits-all mandated prices.

Obviously, there are reasons for more money. We are asking for you to support us in this effort!

Chairman's Message

The Grocery Zone

By David Covern

JUST AS I THOUGHT, MR. LUCKOVIĆ...YOU'VE BEEN EATING TOO MANY CALORIES.

Counterfeit-Coupon scam stings businesses

The counterfeit-coupon scam that began in August continues to plague supermarkets and other retail stores across the country.

According to the Charleston Gazette, Kroger stores in West Virginia and six other states now prohibit the use of computer-generated coupons.

"We have seen some incidents of fraudulent coupons being used in West Virginia, but this is really a nationwide issue. By all accounts, this is going to continue to be a problem for retailers until a solution is found," said Kroger spokesperson Gary Rhodes.

The coupon scam has prompted many retailers to change their coupon-acceptance policies, noted Michael Sansolo, senior vice president for the Food Marketing Institute (FMI).

"It varies, but some stores will not accept any of the coupons, some will not accept any for free products. This is a crime. What you are creating in that coupon is, in a sense, currency," said Sansolo.

NACS Daily previously reported that that the Coupon Information Center (CIC) and Grocery Manufacturers Association issued an alert about "homemade" coupons being circulated on the Internet and offered tips for spotting bogus coupons.

In addition, the Georgia Food Industry Association said that this is the largest coupon scam in the state in the last 14 years. Fraud expert Bud Miller, executive director of the CIC, predicted that the scam would ultimately cost grocery stores across the nation more than $1 million. Typically, coupon fraud results in annual losses of more than $500 million, noted Miller.

"The growth of the Internet has brought clever con artists, who pitch their snake oil for the cost of a few cents, into the homes of millions of potential victims. Unfortunately, the people who can afford it the least are often the victims of these criminals," Miller writes on his Web site, www.cents-off.com.

Many consumers don't know that the coupons are fake. Some people are purchasing the coupons via eBay auctions, where, for example, a group of coupons valued at $1,000 was being auctioned for $4.75. FMI has requested the eBay discontinue auctions of coupons on its site. Jan Vineyard, executive director of the West Virginia Oil Marketers and Grocers Association, told the Gazette that her members have not reported getting a lot of counterfeit coupons.

Taking stock of grocery trends

A recent study found five major trends impacting the grocery industry. Acclaro Growth Partners recently presented its summary of the Food, Beverage and Grocery Industry Key Trends and Drivers at the ECRM Grocery, Snack and Beverage Efficient Promotion Planning Session in Orlando, Florida.

Focusing on the trends that impact the industry, the Food, Beverage and Grocery Assessment summarizes a comprehensive study conducted by Acclaro Growth Partners. From the perspective of both retailers and suppliers, the study/presentation represents important issues that face companies serving the grocery industry.

The five major trends are:
1. Bigger stores—really better? Wal-Mart and club stores are shaking up the grocery industry. Grocers cannot compete against Wal-Mart, but they can compete around Wal-Mart by being what it is not, cannot be and will not become.
2. Specialty retail. Specialty is becoming even more unique and differentiated. Novel tastes, prepared meals, ethnic foods and even branded fresh foods are gaining popularity.
3. Battle for the perimeter. Produce, meat, fish, bakery, prepared foods, organics, nutraceuticals and functional foods are more important in the traditional grocery environment.
4. Brand? What brand? Brand is more relevant in fresh foods and less relevant in the center aisle.
5. Technology. It is no longer a luxury. Relationship-based selling is less relevant than ever.

According to Business Insurance, such policies provide coverage for losses stemming from shutdowns at utility services, such as electricity or water providers. However, Michigan's retail food industry was certainly hit hard. AFD estimates that retail stores lost over $75 million due to the blackout.

Right now everyone is dancing around the issue, because they don't want to admit liability. Everything is in limbo. If the insurance companies do not step up to their responsibility, we will begin to see more small businesses go without any coverage at all, calling into question the integrity of the entire system.

AFD asks that the OFIS and the Michigan Legislature move quickly to resolve this issue. The Blackout of 2003 was bad enough. Let's not let the aftermath hurt our industry any further.

Blackout claims

Continued from front page

George Krcek, comptroller for Pizza Papalis restaurants, which operate 10 company-owned stores in Southeast Michigan, says his insurance companies have also taken a wait-and-see approach.

He has to deal with multiple policies and said that some carriers have initially indicated that they may cover some food spoilage, but they cannot yet determine whether they will cover business interruption losses.

According to Business Insurance, because most businesses suffered no physical damage and the cause of the outage has not been determined, the number of claims has not been large. One factor limiting the number of claims is that not every organization that suffered a loss had purchased a separate service interruption policy.

Retailers put life on the line every day

Continued from front page in their supermarket in January 1990. Between the two, they left behind six children, the oldest only nine years old. One was shot at point-blank range in the head and the other in the back. Until this day, Danny chokes with emotion and anger when he speaks of his brothers.

The incident at Neil's Party Store and the seemingly endless shootings like it, are a recurring nightmare for Danny Thwens and his family. Their tragedy, too, is personal.

But the tragedy does not belong to the victims and families alone. All of us share their outrage, their grief and the feelings of helplessness at times like these. But we should also share a sense of obligation, a sense of duty and a call to action.

Not enough attention is paid to the inherent risk of retail businesses. According to the U.S. Bureau of Labor Statistics, the retail occupation ranks riskier than being a police officer. If you remove occupational accidents from consideration, the retail occupation is one of the deadliest in America.

At AFD, we will continue to support the families of victims of shootings in stores. When necessary, we will stay involved in individual cases until justice is achieved and until more is done by government and law enforcement officials to bring the rate of this type of violence down.

Until then, we will continue to put our voices heard on matters of life and death.

Calendar

October 11-14
NACS Convention & Exposition
Chicago, IL
(703) 684-3600

October 13-15
FMI Spotlight 2003
Retail EPS Conference
Washington, D.C.
www.fmi.org

October 17-21
Produce Marketing Association Annual Convention & Expo.
Casablanca,Morocco
(302) 738-7100

October 26-29
Food Distributors International Productivity Convention & Expo
Nashville, TN
(703) 532-9400

November 24-25
AFD Annual Trade Dinner
Casablanca, As Time Goes By
Sterling Heights, MI
(248) 557-9600

February 8, 2004
AFD Annual Trade Dinner
Casablanca, As Time Goes By
Sterling Heights, MI
(248) 557-9600

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AFD accepting nominations for the Board of Directors election

It is time to choose our new AFD Board of Directors for 2004. The election is scheduled for Tuesday, December 16, 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 on or before November 1, 2003. All nominations require the support of 25 other members in good standing or a majority vote by the nominating committee. You must be qualified to serve in either the retail category, as a regional director, or as a supplier director. The AFD will accept nominations for regional directors' positions for regions 1 and 2.

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.

Please send your nominations on or before Nov. 1, with supporting signatures to the AFD Nominating Committee, 18470 West Ten Mile Road, Southfield, Michigan, 48075. For more information call Dan Reeves, AFD Vice President, at 248-557-9600.

Proposed bottle refund legislation

As a small business owner there are many concerns that face the food store industry in the expansion of the current bottle deposit bill. Those being storage capacity, infestation, disease, health of employees and vendors, and the environment.

The storage capacity of the small food store is very limited, and currently is at full capacity. Adding bottle deposit to all plastic and bottles would completely overwhelm the small store and render the small store useless.

Today’s stores are currently dealing with very unsanitary conditions for both the employees and vendors. We receive bottles with urine, chew spit, vomit, infested with earwigs, ants and a variety of pests. In speaking with another storeowner, I was told they actually received a dead dog once. The diseases ranging from hepatitis to the common cold can be contracted by the store clerk to the delivery driver, just by the leftover spit from the customer.

Controlling what is received from the customers is extremely difficult when you have one clerk working and sometimes they can’t even find time to look at every bottle before accepting them. Currently the Department of Agriculture inspects us for infestation, yet we cannot control the pests that are carried into our stores by customers.

There are other states that do have bottle deposit on all of the recyclable items, but the citizen’s handle these through recycle centers themselves.

Yes the environment is very important and a bottle deposit should be adopted, but before adopting any legislation a thorough look at what other states are doing, how it works, and the cost of the program must be looked at. We, the small store, just do not have the capacity to handle this current proposed bill.

Cindy Bachman – Owner Honey Bee’s Market Inc., 109 S. Main, Bancroft, MI 48414

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AFD Food & Beverage Report, October, 2003
Suburban News/Magazines is steadily growing and is now over 1,100 retailers strong. We thrive to achieve our retailers satisfaction and give you, the retailer, the best possible service within the market of magazine distribution. We are pleased to announce our acquisition of a smaller company that was servicing the Detroit/Metropolitan area. With the addition of these stores, our drivers have been re-routed to cover a larger delivery area. We appreciate and give a deep “thank you” to all of the retailers that have been with us for years and welcome all the new retailers that have recently joined with us for service.

Our area of delivery and service is broader than before. Regardless of your location, a delivery route may already be in place and we may be delivering within your area. To list a few areas, Detroit and the metropolitan areas surrounding, Flint and surrounding cities, Saginaw, Bay City, Lansing, St. John, Durand, Owosso and many more. If you are interested in magazines sales for your business, give us a call.

We are family-owned and have been in business since 1988. In recent years, we have been affiliated with the Better Business Bureau, the Associated Food Dealers and the Michigan Chamber of Commerce. We strive for excellence in our customers’ satisfaction while always looking for better ways to fulfill their needs. We do provide in-store service on your racks and displays. This allows us to keep your business current in all the outgoing magazines as they are given to us. As always, you, as a retailer, have the option to refuse any magazines that you feel might be inappropriate for your store.

On behalf of all the employees and management of Suburban News/Magazines, we thank you again for your loyalty and support. To the new businesses with us, we will strive to bring you the same faithful service and dependability that you should expect from a shared interest.

Sincerely,

Tony Kassab
Owner, Suburban News/Magazines
Operation centers to be traded between C&S and Supervalu

The two grocery chains announced they will trade distribution centers in New England and the Midwest. Supervalu will take over the former Fleming centers in the Midwest from C&S Wholesale Grocers, and C&S will take over Supervalu's customer supply agreement centers in Maine, Massachusetts and Rhode Island.

Pediatricians urge prevention for obesity

The American Academy of Pediatrics is urging pediatricians to routinely screen for weight gain and obesity in children and to work with parents to prevent it from becoming an issue before the child becomes too heavy. Treatments to reduce weight in children have met limited success, prompting doctors to urge prevention as a major tool in the fight against childhood obesity. -The New York Times

Brach’s sold for $1, plus debt

Barry Callebaut, the world’s largest maker of chocolate sold to other manufacturers, will purchase Illinois-based candy maker Brach’s Confections for a symbolic fee of $1, in addition to assuming Brach’s $16 million debt. Brach’s, a “mid-tier confectioner” has established relationships with Wal-Mart and Safeway, but has been hurt by unstable management and an aging plant. -The New York Times

Tart idea for Diet Coke

Coca-Cola plans to introduce another new product, this time by adding lime to Diet Coke. The company already sells Diet Coke with Lemons in the United States and some markets internationally. The trade publication Beverage Digest reported that Coke will debut Diet Coke with Lime early next year.

Diet Coke with Lemons has been a modest success, and diet soft drinks in general have been outgrowing regular sodas. Soft drink makers, however, have flooded the market with so-called line extensions in recent years, and some have failed to gain a following. -The Atlanta Journal-Constitution

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• Attractive Merchandising
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Grocery stores take the lead in self-checkout kiosks

The Food Marketing Institute reports 30 percent of all supermarket chains now have “u-ring” technology in their stores that allows customers to ring up their purchases, and Home Depot also is experimenting with the technology. Companies say the kiosks give customers the option of a speedier checkout, but one analyst says it is merely a move to cut labor costs. -San Jose Mercury News

Short-term soft drink could start a trend

The soft drink industry paid close attention to the summer-only release of Mountain Dew’s LiveWire, which was introduced around Memorial Day and is being pulled off shelves now after a solid showing. Limited release beverages are commonplace in Japan, but in America, soft drink companies have tended to focus on long-term brand building. -Journal and Constitution

Greece study lowers recommended fruit and vegetables intake

A study by doctors in Greece indicated eating three daily servings of fruit and vegetables provides the same health benefits as eating the five servings the World Health Organization recommends. -BBC

Hershey sells off gum brands

Hershey Foods has agreed to sell its Fruit Stripe, Rain-Blo and Super Bubble gum brands to Farley’s & Sathers. Terms of the agreement were not disclosed. -The Washington Post

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This Halloween, do the ride thing. Designate a driver.
Kar Nut offers healthy alternatives to propel store sales

Detroit’s Kar Nut Products Company, continues to increase production and grow sales in Michigan as well as the national market.

Nick Nicolay, president, attributes the growth of the company to their innovation in product content, changes in package size and presentation, and taking advantage of the new information regarding the healthy aspects of nuts in a diet.

Kar’s has always offered a healthy, fresh snack alternative to candy, chips and chocolate products. Kar Nut continues to push public awareness of the peanut category and the nutritional benefits of nuts. “Research shows that including nuts as a part of your diet is a good thing. Consumers are now more educated regarding proper use of fat in their diet. Nuts are low in saturated fat, a bad fat, and high in monounsaturated and polyunsaturated fats, good fats,” states Nicolay. For Kar’s this translates into renewed interest in their products. Nicolay adds, “We need to continue to offer new products to satisfy educated consumers.”

Last year Kar’s introduced three new products in the fruit and nut category with their new value size packages has won the appetites of consumers. The products, Nut N’ Yogurt Mix, Sweet N’ Salty Mix and Sweet N’ Hot Mix. Most of their potatoes come from Michigan as well, so they support Michigan from the farms all the way to the store shelves. This provides jobs throughout Michigan.

The Allen Park site recently began producing Natural Ruffles, which is now on store shelves. For more information, call (734) 416-9244.

Michigan Sugar Company has sweet success

Michigan Sugar Company is a grower owned, cooperative, non-profit corporation. The Cooperative is owned by over 1,000 growers who purchased the Company from Imperial Sugar Company Inc. in February 2002.

The Company operates sugar beet processing factories located in Carson, Carrollton, Croswell, and Sebewaing, Michigan and employs over 350 full-time and 1,000 campaign personnel.

Michigan Sugar Company contributes $170 million of base economic impact to local communities where sugar beets are grown and processed and to the State of Michigan.

In 2002 Michigan Sugar Company processed over 2.3 million tons of beets to produce over 63 million pounds of pure natural sugar.

Michigan Sugar Company is located in central Michigan giving the Company a competitive edge over competitors because of lower transportation costs to food dealer distribution points in the Great Lakes area.

The grower/owners and employees of Michigan Sugar Company are proud to produce pure and natural PIONEER Sugar with only 15 calories per teaspoon.

The Michigan Sugar Company has a slogan of “Locally Grown, Locally Owned. Add a little Local Flavor.” For more information, call (989) 799-7300.

Frito-Lay introduces Natural Ruffles

Frito-Lay has been making high quality wholesome snacks in Michigan at its Allen Park site since 1970. The Allen Park site produces Potato Chips, Tortilla Chips, Fritos, Funyuns and Munchos. Most of their potatoes come from Michigan as well, so they support Michigan from the farms all the way to the store shelves. This provides jobs throughout Michigan.

The Allen Park site recently began producing Natural Ruffles, which is now on store shelves. For more information, call (734) 416-9244.
Serving up profits for over 96 years.
Brownwood Acres stands the test of time

Brownwood Acres is a fourth generation family owned business. Founded in 1945, Brownwood started as a road-side stand, selling honey and vegetables from the Brownwood family farm in northern Michigan’s Antrim county. Today, Brownwood operates a complex at the north end of Torch Lake. They are the original creators of Famous Cherry Butter, Cherry Salsa and Cherry BBQ Sauce. Brownwood leads the nation in the sale of Montmorency Tart Cherry Juice Concentrate and Wild Blueberry Juice Concentrate. Both products have broad appeal for seniors and the health conscious. Tart Cherry Juice has 10 times the anti-inflammatory properties of aspirin and Wild Blueberry Concentrate is the leading antioxidant fruit juice. Brownwood Concentrates can be found in Kroger, Meijer and over 1,000 grocery, gourmet, health and specialty food stores. The distributor for the Metro Detroit area is Tom Davis and Sons Dairy.

For more information, call your sales representative at Tom Davis and Sons Dairy at (248)399-6970 or call Steve De Tar or Mary Waller at Brownwood Acres toll Free at 1-877-591-3101.

Faygo serves desserts

Two great new flavors from Faygo – Diet Coconut Cream Pie and Diet Key Lime Pie are screaming off the shelves. They taste like the real desserts, but with 0 calories! Great flavors and profits from Faygo. For more information, call (313)925-1600.

Serra Cheese Co. says eating should be a true pleasure

Serra Cheese is a family owned business which produces Italian specialized cheeses which are not seen anywhere in the USA. The cheeses are made by hand which makes them unique. Unlike machine processed cheese, Serra cheeses when made are produced by each individual cheesemaker who puts their passion into the product.

When introducing new products to vendors, specialty items are always very interesting. It is not everyday you come across an elephant or a pig, handmade with cheese. Or, have you ever had a burrini? A burrini comes in the shape of a pear and has one and a half ounces of kosher butter in the center.

Serra Cheese Co. has a unique cheese line of about 30 cheeses. Recently they added their own Serra Extra Virgin Olive Oil. Believe it or not, some of the oil comes from their own olive fields.

With so much specialty offered, it would be a shame if you did not try their daily fresh homemade ricotta; or award winning fresh mozzarella sliced on tomatoes and drizzled with the Serra Extra Virgin Olive Oil. For more information, call (586) 790-8000.

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Limited counter space? No problem. Choose the FBD 550 with the smallest footprint currently available; it will fit in the smallest of spaces. If space is not a problem, try our FBD 554, with four barrels available for a variety of brands; sure to provide a refreshing frozen beverage every time, while you INCREASE YOUR PROFITS!

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FEWER CARBS. SO YOU CAN HAVE A BEER TO WASH DOWN THAT BEER.

Miller Lite has 1/2 the carbs of Bud Light and 1/3 fewer carbs than Coors Light. And with only 96 calories, it has the fewest calories of all three. It's Miller Time®.
Economy Wholesale grows to meet customer demands

Mark Yousif and partner team Askar, started Economy Wholesale in 1993. The pair had been in the wholesale automotive petroleum products business since 1982.

"The business was called Four Seasons Oil Company and our customers were primarily independent convenient stores and gas stations. They expressed a need for a more diverse product line so we opened Economy Wholesale and began carrying paper products, detergents, snacks and a limited selection of groceries as well as petroleum products," states Yousif.

Today they distribute over 6,800 different products, including cigarettes, candy, health and beauty needs, dollar items, cleaning products and groceries. Their delivery business stretches north to Flint and south to the Ohio border near Toledo.

“We’ve been successful because we know how to provide good customer service,” stated Yousif. He adds that Economy Wholesale’s prices are also extremely competitive.

They plan to open a membership warehouse club for the general public. Yousif says that the retail warehouse club will be housed in the same building as their wholesale business, but will be open to the general public, with the purchase of a membership.

“We will be the only wholesale membership club in the city of Detroit,” says Yousif.

However, Askar and Yousif know that business customers are their bread and butter. “Our business customers will always pay lower prices than walk-in consumer business,” assured Yousif.

For more information, call (313) 922-0000.

Bob and Carol Radtke own MSI/BOCAR, a business that is 30 years old and growing. The company sells showcases, point of purchase displays, specialty merchandisers and is a stocking distributor for Looker & Metro wire shelving. MSI/BOCAR is worldwide with two warehouses and nine employees to service customers. MSI/BOCAR specializes in:

• New and used equipment
• Store layout/design and installation

POS Systems

Just in time for the holidays! POS Systems Group is excited to announce a high tech alternative to paper gift certificates. Try displaying 100 smart gift cards in a free counter rack (with sign) for fast-impulse sales. Add to this a matching To: and From: greeting card and you have a great stocking or gift basket stuffer! On the back of every Smart Gift Card is your store name, address, phone, and a unique barcode. At your POS station, your cashier scans the card and loads in any open amount. Your POS Systems Gift Card Manager will keep track of all cards sold and subsequent future sales on each card. Remember 30 percent of all gift cards go unredeemed!

You won’t have to keep track of names, addresses, etc. Then when the $1 in the Smart Gift Card is exhausted...recycle it back into your counter rack and sell it again! What makes the Smart Gift Cards so unique is that you only have to purchase them in minimal lots of 100 for $120.00. Quantity discounts are also available. Custom front image designs require a minimum order of 500 cards.

AFD members can get up to 100 Smart Gift Cards free with a purchase of POS Software. Hurry, this offer will expire on November 25, 2003. AFD members enjoy savings of 40 percent discount on all POS Systems Group POS Systems Group serves all types of businesses: Retail, Wholesale, Service, and e-Commerce Web Stores. For more information call 877-271-3730.
MoTown to distribute Jays and other snacks

MoTown Snack Foods, Inc. opened its doors October 1, 2003, distributing Jays and other snack food products within southeastern Michigan.

Jim O'Shea, previously Vice President of Sales for Jays Foods, has opened this distributorship and his #1 priority will be increasing customer satisfaction levels amongst retail outlets. Jim brings 25 years of experience in dealing with the daily challenges facing today's retailers.

MoTown's 45,000 sq/ft facility will distribute potato chips, popcorn, tortilla chips, pretzels, cakes, crackers, cookies, pork skins, cracklings, meat snacks, peanuts and candy. Inquiries may be sent to Motownsnackfoods@aol.com or call Jim at (248) 408-6695.

AmericanA SystemS employees are expert software developers and well-experienced check cashers. They have combined and integrated programming skills with check cashing experience to produce a great check cashing system.

AmericanA SystemS Check Cashing Software allows retailers to increase revenue, maximize profits, reduce risks, and minimize losses.

AmericanA SystemS Check Cashing Software

This product is a dynamic solution designed to help check cashers manage and grow their business. The system utilizes the most powerful fingerprint recognition engine in the market today, which ensure high reliability of fingerprint identification and a speed of up to 20,000 fingerprints per second. For further details, call (248) 379-1575.

Standard Federal

Bank was born in Detroit

A wholly-owned subsidiary of ABN AMRO North America, Inc. (the nation's 13th largest bank), Standard Federal Bank was founded in 1893 in Detroit. Over the years, Standard Federal has grown from a small mutual savings association operating from a basement office in downtown Detroit into one of the Midwest’s leading financial services companies. Since the turn of the previous century through the Great Depression and up to the present day, Standard Federal has maintained a tradition of service to its customers and the communities in which it operates.

Standard Federal has been Michigan’s leading home mortgage lender by a wide margin for many years. The bank’s double-digit mortgage market share in Southeast Michigan outpaces the performance of virtually any other originator in a major metropolitan area in the United States.

As an indirect subsidiary of Netherlands-based ABN AMRO Bank N.V., one of the world's largest banks, Standard Federal’s assets as of March 31, 2003, were $49.7 billion. The bank offers a complete range of retail and commercial banking products through its network of 269 branches and 1,140 ATMs in Michigan and Indiana. Please call Wendy Acho at (248) 822-5896 for more information.

Managed Traditional Plan Community Blue PPO Blue Care Network HMO

Blue Cross of Michigan member card, and it's honored by more doctors and hospitals in Michigan than any other health insurance card.

More people in Michigan carry this card with confidence. The Blue Cross card — it can't buy you everything, but what it does pay for, money can't buy.

For information about Blue Cross coverage available to AFD members, please call Sheila Reeves at 1-800-66-66-AFD.
Ambassador Service Group introduces Munro’s Honey Wine

Ambassador Service Group is introducing a Canadian product – “Honey wine” or mead. Mead is believed to be man’s oldest and first recorded alcoholic beverage – no other drink conjures up multitudinous images like mead. There are many that associate it with pre-Roman civilizations of central Europe, Vikings and Teutonic raiders, Celts ancient or modern, it is impossible to deny the imagination mead holds throughout the Western civilization.

The Canadian meadry’s philosophy to quality is rooted in their five generations of expertise in bee keeping and artisan wine making technologies. Utilizing the latest in art and the science of wine making and brewing, they create a remarkably clean and crisp taste with a hint of honey.

Ambassador Service Group specializes in providing sales and marketing consulting services to businesses that want to increase sales and expand their market share. The group was established in 2000, specifically enabling companies to enter new markets between the United States and Canada. For further details, please call (519) 383-0500.

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Melody-licious, Melody Farms

Founded in 1950 by Tom George and his sons, Sharkey and Michael, Melody Farms remains a leading processor and distributor of quality dairy and ice cream products as a Detroit icon. A firm commitment to providing quality products and impeccable customer service has attributed to Melody Farms’ success and longevity as a recognized brand leader throughout the state of Michigan. With brand names including Melody Farms, Stroh’s Ice Cream, Mooney’s Ice Cream, Nafzinger’s and Sealtest, the company also serves as a leading distributor for a large variety of frozen and chilled products to various stores throughout Michigan and parts of Ohio and Indiana. Melody Farms is also a master distributor of the Nestle Freezer (novelty ice cream) Program.

“The relationships with our customers set us apart,” commented Rodney George, General Manager for Melody Farms, LLC. “For more than half a decade our customers have depended on us for our superior products and service.”

Today, the company is still under the management of the George family. Melody Farms was purchased by Dean Foods on June 9, 2003. Dean Foods, headquartered in Dallas, Texas, operates more than 120 processing plants across the United States, exceeding nine billion dollars in annual sales. For more information call (734) 525-4000.

Variatee Wireless has prepaid program

Variatee Wireless offers two prepaid cellular phone programs. With the “Traditional” prepaid plan, calls are just 25 cents per minute, one flat rate. The second plan is the “Dollar Night Dollar Weekend” program which offers unlimited night and weekend calls. Both plans come with caller ID, call waiting, voice mail, text messaging, 3-way calling, and digital roaming.

Variatee Wireless is constantly offering new products. One of their latest products is a prepaid Mastercard® credit card. Easy and convenient to use, no credit check is required and it’s accepted wherever Mastercard® is accepted. For more information, call (248) 658-5000.

16....AFD Food & Beverage Report, October, 2003
Bursanti Inc., grows from a love of food

Bursanti, a manufacturer of pasta sauces and other Italian products, began a friendly competition. The three founders were always creating recipes in competition with each other, until one day they agreed that they should join forces. The result was Three Men and a Recipe and a delectable line of Bursanti products.

Bursanti products are made with fresh ingredients and no additives or preservatives. "We have many unique products to offer the market place and all of our products taste incredible," says Phil Hall of Bursanti.

Bursanti has five pasta sauces that include Original, Artichoke, Portabella, Spicy and their newest Golden Original made with yellow tomatoes. "We carry a line of seven salsas, which include Chunky Medium, Chunky Hot, Restaurant Style with Cilantro, Restaurant Style Medium, Original Golden Chunky Medium and Golden Chunky with Cilantro," Hall added. Bursanti also makes a line of three Bruschettas, which include Better-That-Bruschetta, Artichoke Bruschetta and Bruschetta Salsa.

New to Bursanti is Golden Original Pasta Sauce as well as Original Golden Chunky Medium Salsa and Golden Chunky with Cilantro Salsa. The salsa's unique yellow color is an eye catcher on store shelves.

Bursanti offers a sample program for its customers. Bursanti will send a sampler into your store to sample from Thursday to Sunday (11:00 a.m. to 6:00 p.m.) for a month. All of the samples used are paid for by Bursanti. "Our sample program is extremely successful. Once the consumer tries Bursanti they usually buy it," Hall adds. For more information, call (248) 887-0055.

Aunt Mid's is a leader in fresh-cut produce

Aunt Mid's Produce Company was founded in 1948 with the concept that it could provide a quality product in a carefully designed package while minimizing time and labor for the consumer. Today, with over 150 items produced out of the Detroit facility, Aunt Mid's is not only a household name in the consumer market, but also a recognized leader in the foodservice sector, providing fresh-cut produce to restaurants, hotels, hospitals, schools and many other institutions.

Aunt Mid's prides itself on product quality and freshness. The company has invested heavily in their processing plant to ensure that it is state-of-the-art. Aunt Mid's has a HACCP plan, a third-party auditing program and a quality assurance staff in place to help assure its customers that its fresh-cut products are clean, safe and wholesome. To guarantee freshness, products are cut, packaged and shipped same day/next day.

This family owned business goes to great lengths to ensure outstanding customer service whether it's custom cuts or special packaging, you can count on Aunt Mid's!

For more information, visit www.auntmids.com, or call 1-877-AUNT MID.

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NEW EQUIPMENT
EXCITING PROGRAMMING
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For more details contact your Frito-Lay Rep
Pic-A-Nut has flavorful past

Back in the early 1920’s, J. Champane Sr. realized the formula for success was hard work, quality and service. From selling candy and chewing gum door to door, he eventually was able to purchase a truck, expanding his selling territory. As the business grew, he opened a small retail store. The company changed its name to Variety Nut and Date Co. and operated from a processing plant on the eastside of town. The packaging line was joined by vacuum packing of jars and cans.

Now with many new product lines and brand names, the company name is Variety Foods Inc., operating several plant locations with warehouses and distributing nationally.

To this day, as in the past, the products bare the same brand names from the Pic-A-Nut signature series of “Private Stock” to the “Reserve Stock.” All of the products are made with personalized dedication for high standards of quality. Today, generations later, the Champane family still operates the company in the same traditional way. However, many new products and brand names have been added to the originals. Many of the secret family formulas in roasting, packing and recipes are still used to this day. For more information, call (586) 268-4900

C. Roy Inc. is full of bologna!

C. Roy Inc., the “Home of Yale Bologna” is a family owned and operated meat packing company established in 1924 in Michigan’s thumb area.

Each year during the last weekend of July, the small, but enthusiastic town of Yale celebrates the world famous “Yale Bologna Festival.” Approximately two thousand people gather and joyfully consume tons of homemade Yale Bologna.

The company was originally known as C. Roy & Sons. Cecil Roy and his three sons owned and operated the business. Today Dick & Nancy Roy along with daughter Jen and son-in-law Brian own and operate the business that is known as C. Roy Inc.

C. Roy Inc. is a federally inspected meat packaging plant. They specialize in custom butchering of beef, pigs, and lambs. All animals are butchered and custom wrapped to customer specifications. For more information, call (810) 387-3975

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Spartan brand products get a new look

There's a new look for Spartan brand products. Updated package designs, colorful product shots and a new Spartan logo freshen the brand's strong quality image. It’s that uncompromised quality which has made this brand so popular with Michigan consumers for the past 50 years.

An extensive line of over 2,000 Spartan products include everything from fresh produce and canned goods to frozen foods, paper products and cleaning supplies. This product mix is regularly evaluated and audited to keep variety consistent with consumer wants and needs. All Spartan products carry a double-your-money-back guarantee to ensure customer satisfaction.

While Spartans brand products offer value-conscious consumers quality products at a great price and give retailers a solid profit vehicle, the brand also reaches out to support the community through its Cash for Labels program. This program has contributed over $21 million to schools and other nonprofit organizations throughout the state.
Pure Sugar and Spice
Makes Everything Nice, Natural and Healthy Too!
(With Only 15 Calories Per Teaspoon)
Nordic Marketing offers alternative electricity service

Nordic Marketing has been helping businesses save money since 1997 when it was one of the first power marketers in the State to begin offering lower rates on electricity. Companies looking to save with Nordic will find a number of products to choose from, tailored to meet their specific electric needs.

For current Detroit Edison Business Electric Service customers, Nordic offers:

**Guaranteed Electricity Savings:** This product is designed to provide customers a locked-in savings percentage versus Detroit Edison's Business Electric Service, protection against utility transition charge increases, and one easy bill for energy and distribution services.

**Fixed Electricity Pricing:** This gives companies the ability to trim costs by locking in an electric rate for the term of the contract. It provides predictability for companies who want to better manage their costs.

For larger commercial and industrial customers, Nordic offers tailored products specific to each company’s needs.

Customers benefit from the superior services that Nordic has to offer, including:

- Timely billing
- Exceptional customer care
- Power supplies competitively purchased from wholesalers that maintain diverse power supply portfolios to ensure reliability

- Innovative metering and real-time monitoring technology to track customer loads on a real-time basis to ensure proper supply
- Consumption analysis
- Efficient operations to guarantee businesses receive competitively priced power without sacrifice to service.

For more information, call (734) 973-7700, extension 104.

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**P.M.C.R. introduces prepaid debit cards**

P.M.C.R. is proud to announce its newest money-making product for the retailer: prepaid debit cards.

P.M.C.R. started in 1993 as a small two-person operation collecting bad checks. Since that time, they have developed into a national company. Multi-functional services have allowed them to serve the retail and service industry with a wide variety of products and services.

P.M.C.R. prides itself on being able to place the right programs and products with the right customer. Their goal as always is to offer the greatest amount of service with the least amount of stress.

For more information call (616) 794-3271.

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**Cox Hodgman & Giarmarco, P.C. ranks 12th with Crain’s**

Cox Hodgman & Giarmarco, P.C. ranks 12th in Crain’s Detroit Business listing of premier law firms handling any and all matters relating to the business owner, individual or Fortune 500 company. Located at 1010 West Big Beaver in Troy, the company specializes in estate and business planning, corporate and business law, and all matters relating to business structure, taxation sale of business or litigation relating to such businesses.

For more information, call Randall Denha, Esq. at (248) 457-7205 or visit their website at www.disinherit-irs.com.
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For more information about Costco, visit costco.com or call 1-800-774-2678.
Disney is hoping to work its magic in the candy aisle. American Licorice Co., Ferrara Pan Candy Co., New England Confectionery Co. (Necco), R. M. Palmer Co. and Spangler Candy Co. announced that Imagination Confections LLC has entered into a long-term licensing agreement with Disney Consumer Products to produce a complete line of Disney candy.

The five candy companies will operate Imagination Confections as a sales-and-marketing company, marketing and selling Disney confectionery products. The licensing agreement covers North America and includes substantially all ready-to-eat chocolate and non-chocolate confectionery items for the food, drug, mass, convenience store, military, vending, specialty, theater, video store, dollar store and club classes of trade.

"This new venture again follows our business model of marrying beloved Disney characters with long-established, best-in-class companies like those that make up Imagination Confections," said Andy Moneym, chairman of Disney Consumer Products Worldwide. "We are going to have a significant presence in the treat aisle and offer families special Disney confection items to share for the holidays—or everyday."

The new seasonal offerings will hit stores in time for Easter 2004. When fully implemented, programs will also include back-to-school, Halloween, Christmas, Valentine’s Day, spring/summer and everyday merchandise.

In other candy news, new candy offerings Hello Kitty and Strawberry Shortcake Tongue Tape attempt to sweeten the trip back to school.

The sugar-free and calorie-free dissolvable tongue strips, made by Jakks Pacific, Inc., are packaged in collectible dispensers and come in a variety of fruit flavors.

Kids can wear their Tongue Tape around their neck, on their finger, on their backpack or lunch kit, with accessories that include a Tongue Tape necklace, ring or zipper pull.

Tongue Tape dispenses for $1.99 for a basic container of 24 strips. A deluxe package will include 56 strips and an accessory necklace, ring or zipper pull, and will have a suggested retail price of $3.99.

Associated Food Dealers has teamed up with Chase and NPS to give you special Credit Card Processing discounts and service!

Quick / Free Statement Analysis — just fax your statement to NPS. NPS will examine your current monthly processing statement and give you a confidential analysis of what you are currently paying and what NPS can offer you in savings. NO OBLIGATIONS.

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Bank & coffee house team up

It might not be too long before Metro Detroiters can sip on a fresh Starbucks coffee while doing their banking.

Charter One Financial Inc., with 100 branches in southeastern Michigan, has plans to open 40 more branches within the next 18 months, some possibly in partnership with Starbucks franchises.

The banks will operate during traditional Starbucks’ hours, possibility opening as early as 6 a.m. and closing as late as 11 p.m., seven days a week.

Michael D. Williams, divisional president of Charter One Banks in Michigan, said the Cleveland-based bank is negotiating to purchase land, lease space in strip malls and obtain space in supermarkets for the 40 new branches. He said Charter One has plans to open six branches in Indianapolis, all with Starbucks operations.

While none of the new Detroit area locations have been specifically identified as Starbucks sites, Williams said they are talking with Starbucks officials and hope to work something out.

While bank branches popping up in supermarkets have presented an opportunity for many consumers to bank while grocery shopping, most branches still aren’t open the same exact hours as supermarkets. The Charter One partnership with Starbucks would change that.

In Michigan, Charter One was formerly First Federal of Michigan. Charter One took over First Federal in October 1995. - The Detroit News
Labatt USA announces new low carbohydrate beer – Rock Green Light

Labatt USA's new, low carbohydrate beer named Rock Green Light will hit shelves nationwide this month. Rock Green Light is part of the Rolling Rock family, marketed and brewed in the U.S. by Labatt USA. A premium light lager that delivers on both taste and image. Rock Green Light is the second low carbohydrate beer to hit the market.

In development for six months at the Latrobe Brewing Company in Latrobe, PA, home of Rolling Rock and Loyalhanna beers. Rock Green Light has less than 2.6 grams of carbohydrates and less than 92 calories. The beer is highly refreshing and balanced, with a color similar to the premium Rolling Rock brand. Rock Green Light will replace Rock Light, the current light version of Rolling Rock.

Rock Green Light will be packaged in the famous painted, longneck green bottles that have become synonymous with Rolling Rock. It will also be available in cans and draft.

Rock Green Light will be supported by a dramatic marketing campaign to be introduced in 40 markets this month.

MB&WWA re-elect officers

Members of the Michigan Beer & Wine Wholesalers Association re-elected the existing slate of officers at the recent Annual Meeting at Boyne Highlands Resort, Harbor Springs, Michigan. Re-elected as officers of one of the state’s strongest business trade associations were: Howard Wolpin, chairman; Kim Gary, vice chairman; and, Karen Wilson, treasurer.

Howard Wolpin is vice president and general manager of Great Lakes Beverage Company in Detroit, Michigan. He serves on the association’s Board of Directors, Executive Committee, and is a past trustee on the MB&WWA Employee Benefit Trust Board.

Kim Gary is president of Kent Beverage Company in Wyoming, Michigan. He serves on the MB&WWA Executive Committee, has chaired the association’s Finance and Wine Committees and has served two terms on the Michigan Grape and Wine Council.

Karen Wilson is president of Central Distributors of Beer in Romulus, Michigan. Karen has served the association in the capacity of Board member, Executive Committee member and has chaired the Michigan Wines Finance and Michigan Liquor Control Commission Liaison Committees.

The Michigan Beer and Wine Wholesalers Association represents 76 beer and wine distributorships throughout Michigan and is widely recognized as one of the most progressive state trade associations representing the beverage alcohol industry in the United States.

Holiday Packaging from Dos Equis

This holiday season, Dos Equis “Double Dos” Party Pack takes the guesswork out of deciding what flavor of Dos Equis holiday guests might want by packaging the popular lager and amber together in one case.

Double Dos will be available nationwide in November and December.

Double Dos houses 12, 12-ounce bottles of Dos Equis Lager and 12 bottles of Amber in an eye-catching red and green package.

Dos Equis Lager will suit tastes that prefer a refreshing, crisp golden lager made with roasted malts, choice hops, a unique strain of yeast and purified water. Dos Equis Amber’s rich, full-bodied flavor and reddish-gold color traces its roots back to the mid-19th century Oktoberfest-style Vienna lagers.

First brewed in 1897 at the Moctezuma Brewery in Orizaba, Mexico, Dos Equis was created to commemorate the approach of the 20th century and was awarded its original name Siglo XX that later became known as Dos Equis.

Labatt USA headquarters in Norwalk, Conn., imports and brews a variety of specialty beers including Labatt Blue, Rolling Rock, Dos Equis and Tecate.

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Naturally clean, naturally clear Absopure. Available at fine stores everywhere.

Absopure Tastes Great Because It Comes From Our Own Natural Source In Pristine Southern Michigan!
Instant tickets take center stage

By Commissioner Gary Peters

For more than 30 years, the Michigan Lottery has kept players coming back for more by keeping the game line-up filled with fun and exciting games. We listen and react to what our players and retailers have to say about our games to ensure that any new games we introduce will be interesting to them.

When Michigan Lottery instant tickets debuted, there were only a few new games introduced each year. Today, the Michigan Lottery introduces more than 70 new instant ticket games each year! Instant games play a very important role in generating revenue, as they comprise more than 40 percent of the Lottery's annual sales.

New Michigan Lottery instant games are selected based upon a variety of criteria such as surveys and focus groups conducted with Michigan Lottery players, past Lottery instant game successes and the popularity of games in other states. Ultimately, it is the players who decide which games stay and which ones go. Games such as "Bingo," "Cashword," and "Wild Time" are player favorites that have become a staple in the Lottery's game line-up.

Instant games remain popular because players feel they provide good entertainment value for their money spent. Many of the Lottery's games provide players with multiple ways to win on one ticket. The excitement of each instant game is what keeps players interested and continuing to play.

Additionally, the introduction of the two-sided instant game has helped rekindle player interest in Michigan Lottery instant games as well as bring in some new players. The two-sided games offer a combination of the traditional scratch-off ticket with a separate pull-tab game on the back of the ticket.

In addition to introducing many new games each year, the Michigan Lottery has found a new and more convenient way to sell instant tickets to players. Instant ticket vending machines (ITVMs) are new to the Michigan Lottery, but have been used for several years in more than 30 states around the country. ITVMs were introduced to offer players a quick and convenient way to sell instant tickets to players. Instant ticket vending machines (ITVMs) are new to the Michigan Lottery, but have been used for several years in more than 30 states around the country. ITVMs were introduced to offer players a quick and convenient way to sell instant tickets to players. Instant ticket vending machines (ITVMs) are new to the Michigan Lottery, but have been used for several years in more than 30 states around the country. ITVMs were introduced to offer players a quick and convenient way to purchase instant tickets. The ITVMs do not replace the convenience of playing ticket sales, but instead supplement them. When placed in the right retail location, ITVMs help increase your sales by removing the "wait" factor for customers.

The Internet is also playing an ever-expanding role with the Lottery's instant game giveaways. In 2003, players were given the opportunity to register for Lottery second-chance drawings via the Michigan Lottery's Web site (www.michigan.gov/lottery). Rather than mailing each drawing entry in separately, players can now enter as many tickets as they wish through the Internet making entry into the Lottery's second-chance drawings a lot more player friendly.

The Michigan Lottery added an excitement-building new feature to its $20 instant games - - grand prize drawings to win the top prize. On past $20 offerings, players could win the game's top prize only by scratching it off on a ticket. The Lottery has now chosen to award these big top prizes through a grand-prize drawing in order to enhance the game-playing experience and to offer more low- and mid-tier prizes in each game.

A recent example of this type of See Lottery, next page.
Lottery, continued from previous page

drawing was attached to the "$2,000,000 Blast" instant game. The grand-prize drawing for that game was conducted between the seventh and eighth innings of a Detroit Tigers baseball game at Comerica Park in Detroit.

The newest $20 instant game - - "$2,000,000 Fortune" - - which went on sale July 17, 2003 offers players more than 1,000 prizes of $1,000 and a chance to be a finalist in the $2,000,000 grand-prize drawing that will take place later this year during half-time at a Detroit Pistons basketball game.

Michigan Lottery instant tickets continue to grow in popularity and bring in hundreds of millions of dollars in revenue each year. Your friendly customer suggestions to try new games and promotions help immensely in driving up instant ticket sales.

With fiscal year 2003 set to wrap up on September 30, instant ticket sales are on track to post a better than five percent increase over fiscal 2002 sales. This increase is due, in large part, to your consistent efforts to educate customers on the great Lottery products that are available.

NEW INSTANTS FOR OCTOBER. The Lottery is excited to announce the debut of seven new games in October. Players will be taking in the bucks with the $1 "Buck Fever," offering a $2,000 top prize, when it goes on sale October 2. Also on October 2, the $2 "Hollywood Squares" hits store counters featuring a $25,000 top prize. Customers will be flocking to your stores on October 9 to try out two great new games - the $1 "One Armed Bandit" with a $3,000 top prize and the $2 "Bullseye Bingo" with a $20,000 top prize. On October 16, the $10 "Best of 7's" goes on sale featuring a $777,777 top prize. Your customers can bank on excitement with the $2 "Money in the Bank," offering a $25,000 top prize. Players will go wild when the $5 "300,000 Poker Showdown" debuts on October 30 featuring a $300,000 top prize.

"WILD TIME" Instant Game Turns 10. October marks a milestone in Michigan Lottery instant game history, as the first "WILD TIME" instant ticket went on sale ten years ago. Since October 1993, more than a quarter-billion "WILD TIME" tickets have been produced in roughly two dozen different versions. Sales of the "WILD TIME" instant game have generated over one-half billion dollars in sales and providing in excess of $35 million in retailer commissions. After a decade, "WILD TIME" remains a popular player favorite, as it has returned more than $200 million to players in prizes to date!

New WINFALL Jackpot E-mail Alerts! Soon players who visit the Lottery's Web site will be able to subscribe to receive Michigan Lottery e-mail alerts. With this new service, players will know when the WINFALL jackpot reaches $5 million, encouraging them to buy more tickets in anticipation of a chance to win great cash prizes that could be as much as 10 times the regular WINFALL prize amount.

Mega Millions Game Gets Mega-Sized! In August, the Lottery announced the Mega Millions game will be getting bigger this fall with the addition of the Texas Lottery as the 11th state to participate in the Mega Millions game. The addition of Texas - the second most populous state in the nation - will create a much larger player base for the Mega Millions game. The Lottery expects to see faster growing jackpots that will have the potential to grow to new record levels! The Mega Millions game currently holds the record for the largest jackpot in North American history - at $363 million for the May 9, 2000 drawing. A lucky Michigan player - Larry Ross of Shelby Township - won half of that record jackpot.

Snapple deal may signal NYC trend

Snapple's $106 million deal to become New York City's official beverage may be the first of other New York product endorsements. The city's chief marketing executive said a deal is in the works with a retail company, but the city would be very selective in regarding companies it chooses to make licensing deals with.

Wet toilet paper concept falls short

Rival manufacturers Kimberly-Clark and Procter & Gamble are both re-evaluating production and distribution plans for their moist toilet paper roll products. Despite high expectations of sales, the products never became available to the whole country, and both companies are expected to take a loss for the products.

Hormone may suppress appetite

Researchers in the U.K. have found obese people who took a dose of a hormone are 30% less at a buffet dinner. The hormone sends signals to the brain to tell patients they are not hungry; it is hoped further research will lead to additional effective obesity treatments.
engaged in the production, will have to meet new requirements for the importation and distribution of food from the FDA beginning December 12, 2003. Mandated by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (the Bioterrorism Act), one of these new regulations would require registration of domestic and foreign food facilities that manufacture, process, pack or hold food for human or animal consumption in the U.S. Another would require prior notice to the FDA of food imported or offered for import into the U.S. A third regulation would specify information that must be included and retained in records that would identify the immediate previous sources and immediate subsequent recipients of food. Lastly a fourth regulation identifies procedures under which FDA would administratively detain food that presents a serious health threat to humans or animals.

Following the events of September 11, 2001, Congress passed the Bioterrorism Act to strengthen U.S. security against bioterrorism. The Act provides several new tools that enable FDA to act quickly in responding to threatened or actual terrorist attacks on the U.S. food supply or other food-related emergencies by providing the agency with better information than is now available to the agency about the production and distribution of food consumed in, or entering, the U.S. FDA published the new regulations as proposals for comment and currently is evaluating the comments it received.

FDA plans to publish the final registration and prior notice regulations by mid-October 2003, to allow the food industry time to understand the new requirements and be in compliance by the date Congress specified in the Bioterrorism Act, December 12, 2003. The agency plans to publish the final record keeping and administrative detention rules by December 12, 2003.

Note: This information reflects the new regulations as they were proposed for public comment. The comments FDA received likely will alter some details in the final regulations, which will contain the requirements with which affected industry must comply.

### Registration of food facilities

- Domestic or foreign facilities that manufacture, process, pack or hold food for consumption by humans or animals in the U.S. will have to register with FDA no later than December 12, 2003. Registrations will not be accepted until the final regulation is published. At that time, the owner, operator, or agent in charge of a domestic or foreign facility will be able to register via the Internet to submit required information—e.g., the name and address of each facility at which the registrant conducts business and the categories of food the facility handles—and receive from FDA an instantaneous confirmation of registration and the facility’s registration number. Registrations by mail also will be accepted, but that will be a much slower process. There is no fee associated with registration. Imported food from foreign facilities that are required to register but have not will be held at the port of entry until the facility is registered. In addition, it is a prohibited act to fail to register if required to do so, which could subject the owner, operator, or agent-in-charge of the facility to criminal or civil penalties.

- Except for the exemptions below, the new requirement would apply to all affected facilities for all foods and animal feed products regulated by FDA, including dietary supplements, infant formula, beverages (including alcoholic beverages), and food additives.

- Exemptions: Farms, restaurants, retail food establishments, non-profit establishments that prepare or serve food, fishing vessels not engaged in processing, facilities regulated exclusively by the U.S. Department of Agriculture, and foreign facilities, if the food from the facility undergoes significant further processing or packaging by another facility outside the U.S.

See FDA Bioterrorism Act Continued on page 30
Don't Throw That Wrapper Away: Eat It!
Soon you might not have to throw away your sandwich wrapper; you'll just eat it instead.

Turns out, the US Department of Agriculture and other USDA researchers have made edible food wraps made of fruits and vegetables.

McHugh says the wraps would be a healthy alternative to plastic or aluminum foil and better for the environment too because they'd add no waste produced by synthetic wrappings.

The edible wraps consist of a thin, paper-thin film made out of fruits or vegetables, and it's flexible, paper-thin film made of fruits or vegetables. The wraps could be used to make the wraps more water-resistant, she says.

McHugh says many Americans fall short of the minimum daily servings of fruits and vegetables. The wraps—a few could equal one serving—could boost consumption, she says.

McHugh and her colleagues have already had success creating a snack bar made of 100 percent fruit and vegetables, says McHugh, research leader in the USDA center is the first to explore wrapping food with edible food wraps made of fruits and vegetables to free-flowing mixtures, which are then spread onto Teflon sheeting to form a fully edible wrap. The wraps could help people, especially children, reach the recommended daily fruit and vegetable intake. Kids are drawn to products such as purple yogurt, blue applesauce and colorful sports drinks, adds Zanecosky, a spokeswoman for the American Dietetic Association.

"Children are part of this group of people that could use more fruit or vegetables in their diet and this might be one way to get one more extra fruit or vegetable into a child's diet," she says. "So if you could wrap a sandwich in strawberry wrapping that was edible. I would think lots of kids would think that was very cool."

But Zanecosky wonders whether nutrients—including vitamins, minerals and fiber—could be lost while processing the fruits and vegetables into the wraps.

Soon you might not have to throw away your sandwich wrapper; you'll just eat it instead.

McHugh says she's confident the fiber from fruits and vegetables would be retained, but adds that the wraps have not been analyzed for nutrient retention. Any nutrients lost during processing, she says, could be replaced through fortification.

McHugh and her colleagues have already had success creating a snack bar made of 100 percent fruit and vegetables. If you have your cellular phone 2 years or more, you need to call us today! We can give you the new discounted rate and a new phone! Then, as your calling patterns or rates change, call us and we will continue to save you money! In addition, ask about our Special Business Group Discounts and we can save you even more!

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AFD Food & Beverage Report, October, 2003...
Where are they now?

Every year AFD awards 20 to 30 scholarships to deserving students. Since receiving AFD scholarships in the past, our winners have gone on to do great things! Here are a few of their stories.

By Paige Chittaro

• Dana Abro won her scholarship in 1999 and graduated from Michigan State University in 2001 with a Bachelor of Arts in Anthropology. She was on the Dean’s list and studied abroad in England, Scotland, France, and Ireland. She was a member of Phi Beta Delta, Michigan State’s International Scholars Honor Society. She also speaks Japanese and Arabic.

• Elizabeth Whitaker received her scholarship in 1999, and graduated in June from Northwestern University. She received a B.S. in Education and Social Policy. During school she won the Freshman of the Year Award and was the Gardnen Exum Scholar. She won the African American Student Affairs Communication Arts Award and was on the Dean’s List 2001 through 2003. She interned at General Motors Truck Group and the Summer Engineering Academy at the University of Michigan. She was a part of the National Society of Black Engineers and a member of the Northwestern Community Ensemble. As one of the chosen Corps Member for Teach for America, she will be teaching high school English in St. Louis for two years, while enrolled in the master’s program at the University of Missouri, St. Louis. In the future she plans to get her PhD in performance studies.

• Tara George, originally from West Bloomfield, received her scholarship in 2000. She graduated from the University of Michigan Ann Arbor in April with a major in graphic design and photography. She interned at Studio T, was on the Dean’s List and graduated Cum Laude. She also displayed a piece in the senior art exhibit.

• In 1998, Lydia Nona received her scholarship from AFD. Originally from West Bloomfield, she graduated from Oakland University in May 2002. She majored in finance and now works for FlagStar Bank’s corporate office in Troy. For the past five months, she has been a credit analyst in the commercial lending department.

• Adam Romoslawski received his scholarship in 1999. Originally from Flushing, he graduated from the James Madison College at Michigan State University. He is currently attending law school in Louisville.

• Originally from Linden, Michael Safa received his scholarship in 1999. He graduated from the University of Michigan Ann Arbor with a bachelor’s degree in microbiology. He volunteered for the Habitat for Humanity, and soon will be starting medical school at Loyola University in Chicago.

• Kate Shores received her scholarship in 1999. Originally from Caro, she graduated from Michigan State University with a bachelor’s degree in biotech and microbiology. She was on the Dean’s List and received the Outstanding Senior Award. She is now a researcher for Human Geno Systems in Rockville, Maryland.

• Cynthia Stanfield received her scholarship in 1999. Originally from Detroit, she graduated from the University of Michigan Ann Arbor. She interned at Ford Motor Company and was a resident advisor for two years. She graduated with a bachelor’s degree in statistics.

• In 1999, Kimberly Stazevsky received her scholarship. Originally from Warren, she plans to graduate in two years from Wayne State University with a degree in pharmacy. She is an intern at Walgreens and is on the Dean’s List. She plans to work at Walgreens in the future.

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AFD Food & Beverage Report, October, 2003...29
Gustafson donates to new St. Joseph Mercy Hospital wing

Robert Gustafson, president of Hubert Distributors, of Pontiac, made a large contribution to St. Joseph Mercy-Oakland Hospital in Pontiac for a new 120,000-square-foot wing. The new emergency wing which will double the current capacity is to be named after him. His contribution was a major part of $7.2 million in gifts received by the hospital in a campaign to raise funds for the $54.5 million expansion.

He was inspired by his wife, Alice Shotwell-Gustafson, who died earlier this year of cancer. She was a well-known philanthropist and served as Chairman and Chief Executive Officer of Hubert Distributors, the Anheuser-Busch distributor for Oakland County, until she died in March at age 73. The couple had already been generous donors and the hospital had named the Outpatient Center after her.

New FDA Bioterrorism Act

Prior notice of imported food

Beginning on December 12, 2003, FDA must receive advance notice of each article of food imported or offered for import into the U.S. — regardless of whether the food will be consumed in the U.S. The proposed rule would require notice to be submitted by noon the day before the food arrives at the port of entry. FDA and the Bureau of Customs and Border Protection (CBP) have announced that importers, in most circumstances, will be able to provide the required prior notice information to FDA using CBP’s Automated Commercial System. The system is currently used to provide import information to Customs, making it easier for them to comply with the new law.

If prior notice is not submitted or is inadequate, the Act provides that the food shall be held at the port of entry until adequate notice is provided.

Exemptions: Food brought into the U.S. in a traveler’s personal baggage.

Establishment and maintenance of records

Domestic persons that manufacture, process, pack, transport, distribute, receive, hold, or import food for consumption in the U.S. will be required to create and maintain records that are necessary to identify the immediate previous sources and the immediate subsequent recipients of food (i.e., where it came from and where it went). This requirement also applies to foreign facilities that manufacture, process, pack or hold food for human or animal consumption in the U.S. The information will allow the FDA to follow up on credible threats of serious illness or death to humans or animals by tracing the food back to its source, and tracing the food forward to all recipients to remove it from commerce as necessary.

Larger businesses (more than 500 employees) would have to comply with the final regulation within 6 months from its publication in the Federal Register. Small businesses (fewer than 500 but more than 10 full-time equivalent employees) would have to comply within 12 months from publication, and very small businesses (10 or fewer full-time equivalent employees) would have to comply within 18 months from publication.

Exemptions - Farms, restaurants, certain pet food entities, retail food establishments, non-profit establishments that prepare or serve food, fishing vessels not engaged in processing, facilities regulated exclusively by the U.S. Department of Agriculture, and foreign facilities, if the food from the facility undergoes significant further processing or packaging by another facility outside of the U.S. Retail food operations also are exempted from maintaining records on immediate subsequent recipients when food is sold directly to consumers.
By Kathy Blake

Although Pat Gagliardi is new to the Michigan Liquor Control Commission (MLCC), he is very familiar with how state government works. He served as a state representative for 16 years and was Majority Floor Leader for nine of those years, from 1989 to 1998.

When he was asked by Governor Jennifer Granholm to fill one of two MLCC vacancies, he heeded the call. "It's a high honor to be asked by the chief operating officer to fill this position," said Gagliardi.

He had left his state representative position in 1998 because of term limits. He chose not to run for another elected office, opting instead to start his own consulting company, Gagliardi & Associates, serving as a business and governmental consultant. He was also Director of Corporate and Foundation Relations at Lake Superior State University. He discontinued servicing his consulting clients upon accepting the MLCC position. "I didn't want to have any conflicts and I wanted to concentrate on my new job," explained Gagliardi.

Gagliardi says that being elected and being appointed are both high accolades of achievement to him. "The greatest award is to have people say yes, we want you to do it!" he said.

"As an appointed person, it's different than being elected, but you're still a public servant," said Gagliardi adding that his priority is to make good public policy. As a representative, he spent a lot of effort to get public support and input. He represented the 107th District in the Upper Peninsula and northern lower Michigan. As Majority Floor Leader, he determined which issues the House voted on. "I was like a traffic cop to the Speaker," he explained, adding, "the position gave me a lot of contacts throughout the state."

One issue he worked on was a state representative that affects his current job was liquor privatization. Now the state no longer warehouses and delivers spirits to retailers. Gagliardi said that at first, there were problems with the transition to using Authorized Distribution Agents, (ADA's), but now it's running more smoothly.

Gagliardi is one of five commissioners, including the newly appointed chairperson, Nida Samora. Of the five, two are hearings commissioners. Gagliardi is one of the other three who are administrative commissioners. They have the responsibilities relating to licensing, purchasing, enforcement, and merchandising. The administrative commissioners also act as an Appeal Board from the decisions rendered by the Hearing Commissioners.

"We oversee appeals, licensing itself, as well as modifications and transfers, and licensing of all new products that come into the state. We oversee prices and what is offered. Currently there are 5,000 different liquor products," said Gagliardi, noting that these are distilled spirits only, not beer or wine.

With all those products and over 16,500 licensed retail businesses, including convenience stores, grocery stores, bars, restaurants, hotels, and over 5,600 licensees and permits for manufacturers and wholesalers, the MLCC has a large responsibility. The commission annually processes more than 40,000 applications for various licenses and renewals of existing licenses. The retail license fees are distributed according to state statute with 55 percent of fees being earmarked for local governments. The MLCC collected over $11.8 million in retail license and transfer fees in fiscal year 2000-2001.

The MLCC was created by the legislature in 1933 following the national repeal of Prohibition. Each state was able to choose whether to become a "control" state or a "license" state in terms of the sale and distribution of alcoholic beverages. Both control and license states are responsible for the licensing of businesses which sell alcoholic beverages and the enforcement of liquor laws. The control states differ in that they are all involved in some facet of the merchandising cycle of at least one or more types of alcohol. Unlike some other control states Michigan does not operate "retail liquor stores" where the consumer buys alcohol, nor does it store or distribute alcohol. In 1997, with privatization, the MLCC turned its warehousing and distribution functions over to the ADAs and beer and wine wholesalers.

"Since we are a control state, we have a lot of say over when it's sold, how and where and who gets to sell it," Gagliardi said. "We're dealing with a product that can have problems. The legislature and law enforcement still believe in liquor control," he noted.

"An important part of Michigan's entertainment industry is liquor sales. People from all over the U.S. come to Michigan for entertainment. An important component of events is to have the ability to serve alcoholic beverages," he said.

Gagliardi said he plans to provide the best support and service he can for licensees and maintain the integrity of the MLCC.

Born in Michigan in 1950, Gagliardi graduated from Midland High School. He became interested in politics at a young age through his father, a keen follower of current events. Pat received his bachelor's degree in sociology at Lake Superior State University in 1974 and moved to Drummond Island, entering the real estate business.

While in college, he became friends with Mitch Irwin, a fellow Democrat who became state senator for the 37th district in 1978. Gagliardi was elected to the Chippewa County Commission that year. "I ran for county commission in an area that had never had a Democratic county commissioner," said Gagliardi. In 1980, he ran and lost an election for state representative against the Republican incumbent, Charles Varmum. When Varmum retired in 1982, Gagliardi won the seat in a tight victory over Bob Davis, Jr., son of a former U.S. representative.

Gagliardi is a member of Lions International, Drummond Island Chamber of Commerce, American Diabetes Association, Moose Lodge 999, Elks Club and Christopher Columbus Society. He has received numerous awards of distinction.

The commissioner's wife is an attorney and they have four daughters. They have a home on Drummond Island which provides lots of entertainment for the family such as boating, swimming, fishing and golf in the summer and snowmobiling and skiing in the winter. The commissioner also enjoys hunting.

To reach Commissioner Gagliardi, call 517-322-5902, or write to him at, MLCC Secondary Complex, 7150 Harris Drive, PO Box 30005, Lansing, MI 48909.
Teens gaining access to tobacco via the Internet

According to a recent study by UNC-Chapel Hill, online tobacco vendors provide easy access to cigarettes for underage buyers. Kurt Ribisl, assistant professor at UNC-Chapel Hill School of Public Health, tracked over 1,500 packs of Marlboro cigarettes purchased by children as young as 11, to dramatically illustrate the ease with which underage buyers can secure cigarettes from the Web. In the UNC-Chapel Hill study, four Orange County teenagers attempted to buy cigarettes 83 times—they were successful 76 times, or about 92 percent success rate, reports the News & Observer.

Although the majority of online vendors studied put warnings on their Web sites that they do not sell to minors, only four prevented sales when the teenagers did not produce a driver’s license to prove they were 18 or older. “We need to have an [age] verification system for the Internet,” said Ribisl.

In addition, Ribisl’s research found that safeguards are not in place for the delivery process. In every instance except one, the cigarette shipment was left at the teens’ homes by mail or a delivery service, and the packages did not have labels stating that the contents were tobacco products.

“Our biggest surprise was that the cigarettes were just left at the door,” said Kurt Ribisl, who said that labeling should be standard and an adult’s signature should be required by the delivery company.

The four children who participated in the study were screened and approved by the county’s district attorney. They placed orders for tobacco products from the researchers’ offices and under the supervision of the study leaders.

Whole Foods Market opens Ann Arbor store

Whole Foods Market Inc. of Austin, Texas, recently opened a new 49,000-square-foot store in Ann Arbor and is closing two other stores in the city. Whole Foods closed its 17,000-square-foot store on East Stadium Boulevard, which was opened in 1993. The chain also closed a Merchant of Vino store on Plymouth Road which it acquired from Ed Jonna in 1997 along with six other Merchant of Vino stores in a $41.2 million stock deal. It has since closed or transformed all of those stores.

The new store is located near the corner of Washtenaw Avenue and Huron Parkway. It will feature six ethnic food sections, an expanded wine and cheese selection, a gourmet olive bar, a bakery and an in-store coffee bar.

Whole Foods Market operates 145 stores in 27 states and Canada with several in the metro Detroit area.

Joe hits the big 5-0

Bazooka Bubble Gum turns 50 years old this year. To commemorate Bazooka Joe’s golden anniversary, Topps Confections has updated the gum’s packaging and is running a promotion through next July whereby one lucky consumer will win $50,000. -Seattle Post

Seafood consumption at record high

Americans ate 15.6 pounds of seafood per person in 2002, up nearly a pound from 2001. Shrimp and frozen seafood led the category. The National Fisheries Institute credits the rise in consumption to increased awareness of the health benefits of eating fish. -MSNBC Associated Press

Whittard of Chelsea brings tea to the U.S.

The British tea and coffee retailer is planning to launch a chain of teashops in the U.S. in an attempt to compete with Starbucks. Whittard has no plans to introduce this same store format in the U.K. market.

Just Food

Kisses sealed with a message

For a limited time, Hershey will be marking the Kissable Messages campaign, with the plushes on Hershey’s Kisses containing phrases such as “Thanking of You,” “I Love You” and “Enjoy A Kiss.” A spokesman for Hershey says the promotion is designed to increase Hershey’s sales during off-season periods. -Candy Business

Classified

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What is Ashby’s Sterling Ice Cream?

Ashby’s Sterling Ice Cream is a rich, old-fashioned, ice cream parlor ice cream. They offer all the variety and selection of most major national brands; yet, are small enough to offer all of the flavors and selection to meet customers’ needs. Ashby’s Sterling offers over 60 flavors in 3 gallon size for ice cream parlors and restaurants, and 10 flavors in quart size for retail sales.

Ashby’s Sterling is fast becoming Marketplace Solutions of Michigan helps retailers with point of sale program

Marketplace Solutions of Michigan, LLC (MPSMI) has been serving Michigan retailers since 1994. They are family owned and operated with offices in Carson City, Michigan, but their customers are all over the state. MPSMI provides point of sale software and hardware for a variety of retail settings including grocery, convenience, and liquor stores. In addition, they work with gift and clothing stores to help maintain inventory records and process sales.

MPSMI was initially founded as Software Simplicity, a software development company. As their focus shifted into retail systems, they added the CAP Automation point of sale program Sell Wise to their own custom programming. In 2002, customers were asking for more detailed information and MPSMI became a reseller for ECR Software’s Catapult point of sale program.

ECR Software continues to improve on its award winning Catapult program with the release of version 3.2. This allows retailers to still their product code with multiple pricing for hot/cold pricing. Improved reporting function and better data access make this program easier to use than ever. Rated 5-star by the CPA Software Review, it can handle any volume sales activity. Find out more. Call us today.

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