Retailer jackpot commissions receive dramatic increase

Retailers, you have been heard!

I am pleased to announce that those who sell a jackpot-winning ticket for either Mega Millions or Classic Lotto 47 will now receive a commission that keeps the Michigan Lottery at the forefront of retailer payouts. For selling a jackpot-winning Mega Millions ticket, retailers will now be paid a $50,000 bonus, up from $2,000. And for selling a jackpot-winning Classic Lotto 47 ticket, retailers will now receive a $5,000 bonus, also up from $2,000.

Of the 12 states that sell Mega Millions tickets, Michigan is now in the top five with regard to retailer commissions for this game. Michigan has consistently paid a higher commission than most lottery states. In fact, with Lottery sales exceeding $2 billion for the first time in the game’s 33-year history, retailers have earned approximately $1.5 billion in fiscal 2005! In setting a record in sales, we have also set a record in commissions paid to retailers.

I have received many calls from retailers about the commission structure, and I know you have communicated your feelings to your Lottery sales rep as well. They have made a point of sharing the comments with me; you should know that your communications with them are important to all of us and they do follow through!

I couldn’t be happier that we are able to make this change. As retailers, you are an essential partner in the Lottery business. Obviously, our business would not exist without you. This commission increase is our effort to demonstrate our thanks to you for the very important role that you play. And the more Mega Millions tickets you sell, the greater your chance to earn $50,000!

It will be a "Super Ball!"

Mark your calendars for the 90th Annual AFD Trade Dinner and Ball. To honor Detroit’s selection as the site of the 2006 Super Bowl, our trade dinner will kick off on SATURDAY, January 28, 2006 - the weekend prior to the Big Game. Not only is our ball moving from Friday to Saturday night, we’re changing locations too!

Please join us at the Sterling Inn of Sterling Heights. In addition to their ballroom facilities, the Sterling Inn is a wonderful hotel with a huge indoor water park and reduced “AFD Super Ball” rates! See page 25 for details.

Talking Turkey

It’s time once again for AFD’s Annual Turkey Drive! In its 25th year, AFD and its members provide Thanksgiving turkeys for needy families across the Metro Detroit area. “Providing a turkey for the Thanksgiving meals of those who are less fortunate is one way that we can give them a helping hand and make their holiday a little happier,” said AFD Turkey Drive Co-Chairman Harley Davis. A tax-deductible contribution of just $20 will provide Thanksgiving turkeys to 20 families. For more information, please turn to page 28.
Stock-Up on America's #1 Healthy Beverages!

See Your Pepsi Representative For Details.
Unexpected change – although difficult – is often good

By Mike Sarafa
AFD President

Kathleen Norris, New York Times best selling author, wrote that, “None of us knows what the next change is going to be, what unexpected opportunity is just around the corner, waiting for a few months or a few years to change the tenor of our life.”

As reported in the Food and Beverage Report last month, I informed the AFD Board of Directors this past August that I would be leaving AFD at the end of the year to explore opportunities in the private sector. With my 40th birthday around the corner, I decided that the timing might be good to consider other options. Much of the first part of my career has been spent in government and non-profit work which I enjoy immensely – both because of the challenges and the ability to affect positive change. But, with the growing needs of a young family and the stage my career is at, the timing seemed right.

The decision was tough because I truly love my job. With the support of dedicated members, an experienced staff and great Board, we have made some tremendous strides for the industry.

Achievements include a “Minimum No Maximum” Liquor Pricing structure and higher lottery commissions on winning tickets (see front page article). In addition, AFD continues to make progress on twice-monthly food stamp payments.

Not only have we made significant achievements, AFD has also been successful in stopping taxes and legislation that could have negative effects on our retailers. We were successful in stopping the liquor catering bill; we thwarted various attempts to raise taxes on beer, wine and liquor; AFD stopped an attempt to increase the Department of Agriculture license fees and AFD supported Livonia stores to block Costco liquor sales.

During my tenure AFD members have benefited from strengthened relationships with state & federal regulatory agencies and a close relationship with a pro-retailer liquor commission.

We also revamped our member events. Last year AFD moved its Foundation Golf Outing to the beautiful Fox Hills in Plymouth and this year we relocated the S.E. Michigan Holiday Beverage Show to the beautiful, new Rock Financial Showplace in Novi.

AFD members on the west side of the state also benefited from our new, West Michigan Holiday Beverage Show, where they could sample new products and take advantage of show specials.

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AFD members on the west side of the state also benefited from our new, West Michigan Holiday Beverage Show, where they could sample new products and take advantage of show specials.
Sarafa, 
Continued from page 3.

relevant and the look is up-to-date. These accomplishments prove the notion that there is strength in numbers and that together, working through AFD, much can be gained. All of you, as AFD members should take pride in these successes.

After exploring several opportunities and weighing my options, I settled on a position in banking. In January, I will take over the Bank of Michigan as President and CEO subject to regulatory approval. Bank of Michigan is an independent, state chartered community bank that is part of the Capitol Bancorp (CBC-NYSE) network. This is an exciting and challenging opportunity that will require calling on all of my past experience while learning a new industry.

I honestly did not anticipate this eventuality a couple of months ago. I have nothing but the greatest respect for AFD, our Board, staff and membership. It is truly a great organization and it has been my privilege to serve as President. On a personal note, I have been blessed in this job with the strengthening of old friendships and the making of many new ones. These relationships and the countless other positive experiences at AFD, I will keep with me.

Gadaleto, Ramsby & Associates announces promotions

Gadaleto, Ramsby & Associates, AFD's Blue Cross service provider, recently promoted Stephen A. Ramsby to the position of president and chief executive officer. Joseph Gadaleto, founder and former president, will continue to serve the company as a consultant and chairman of the board.

Also promoted to the status of vice president, are Cheryl Livingston, former general manager of operations and Michael Ramsby, former director of marketing. AFD congratulates Stephen Ramsby, Cheryl Livingston and Michael Ramsby on their new positions.

AFD Staff Retreat

AFD staff enjoys a game of Bocce Ball

AFD staff members recently spent an evening together, playing a little bocce ball followed by a competitive game of Texas Hold'Um. (Don't ask Mike who won!) Pictured here (L to R) Coupon Director Harley Davis; President Mike Sarafa; Vice President of Communications Michele MacWilliams; Executive Vice President Dan Reeves; Comptroller Cheryl Twigg; and Executive Assistant, Tamar Moreton. Not pictured - but certainly not forgotten - Cathy Willson, Trade Show Director; Advertising Director Ray Amyot and Blake, writer and proofreader.

Spartan decides not to harvest Farmer Jack

The Detroit Free Press reports that Spartan Stores has decided to take a pass on the acquisition of the 70-unit Farmer Jack chain from the Great Atlantic & Pacific Tea Co. (A&P). Farmer Jack was put on the market by A&P last May, and most of the speculation about possible buyers centered on Spartan.

The Detroit News recently reported that Farmer Jack may remain intact.

The decision comes as Farmer Jack stores in Michigan, mainly in Metro Detroit, are showing signs of a financial rebound.

A&P executives told the News that they will either “fix” the company’s Farmer Jack operations in Michigan or continue with plans to sell the stores to focus on the company’s business in the Northeast.

The announcement is a glimmer of hope for the chain’s 6,000 employees in Michigan, which are represented by the United Food and Commercial Workers Union Local 876 in Madison Heights. The Detroit News reported that the sale to Spartan fell through even after employees approved a new labor contract that called for a 10 percent pay cut, limited overtime and fewer personal days. The contract was contingent upon finding a buyer.

“We have a number of good options and we are trying to work our way through them,” A&P Chief Financial Officer Mitchell P. Goldstein told the News.

“You can’t just give (the stores) away, you have to drive value. We are going to either fix Michigan or get rid of Michigan.”

In a statement released by Spartan, it said that after lengthy consideration, it has decided not to make any acquisitions and instead stay with the strategic direction plotted out by management.

Spartan said that its “current business plan is to pursue retail and distribution sales and earnings growth through improving category management, new store construction and expansions, enhancing retail sales with new fuel centers and pharmacies, expanding its distribution customer base and pursuing opportunistic acquisitions of retail stores owned by existing distribution customers and other operators that fill in the Company’s geographic markets.”
GRAB ENOUGH TO GIVE EVERYONE!
Major Tobacco Victory
Supreme Court won’t let feds pursue $280 billion penalty

The Supreme Court refused to allow the federal government to pursue a $280 billion penalty against tobacco companies on claims they misled the public about the dangers of smoking, said the Associated Press.

The decision, considered a major victory for cigarette makers, was not unexpected, because the government’s case is still pending and the federal judge who presided over the nine-month trial has not yet decided whether tobacco companies are guilty of wrongdoing. The court declined, without comment, to intervene now, and the case could return to justices next year.

The fight at the Supreme Court was over the amount of money the companies would have to pay, if the judge rules that they violated the Racketeer Influenced & Corrupt Organizations (RICO) Act.

The government has said that the $280 billion is an estimate of money that companies including PM USA and R.J. Reynolds earned illegally through fraudulent activities. It may still pursue a request for $10 billion for a stop-smoking program and $4 billion for education. The government had been harshly criticized for not asking for more. An expert had recommended a $130 billion stop-smoking program.

The government has spent $140 million since 1999 litigating the case, and the Justice Department also is trying to force tobacco companies to pay those costs.

The federal case is independent of settlements worth $246 billion that states reached with the industry in the late 1990s to recoup the cost of treating sick smokers.

FBI crime report indicates robberies are declining

According to the Federal Bureau of Investigation (FBI), statistics compiled during 2003-2004 suggest that the estimated volume of violent crime and property crime has decreased.

Crime in the United States is the FBI’s statistical compilation of reports submitted by law enforcement agencies and represents 17,000 city, county, state, tribal and federal law enforcement agencies--or roughly 94.2 percent of the U.S. population--who voluntarily participated in the survey. The survey is a component of the FBI’s Uniform Crime Reporting (UCR) Program.

According to the FBI, “Marking the third straight year of a decline in the number of robberies nationwide,” the 2004 estimate of 401,326 offenses reflected a 3.1 percent decline from the 2003 estimate.” Additionally, the FBI reports the nation’s robbery rate during 2004 was 136.7 robberies per 100,000 inhabitants, which represents a decrease of 4.1 percent compared to the 2003 rate.

The FBI reports that robberies cost victims an estimated $525 million and the average loss per robbery was $1,308. Banks were among the highest in average dollars lost at $4,221. Gasoline and service stations lost an average of $1,749 and convenience stores lost an average of $653 per robbery.

Additionally, the greatest decrease among robbery location types occurred at gasoline and service stations, which dropped 7.4 percent. By location type, reports the FBI, the greatest proportion of robberies (42.8 percent) in 2004 occurred on streets and highways. Convenience stores were the site of 6.1 percent of robberies, followed by gasoline or service stations at 2.7 percent.
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GREAT TASTE FOR GREAT TIMES
American diets lack enough vitamins
Many Americans are not getting the recommended doses of several key nutrients, according to a USDA survey. Essential vitamins, however, can be added to one's diet by diversifying food intake, cooking at home and eating certain vegetables, one health and nutrition writer says. -The Washington Post

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Contact your sales rep for details.

Seafood and brain power
A new study done by researchers at Rush University Medical Center suggests that a diet rich in seafood helps to keep the mind in good shape, sometimes slowing age-related mental difficulties by three to four years. “We found that people who ate one fish meal a week had a 10 percent slower annual decline in thinking,” study co-author Martha Clare Morris tells the Atlanta Journal Constitution. “Those who ate two fish meals a week showed a 13 percent slower annual decline.” While previous studies have pointed to the omega-3 fatty acids in fish such as salmon and tuna as helping to prevent heart disease, this new study does not connect the omega-3 fatty acids to improvement in mental acuity.

Great American Beer Festival Honors Miller with Six Medals
Miller Brewing Company added six medals to its trophy case at the Association of Brewers’ Great American Beer Festival, including a medal for the company’s oldest brand, Miller High Life. Since 1996, Miller has won an impressive 84 awards between both the Great American Beer Festival and World Beer Cup. This year’s Great American Beer Festival was held in Denver from September 29 through October 1 and boasted both the largest array of beers ever at the GABF and the biggest selection of beers ever gathered together at one time on the globe.

Dan Reeves appointed to Michigan Food Policy Council
On October 16, AFD Executive Vice President Dan Reeves was appointed by Governor Granholm to the Michigan Food Policy Council, representing the food retailer sector. Created by Executive Order 2005-13 and funded in partnership with the W.K Kellogg Foundation, the Michigan Food Policy Council (MFPC) brings diverse food-related stakeholders together to recommend programs and policies to the Governor that improve Michigan’s food future. The MFPC has a mission to cultivate a safe, healthy and available food supply for all of Michigan’s residents while building on the state’s agricultural diversity to enhance economic growth.

The MFPC gives food-related stakeholders the forum to identify policies that harness the potential of the food system to aid in communities’ economic development, provide children and those in need greater access to fresh and nutritious foods, and support stewardship of our finite land and water resources.
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GREAT HOCKEY.  GREAT CITY.  GREAT TASTE.
The Federal Trade Commission recently cleared the way for Fortune Brands Inc. to acquire Maker's Mark from French drink house Pernod Ricard. Maker's Mark and more than 20 additional wine and spirits brands will join Jim Beam and Knob Creek under the Fortune banner when the $5 billion deal closes. - Chicago Sun-Times

**Maker's Mark and Jim Beam to join forces**

**Pepsi** to ramp up nutritional appeal

Pepsi announced plans to focus its marketing plan on the more than 200 products that bear its "Smart Spot" seal which indicates the product is low in salt, sugar, cholesterol and fat. The company plans to direct half of its children's marketing budget on ads for Smart Spot products. - The Wall Street Journal

**Rite Aid** plans 1,000 new stores

Rite Aid believes it can rise to the "next level" by focusing on customer needs and introducing new pharmacy-based initiatives designed around Medicare Part D coverage. The drug store chain expects to open 1,000 new locations in five key markets in the next five years. - Drug Store News

**Former Kmart execs let off hook by feds**

The Detroit News reports that federal investigators - having spent more than three years and several million dollars on a probe into how Kmart's former management handled the events leading up to its 2002 bankruptcy - have decided not to file charges against former chairman/CEO Charles Conaway and former president Mark Schwartz. (The investigation, according to the News, "generated dozens of allegations, hundreds of hours of interviews and millions of pages of documents. (but) no significant evidence of personal fraud by senior executives emerged."

**Dashboard dining takes off**

According to a recent NPD Group survey, Americans are eating on the run far more frequently than they did 20 years ago—and are particularly doing so from their vehicles.

"People don't want to get out of their cars to get dinner," said Balzer, a vice president for NPD Group, told USA Today, adding that this consumer attitude is why some upscale restaurant chains are now offering curbside and takeout dining services.

Balzer commented that most consumers are experiencing "fresh stress," meaning they want fresh foods, but simply do not have the time to prepare it themselves.

Findings from the NPD Group survey suggest a single consumer eats about 32 restaurant-purchased meals a year inside their vehicle, which is up from 13 meals a year in 1985. Furthermore, a consumer purchases about 57 takeout restaurant meals to bring home, compared to 33 meals in 1985.

Hudson Riehle, senior vice president of research for the National Restaurant Association (NRA), suggested to USA Today that takeout dining is a trend worth paying attention to.

"Most restaurant operations report that takeout, which includes curbside, drive-thru and delivery, represents a higher proportion of their total sales than it did two years ago," Riehle said, adding that women are more likely to report that they would like to be ordering more takeout meals in the future.

Other findings from the NPD Group survey suggest that the foods that are more likely to be a part of American mealtime diets today include sweetened cereals for breakfast, soft drinks at lunch and salty snacks at dinner.

Foods that were popular in 1985, such as toast for breakfast, coffee at lunch and vegetables at dinner, are less likely to make it to the table as a part of today's meals.

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12/2003
Bacardi Big Apple

Shake up your night

Bacardi Big Apple Original Apple Rum

Live like you mean it.
Miller Brewing appoints convenience store director

Miller Brewing Company announced that Craig Bosworth has been promoted to senior sales director — convenience stores. Bosworth comes to his new position with 24 years of sales experience, most recently in his role with Miller as team leader for Kroger East/Winn-Dixie.

Bosworth has spent more than twenty years selling and developing Miller’s business. In his previous position, Bosworth and his team delivered significantly improved share and volume during the last three year-period. Prior to that, Bosworth was influential in defining the supermarket team structure through his management of the Kroger team nationally.

New study highlights importance of affordable fresh produce

The Associated Press cites a new study by the Rand Corp. that says the cost of fresh fruits and vegetables — not the availability of fast food joints — tends to have a greater impact on weight gain in children. This hardly fits the picture drawn by people who blame fast food restaurants for all of society’s obesity ills. The results of the study “showed that young children who live in communities where fruits and vegetables are expensive are more likely to gain excessive amounts of weight than kids who live in areas where produce costs less,” according to the AP. “That connection was stronger than the proximity to fast food restaurants.” And the report notes, “among kids in the area with the lowest relative cost for fruits and vegetables — Visalia, Calif. — excess weight gain was about half the national average.”

Farmer Jack President Carter resigns

On Friday, October 14, Farmer Jack President Mike Carter resigned after three tumultuous years at the helm of the 78-year-old Detroit grocery chain. He had announced his intentions to Farmer Jack’s owner, the Great Atlantic & Pacific Tea Co of Montvale, N.J., earlier this year.

“At the company’s request I agreed to stay on to help prepare the company for sale,” Carter told the Detroit Free Press. “I’m just ready to move on to new opportunities.”

A&P had been negotiating with Grand Rapids-based Spartan Stores Inc., but those talks broke off in October. According to the Free Press, “if a buyer is not found, it could lead to more store closings and layoffs for the chain’s 6,500 workers.

Hunger relief group honors Kroger

The Kroger Co. was named “Grocery Retailer of the Year” by America’s Second Harvest - The Nation’s Food Bank Network, a charity affiliated with more than 200 food banks nationwide. “Kroger provides tremendous support to our network. They have a genuine commitment to help us feed millions of Americans who are hungry or at risk of hunger,” said Bob Forney, president and CEO of America’s Second Harvest. Kroger has donated about $160 million worth of food to the group in the past five years.

Foodmakers prepare for FDA’s label rules

The U.S. Food and Drug Administration’s new food labeling rules, set to go into effect in January, have companies like ConAgra Foods Inc. and Kellogg Co. listing allergens on their labels, changing manufacturing processes and even revamping recipes. Campbell Soup Co. has reformulated 50 products and updated more than 200 labels, a spokesman said. Alison Kreiter, senior director of scientific and nutrition policy at GMA, said food companies are ready to make further changes based on FDA guidance.

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Newweek magazine recently reported on the food choices of Dr. Steven Pratt, coauthor of the 2004 best seller “SuperFoods Rx.” According to Newweek, Pratt doesn’t look at food choices as a matter of personal taste. Instead, he views them as life-or-death decisions. Choose well, and you may ward off cancer and heart disease. Chow down on “processed crud,” and you might as well reserve a handicapped space at the hospital, the magazine reports. According to Newweek, here are some of Pratt’s choices as Superfoods:

Superfruits. Three of Pratt’s new power foods are fruits that are currently in season—pomegranates, kiwis and apples. A new study from the University of Wisconsin finds that pomegranate-fruit extract inhibits highly aggressive prostate-cancer cells in the lab. One medium kiwi packs as much vitamin C as an orange. “And kiwis help thin the blood, like aspirin without the side effects,” Pratt told Newsweek. Apples reduce the risk of asthma and may help prevent lung cancer.

Parsley, sage, rosemary and ... cinnamon? “One study found that 10 grams of spice [roughly 2 tablespoons] contained as many health-promoting antioxidants as 10 servings of fruits and vegetables,” Pratt says in the Newweek story. The USDA found that half a teaspoon a day lowered blood-sugar levels in patients with type 2 diabetes and brought down their bad cholesterol.

Cold-pressed and extra virgin olive oil. Olive oil is getting rave reviews now that scientists have shown that the extra-virgin variety has anti-inflammatory properties. Low-grade inflammation has been implicated in everything from heart disease and colon cancer to Alzheimer’s, says Newsweek. Pratt’s advice: look for the words “first cold pressed,” which indicate that little heat was used. The greener the oil, the better.

Chocolate. Dark chocolate (but not milk chocolate) is now a superfruit. “It’s not just the antioxidants that make it healthy,” says Pratt. According to Newsweek, dark chocolate contains substances similar to the heart-healthy compounds in green tea. (See related story, page 27.)

The most important investment decision you may ever make won’t be the choice of a stock, bond or mutual fund. It will be how you decide to allocate your assets. Most industry experts believe that up to 90% of long-term returns are directly attributable to this one decision. Asset allocation helps reduce volatility, minimize risk and optimize return. Sagemark Consulting can help you and your advisors develop and maintain a personalized, long-term asset allocation plan—one that balances things just the way you want. Find out more. Call us today.

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Senator Michelle McManus stays connected with the people she represents

By Kathy Blake

State Senator Michelle McManus (R-Lake Leelanau), takes great measures to be accessible to the people she represents. Although she has the largest geographical district south of the Mackinac Bridge, she still makes the rounds, averaging 5,000-6,000 miles per month by car. "I spend a large amount of time getting from Point A to Point B," said McManus. Her district covers the northwest portion of Michigan's lower peninsula. Even though she has 11 counties, she holds office hours in each one. "Every Monday and Friday, I'm somewhere in my district," said Senator McManus, adding, "I believe that you've got to be able to touch and see your representative or senator."

"This office belongs to the citizens of the 35th district," is her slogan as she performs her duties. As a member of the Senate Appropriations committee, she has worked on the budget dilemma. "I am particularly concerned with job loss and the high tax base. It causes us to make choices that we would not do in better times," said McManus. She cites an example of the economic impact of job loss, with the recent decision by Governor Granholm to close the Michigan Youth Correctional Facility in Baldwin. It displaced 229 workers and rendered the facility useless. McManus voiced her disapproval of this state budget cut and invited the Governor to visit the city of Baldwin. "It causes considerable economic impact, yet the savings is very low."

Senator McManus sponsored Senate Bill 798 to keep 400 manufacturing jobs in Cadillac. The bill would create a rural retention credit within the Michigan Economic Growth Authority. This credit would be available to rural businesses with more than 300 employees that are at risk of being closed and the work being sent out-of-state. For example, in Cadillac, it would allow a group of investors to purchase the Hayes Lemmerz facility and keep it in operation. McManus said, "It would be devastating to the workers, families and the city if this facility were to close. Ensuring access to MEGA's tax credit program is a sensible and easy thing to do to keep these jobs in our community."

McManus hosts a monthly cable TV show interviewing people in government regarding current issues or programs. She also sends out a monthly newsletter.

She has objected to banning classroom reciting of the Pledge of Allegiance. Since she works for the people of Michigan, she has the Michigan Pledge of Allegiance on the home page of her website: "I pledge allegiance to the flag of Michigan, and to the state for which it stands, two beautiful peninsulas, united by a bridge of steel, where equal opportunity and justice to all is our ideal."

Senator McManus started in politics in high school where she was class president. She graduated from Traverse City High School. She worked on numerous political campaigns while in college. She graduated with a Bachelors Degree in Political Science from Central Michigan University. Although she was involved in politics, she reports, "I had no intention to run for office." Her uncle, George McManus, was a state senator.

After college she went to work for former state senator, Mitch Irwin, who is now director of the Department of Agriculture. When the state representative in her district retired, she ran and won that seat. In 1992, at the young age of 25, she took office. She was the first state representative to provide her email address to constituents. After completing three terms, she ran for US Congress against Bart Stupak and lost.

She then served as director of Governor John Engler's Northern office. In this position, she was a liaison between the governor and the townships and the governor's southern office. Then she ran for State Senate in 2001, winning by a 15-percent margin. She took office in 2002.

McManus says she holds three things in balance: family, faith and community—what you give back. She is very active in her community.

McManus lives in Lake Leelanau with her husband and two daughters. She enjoys hunting and other outdoor activities. The senator is co-chair of the Michigan Legislative Sportsmen’s Caucus. She organized the printing of the caucus’s first ever wild game cookbook, with proceeds of the sales being donated to Michigan Sportsmen Foundation Against Hunger.

To reach Senator McManus, call (517) 373-1725, visit her website at www.senate.michigan.gov/mcmanus or write to Senator Michelle McManus, PO Box 30036, Lansing, MI 48909-7536.
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December 2005 | 17
Jerry Crete makes his party store "Ideal"

By Michele MacWilliams

"THANKS SAGINAW FOR VOTING US BEST OF THE BEST" blazes from the Ideal Party Store marquis visible to traffic on busy Center Street. Wow, the best party store in Saginaw. As I drove up, I wondered what attributes a store would have to receive such an honor. Jerry Crete, owner of Ideal, says the award is from a people's choice contest held annually by the Saginaw News. Ideal Party Store has won the "Best Place to buy Wine and Liquor" award for three consecutive years.

From the outside, Ideal Party Store looks like a typical convenience store. Located in a small, nondescript strip center, the store blends in with the other small businesses in the area. Someone unfamiliar with this part of town could easily pass by the store without noticing it.

What could make it so special? One step inside and it was obvious. Although Ideal Party Store is a petite 4,200 square feet, it is packed, floor to ceiling, with a huge assortment of wine. In fact, roughly three quarters of the store is dedicated to wine. Specialty beers and liquor also draw crowds. The liquor section is extensive, with a huge selection of aged single malts, specialty vodkas and anything hot and new. There is very little space left over for the typical racks of chips and candy found in more traditional party stores. It is obvious that this is a serious wine and spirits shop.

Wine is categorized by region in some cases and by varietals in others. There are some put on shelves according to the time they are meant to be consumed. Port, sherry and ice wines are grouped together, since they are all traditionally opened after dinner. There are also cases of wine stacked on the floor and various displays at aisle ends.

Shelf tags abound. Taped to the shelves are various clippings from Wine Spectator, pages with wine rules from the Wine for Dummies calendar along with shelf-talkers from the wineries and wine distributors. The tags are there to entertain and also to help customers make educated decisions about their purchases.

Crete purchased the store 10 years ago. At the time it was more of a typical convenience store, with a very limited beer and wine selection. Since then, Crete remodeled, adding 900 square feet and expanding the wine and beer selections by 50 percent.

"The business has changed over the past ten years," says Crete. People are drinking less, but when they do, they are drinking better." He added that wine consumption in the U.S. has doubled since 1994 and that is definitely the case in his area of Saginaw.

Ideal Party Store has a good cross-section of customers. A country club located just down the street means that a good deal of Saginaw's affluent residents find Ideal to be a convenient place to purchase their beer, wine and spirits. Employees at a nearby hospital and a Delphi plant are also frequent customers.

Crete says that the secret to the success of his store is knowing his customers and identifying their purchasing trends. Over the past year or so, as the economy has slowed, he has noted that they are buying less expensive wines. "The Australian and South African wines are playing real well now, because they are great values," he says. "Flavored vodkas are still increasing in popularity and bourbon is making a comeback among young adults too," he adds.

Each year Jerry Crete attends the AFD Holiday Beverage Show, to cull ideas on the hottest new products and latest trends. Armed with this knowledge, he then makes purchases based on what is new and what he knows his customers will want.

Four times each year Crete hosts a wine tasting event at a local restaurant. Although he says the events are expensive, they pay off in increased orders and in customer loyalty. He feels that retailers are at a disadvantage because they aren't allowed to host in-store tastings.

His major competitors in the area are Meijer and Kroger. Crete often walks through Meijer to check their prices. "I'm almost always cheaper," he says, adding that although he can only afford to advertise sporadically, his customers know his prices are good and, by word of mouth, his business continues to grow.

The Crete family has been in the retail business since 1934, when Jerry's grandfather opened a convenience store in Bay City. Today Jerry's father, Roy, and cousin Jim Campbell run that store. Jerry learned the business by working there as a youth. With his family's help, he opened the Saginaw store in 1995. I guess the retail industry is the "ideal" occupation for Jerry Crete. After all, for three years running, he has owned and operated the People's Choice, "Best of the Best" in Saginaw.
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December 2005 | 19
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Thanks to AFD for helping hurricane victims

By Warren C. Evans
Wayne County Sheriff

I would like to take this opportunity to extend to you my deep appreciation for your support and generosity toward relief efforts in wake of Hurricane Katrina. Thanks to your involvement and commitment, the Wayne County Sheriff’s Office and Department of Homeland Security were able to help provide significant relief and support to residents and police officers in the city of New Orleans, as well as Mobile, Alabama.

In an amazing 24 hours that I will never forget, all of us, working as a team, were able to collect, coordinate and transport six tractor trailers and three smaller trucks filled with food, water, medical supplies and clothing to displaced residents. No doubt, these supplies had a tremendous impact on the lives of hundreds of hurricane victims.

As you can imagine, my officers, support staff and other members of the caravan, were greeted with open arms in the Gulf Region. Seeing the grateful expressions on the faces of exhausted New Orleans Police Officers when they saw deputies respond to assist them, or Steve’s Soul Food truck pull up to give them their first real meal in days, or a truckload of hundreds of pairs of new boots for them to wear, lets me know that we all truly made a difference.

We also have forged a bond with the city of New Orleans and its police department that will endure for years to come.

I am proud beyond words of how so many individuals and organizations throughout the region, including the Teamsters, B&T Towing, Hart Medical Service, Big Boy Restaurants, Greater Grace Temple, Walt Michael’s RV Center, the local media, Steve’s Soul Food, various local and county officials and so many others rallied together for this cause. And, of course, the deputies who volunteered for this effort served with the utmost professionalism and human compassion.

Please understand that people around the nation have seen and heard how Wayne County, the city of Detroit and their friends respond to this disaster. In fact, my office has received emails from individuals as far away as Kansas, Indiana, Connecticut and West Virginia, thanking us for our collective leadership and incredible response. If the chips ever are down for us and we are facing a similar calamity, I have no doubt that the seeds of support we have all sown will be repaid by those who benefited from, or simply appreciate, our efforts.

Thank you again for your kindness and generosity in this team effort.

Posting seafood advisories – AFD can help

Safeway and Albertsons grocery stores have begun posting signs at seafood counters warning shoppers about the potential danger certain fish pose to women who are or might become pregnant, nursing mothers and young children. The Food and Drug Administration has issued warnings regarding methylmercury levels in some seafood since the 1990s, but large grocery store chains outside of California, where it was required, had not posted warnings previously.

Recently a number of news stories on mercury in seafood have appeared in newspapers across the country, sparking consumer concerns. AFD has a brochure that explains the warning. It was created by the Food Marketing Institute and is available to you via email. If you would like a copy sent to you electronically, please call AFD (248) 671-9600 or send an email to tmorton@afdom.org.
Thanks to all of our AFD friends who made 2005 a great year!
Back to basics on shrink control

By Michael Sansolo
Food Marketing Institute

Although it has six letters, shrink is the supermarket industry’s version of a four-letter word. There is probably no topic that bothers retailers more than the profits that disappear due to shrink in all its forms. And like it or not, there is no store immune to the problem of shrink. Yet many of the same practices that make independent retailers so effective at customer service are the easiest and most effective ways to combat shrink, whether it’s caused by vendors, employees or customers.

Bill Alford, president of International Lighthouse Group and FMI’s special consultant on loss prevention issues, says retailers need to use the same management and customer service techniques they know so well to cut their shrink problem down to size. Pay attention to details, pay attention to people and lead by example. But it all begins with recognizing the problem.

Like many other issues impacting the industry, shrink is constantly changing and constantly getting more complex. Issues from terrorism to privacy concerns to organized retail theft are all incredibly important. However, most retailers need to understand that the biggest problems they face daily are the basic forms of shrink. And that’s where your attention must stay.

Alford says there are three key groups of people responsible for shrink and all of them are incredibly important to your store: employees, vendors and customers. All three require different approaches.

Employees are the most important. Alford says it is essential you lay down the rules on shrink and uphold them constantly. “Most of your employees are honest. You need to encourage them to keep an eye on the dishonest employees. They know it’s important, so support them.” Alford says if you don’t act on the efforts of the honest employees, they’ll lose their incentive to help.

The commitment to honesty with your employees spills over to the next problem group: your shoppers. Here again, the vast majority are honest, but it only takes a small number to cause a big problem. The best way to combat shoplifters is with good customer service. Shoplifters can’t operate if employees are alert, walking around the store and interacting with them.

One big challenge is how to confront a shoplifter. If an employee notices someone taking an item and putting it in their pocket, they have the dual problem of following the shoplifter and notifying management at the same time. Once you lose sight of the shopper, you have a problem in confronting them.

Alford says you can still deal with this and he offers a simple strategy. Ask employees to concentrate on a specific item taken by the shoplifter. The store manager can then pick up the exact same item and hold it in their hands while they intercept and just talk to the shoplifter. Frequently, Alford says, that will show that you know what’s happened and will get the shoplifter to look for a way to abandon their merchandise rather than take it out of the store. It won’t result in an arrest, but it stops the shrink.

The third problem group are the vendors constantly walking in the store. Again, most are honest, but Alford suggests you set standards that make it clear you are alert and watching what’s going on. Specifically, check every item that comes in the store every time. “You wouldn’t let a customer leave without checking out every product in their cart. Why would you let a vendor enter without checking in every item they have?” he says.

It’s all basic customer service, but just as superior attention to shopper needs helps you increase sales, superior attention to all the forms of shrink helps the bottom line just as dramatically.

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For information on AFD’s endorsed Blue Cross program, call: Dan (800) 666-6293 or dreeses@afdom.org
Please call Michele MacWilliams at AFD — 248.671.9600 for seats at the 50-yard line!

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STERLING INN, Sterling Heights
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PLATINUM SPONSOR — $10,000
(Limited sponsorships available)
- Three tables of 10 for dinner (VIP seating)
- 30-second video or 15 company images for media presentation
- Title sponsorship signage for music, photo booth or centerpieces
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- Use of 4 company products at dinner (or 4 additional images in media presentation)
$1,000 for each additional table

GOLD SPONSOR — $7,000
- Two tables of 10 for dinner (Prime seating)
- 15-second video or 10 company images for media presentation
- Corporate signage at the dinner
- Half-price on the ad of your choice in the Food and Beverage Report
- Use of 2 company products at dinner (or 2 additional images in media presentation)
$700 for each additional table

SILVER SPONSOR — $4,000
- One table of 10 for dinner (Preferential seating)
- 5 company images for media presentation
- Corporate signage at the dinner
- Half-price on the ad of your choice in the Food and Beverage Report
- Use of 1 company product at dinner (or 1 additional image in media presentation)
$700 for each additional table

BRONZE SPONSOR — $2,500
- One table of 10 for dinner
- 2 company images for media presentation
- Corporate signage at the dinner
- Half-price on the ad of your choice in the Food and Beverage Report
$700 for each additional table

Tables of 10 — $1,250 • Couple — $275 • Individual — $150

December 2005 | 25
Poor have difficulty eating healthy foods

Laurieann Cossey has always struggled with her weight. Four years ago, she was diagnosed with diabetes. Now, six months pregnant and struggling to get by, the single mother tries to make sure her 1-year-old son gets the fruits and vegetables he needs.

“I worry a lot about my son being obese,” said Cossey, whose mother and grandmother also had diabetes. Cossey, a 43-year-old community college student, and her son, Andrew, survive on food stamps, trips to the food bank, and a state program for pregnant women and their children that provides essentials such as dairy products, fruit juice and cereal.

She knows they should both be eating more fruits and vegetables. But the foods on the government’s new food pyramid are too expensive. Boxed macaroni and cheese costs less than a dollar to feed the whole family; a fresh chicken breast and steamed vegetables cost about $2.60.

“I’m sure we’d all like to feed our children a nice healthy chicken breast and asparagus,” she said on a visit to a vegetable market. “If we are low on fruits and vegetables, my child gets his first.”

But pasta, canned vegetables and hamburger are much more likely to be on Cossey’s table.

Scientists, doctors and government officials are working on ways to get families like Cossey’s to eat healthier food. Some innovative new programs are making progress, but the results are not coming fast enough as Americans get fatter and fatter.

The poor have more barriers to dealing with obesity, eating healthy and leading an active life, said Dr. Lydia Tinajero-Deck. Fast food restaurants are more common in their neighborhoods than fresh produce markets. Many parents, sometimes working two jobs, don’t have the time to cook healthy meals. And fresh food is more costly.

“Energy-dense foods rich in starch, sugar or fat are the cheapest option for the consumer,” said Adam Drewnowski, director of the Center for Public Health Nutrition at the University of Washington. “As long as the healthier lean meats, fish and fresh produce are more expensive, obesity will continue to be a problem for the working poor.”

Dr. David L. Katz of Yale Griffin Prevention Research Center advocates vegetable subsidies. He favors the idea of a junk food tax that would use the money to lower the price of vegetables, as well as pay for anti-obesity programs.

Diana Crane, a spokeswoman for PCC Natural Markets in Seattle, argues that educated consumers can still find fresh food bargains. “Many types of produce remain very affordable, such as potatoes and many greens, many under $1 per pound,” she said.

Crane said PCC would be happy to see more funding for government programs that get produce to low-income families.

Drewnowski is working with a number of local agencies across Washington state to promote healthy eating and exercise by offering grants for promising projects.

He also argues for research to map the geographical distribution of obesity rates and spoke about obesity by ZIP code at a conference over the summer. An “atlas of obesity” would help policymakers know where to focus their programs, he said.

Some areas are already battling obesity on a geographic basis.

In Moses Lake, a rural town in eastern Washington with a high incidence of poverty, community agencies are working with citizen volunteers to improve walking trails and a community garden is giving residents a place to grow their own fruits and vegetables.

Drewnowski says most diet trend and health suggestions are designed for the middle class. A study his group is conducting seeks ways to make healthy eating more affordable.

“We have enough information about which foods are healthy and which are not. But affordability and access — that’s a different story,” he said.
Winemakers appeal to young, hip crowd

Winemakers are uncorking a new take on wines with fun packaging and lower prices. According to USA Today, the goal is to make wine more "accessible" to be a more popular choice for young, hip palates exploring beyond beer. The $23 billion U.S. wine industry has been on a roll overall — with 2004 retail sales more than double 1994, according to The Wine Institute. A Gallup Poll out in July reported 39% of Americans say they choose wine most often when they drink alcohol, while 36% most often drink beer. It's the first time that beer has taken a back seat to wine.

Winemakers want to squeeze the surge in popularity. Virgin Vines came out with an edgy advertising campaign — in newspaper personals columns. One personal ad reads, "Full-bodied shiraz desires hookup. No commitments, baggage or corkscrews."

Brown-Forman's Don Freytag says traditional wine marketing didn't fit younger consumers. "Wine is perceived as untouchable and intimidating, and young people are turned off by the imagery of a nose in the glass," says Freytag, brand manager of Virgin Vines. "It was not served up in a terribly friendly way, and we saw that as an opportunity to be different."

Price is also a major consideration of youthful drinkers. Value-conscious younger consumers have made "a $10 (per bottle) price point the sweet spot," says Bill Newland, president of Allied Domecq's wine division, which also has a new wine label for the younger set, called Jakes Fault. "They want to spend enough to realize they are not buying something cheap, but they want something that has good value," adds Newland.

Vibrant labels, screw tops instead of corks and even miniboxes of wine are making it more portable and easier to consume. According to USA Today, 60% of U.S. homes don't have corkscrews.

Brands aiming younger are simplifying choices of vintage and varieties. Jakes Fault sells only a shiraz, and Virgin Vines has a chardonnay and shiraz. "Today's consumers are much more interested in a quality wine that they know is going to taste good," Freytag says. "They are much less concerned about where it comes from and the story behind it."

Yale study confirms health benefits of dark chocolate

Dark chocolate is not just good to eat, but it can also be good for the heart. According to a recent study by the Yale University's Prevention Research Center, eating dark chocolate can result in short-term improvements in arterial function and blood pressure, notes a press release. The study was funded by The Hershey Company. "This is the latest study to suggest a link between dark chocolate, which contains natural flavanol antioxidants, and health benefits," said Dr. David Katz, associate professor of public health at Yale and director of the Prevention Research Center. "The dark chocolate tested in this trial improved blood pressure and arterial function." Thomas K. Hernquist, Hershey senior vice president and president, U.S. confectionery, noted, "We are extremely encouraged about these results," adding, "The dark chocolate category continues to grow at a rapid rate as consumers discover the unique, bold taste of dark chocolate and the fact that cocoa is a natural source of antioxidants." Hershey Senior Nutrition Scientist Debra Miller noted that the study provides significant evidence that dark chocolate can have positive health benefits. "Dark chocolate is a great choice for a treat, providing the delicious taste of chocolate that people love with the added benefit of natural flavanol antioxidants," added Miller, commenting that, like all treats, dark chocolate should be enjoyed "in moderation as part of a healthy, balanced diet." - NACS
As the holiday season approaches, the AFD Charitable Activities Committee has pledged to put a turkey on the Thanksgiving table of approximately 2,000 Metro Detroit families that may not otherwise enjoy this special meal.

This is an Associated Food Dealers tradition that started 25 years ago and each year the list of charitable groups that ask for turkeys grows. There are many more requests than we could ever fill. In addition to our regular stops, this year AFD will also work with Forgotten Harvest to bring turkeys to hurricane refugees that are temporarily relocated in Southeast Michigan.

Thanksgiving is a time to reflect, give thanks and help those who have less. We are asking you to pitch in. A $200 tax-deductible donation to the AFD Turkey Drive will provide turkeys for 20 families! When you consider that each turkey serves about 12, that’s Thanksgiving turkey for 240 people!

We need your help! It is truly heartwarming to be a part of our annual Turkey Drive and to know that together, we have brightened the day for 2,000 needy families. To make a tax-deductible donation, please fill out the form below or call Michele Mac-Williams at (248) 671-9600. Thank You.

Name
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Address
City State Zip
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I will provide Thanksgiving turkeys for:
20 families at $200
100 families at $1,000
40 families at $400
50 families at $500
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Payment Method:
By check:
Make check payable to AFD Turkey Drive and send this form, with your check, to:
AFD Turkey Drive
30415 W. 13 Mile Road
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Circle one: MC Visa Card Number ____________________________
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Signature

Fax to AFD at (248) 671-9610

Here is your chance to give back!

Turkey Drive Volunteer Opportunities

As you know, each year AFD provides turkeys to needy families across Metro Detroit. In order to hand out over 1,900 turkeys, we rely on volunteer help. Join us for a rewarding experience and help us make a difference to 1,900 needy families! This year we are also helping to prepare and serve a special turkey luncheon at St. Patrick Senior Center in Detroit. Please select one or more of these volunteer activities.

☐ Thursday, November 17, 2005
Handing out Turkeys at Value Center Market
Come to Value Center Market to help hand out turkeys to the organizations that distribute them to needy families. Value Center is located at 22700 Ryan Road (one block south of 9 Mile) in Warren. Come around to the back of the store and dress warmly, we are working outside!

Please circle times that you are available:
9:30 a.m. - 11:30 a.m.
11:00 a.m. - 1:00 p.m.
Please join us for a pizza lunch at AFD at 1:30 p.m.

☐ Thursday, November 17, 2005
Delivering turkeys with truck
Meet at AFD at 10:00 a.m., and then travel to various destinations to deliver turkeys. We estimate finishing at approximately 1:00 p.m. AFD is located at 30415 West 13 Mile Road, in Farmington Hills (east of Orchard Lake Road, across from Glen Oaks Golf Course.) Please join us for a pizza lunch at AFD at 1:30 p.m.

☐ Friday, November 18, 2005
Serving meals at St. Patrick Senior Center
We will be preparing and serving turkey luncheon to seniors at St. Patrick Senior Center, 58 Parsons, Detroit, MI (At Woodward. Parsons is one block north of Mack. St. Patrick is across Parsons from the Max M. Fisher Music Center.) Please circle times that you can help:
8:30 a.m. - 10:00 a.m. Preparing food
10:00 a.m. - 12:30 p.m. Serving food
12:30 p.m. - 2:00 p.m. Clean up

Your name
Company Phone

Please contact Michele Mac-Williams to tell her when you will be volunteering your time, via fax, phone or email. Thank You!
Credit card payments: a necessary evil?

According to a recent survey by the Association of Financial Professionals (AFP), even though the high cost of accepting credit and debit cards is increasingly raising concern, U.S. businesses have no other option but to continue accepting plastic as a form of payment. The AFP Interchange Survey suggests that many financial professionals "believe their organization would sustain a significant decline in sales if it no longer accepted certain cards, especially those offered by Visa and MasterCard."

In September, AFP surveyed 654 financial professionals to understand the benefits of accepting credit and debit card payments, interchange costs and their views about current interchange concerns. The survey found that "virtually all organizations that accept credit or debit cards from consumers said they do so to satisfy customer demand. It is consumers' desire to pay with credit cards that makes it nearly impossible for many organizations to refuse to accept them."

The AFP survey also found that most organizations "believe that the credit card associations are engaged in price-fixing and anti-competitive behavior and support caps on interchange fees." Meanwhile, half of the survey respondents said they expect to incur a significant loss of sales if they were to stop accepting Visa and MasterCard. As for eliminating debit card use, the risk of losing sales is just as great.

Organizations that accept Visa and MasterCard told AFP that "the blended rate for accepting credit cards has risen by 4%. But almost one-quarter report increases of 10% or more, including 18% that report a 10% to 24% increase and 6% that report an increase of more than 25%.

According to AFP, survey respondents implement a variety of strategies designed to reduce the costs associated with accepting plastic. "More than half (56%) have attempted to negotiate for lower fees, 30% restrict consumer choice to certain cards, and 29% request unbundled pricing. A third of organizations that sell to consumers have programs to encourage customers to use the payment method preferred by the seller," says AFP.

House passes "cheeseburger bill"

The House voted 306-120 in favor of the Personal Responsibility in Food Consumption Act, which would prevent consumers from suing restaurants and food companies over allegations that their products cause obesity. Supporters called the measure a step toward protection from frivolous lawsuits, while one detractor said the bill is a "special favor" for the food industry. The Senate is expected to take up the issue next year.

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Introducing Flexible Blue from Blue Cross Blue Shield of Michigan—a new, more affordable way to give your employees the health care they really want.

Our Flexible Blue plans are designed to work seamlessly with the new health savings accounts (HSAs), which offer a number of attractive benefits:

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- The ability to customize your benefit plan
- Ease of administration, with financial services from Wells Fargo

For Employees
- More control over their health care
- HSAs funded by tax-free* contributions, similar to a 401(k) (certain maximums apply)
- Unused funds roll over each year and can be invested for growth

Flexible Blue also includes online resources to help employees make informed decisions about their health care, prescription drugs and more. Best of all, Flexible Blue lets you offer your employees the security of Blue Cross coverage at a cost that could be significantly less than you currently pay. Flexible Blue also works with health reimbursement arrangements (HRAs), flexible spending accounts (FSAs), or as a stand-alone benefit option.

To learn more about how Flexible Blue can save your business money on health care costs, contact the Associated Food Dealers today at (248) 671-9600.
Lisa Iacobelli rarely steps into a conventional supermarket. When Mrs. Iacobelli, who lives in Clarkston, wants fresh fish, meats, produce, and other perishables, she drives 25 minutes to the nearest Whole Foods Market. When she needs products like paper towels, pasta and canned soup she heads for the nearest Costco.

Mrs. Iacobelli and a growing number of shoppers like her are the supermarket industry’s worst nightmare. Faced with a seemingly endless array of food shopping choices, consumers are increasingly abandoning the neighborhood supermarket and going to Walmart, Costco or other discounters.

Traditional supermarkets, caught in the middle, are struggling to survive. And the pressures on them may only intensify: Wal-Mart and Whole Foods have ambitious expansion plans. Americans are making fewer trips down the aisles of traditional supermarkets and spending less each visit. The average American household made 95 trips a year to the supermarket in 1996; in 2004 it was 70, according to a study by UBS Retail Forward, a research firm in New York. The supermarket industry’s share of the market is one of the first to quantify the effect of a big-box retailer on a traditional grocer. They analyzed customer behavior related to an East Coast small-town supermarket for 20 months, before and after a Wal-Mart supercenter opened two miles away from the location. When the supercenter debuted, sales at the local retailer plunged by more than 17 percent, which translates to a $250,000 monthly decrease in revenue.

“We looked at customer data in the store’s robust frequent shopper program,” noted Vishal Singh, assistant professor of marketing at the Tepper School and lead author of the study, along with Karsten T. Hansen and Robert C. Blattberg of the Kellogg School of Management at Northwestern University, in a statement. “The information captured more than 85 percent of transactions and represented more than 10,000 households.” The data encompassed products bought, date and time of sales, and the geographic location of customer residence in relation to the store.

“We found that roughly 70 percent of the lost revenue was attributed to only 20 percent of the store’s customers,” said Singh. “We then looked to find out why customers defected and why some remained loyal. With this information, retailers can make decisions about the types of products they carry and how to better price and promote them.”

An analysis of customer purchase behavior yielded the information that typical customers to supercenters were usually “large basket” consumers who often had infants and pets in their households. Additionally, those with a tendency to switch to big-box retailers generally shopped more on weekends and frequently bought lower-priced store brands instead of name brands. Singh observed that earlier research has found that store-brand buyers are likely to be more sensitive to price, further justifying why they would move to a megaretailer with economies of scale.

Those less likely to defect to supercenters, however, tended to spend a big proportion of their grocery budgets on fresh produce, seafood, and home meal replacement items such as salad bars or “ready-to-eat” food selections.

Further, Progressive Grocer noted, the study discovered that geographic closeness to the local grocer had little effect on the likelihood of a customer’s defection to a supercenter. The research also found that most losses at the local store were because of fewer store visits by the group of key customers, not that actual basket size (or amount of goods bought) stayed more or less the same if those customers could be won back to the store.

“Time is limited on overall basket size suggests retailers would benefit from focusing on specific sales and marketing tactics that bring these customers back into their store,” noted Singh.

As well as weekly circular specials or in-store events, strategies to get these shoppers back might include select competitive pricing on key items that lure defectors to supercenters -- even at the risk of cutting into individual product margins -- as a way to drive store traffic. Since these customers come back with comparable purchase levels, they’ll help mitigate or overcome the overall volume of sales that was lost.

As most big-box store openings are known about beforehand, small grocers can use the existing shopper data to pinpoint potential defectors and start taking action in advance, said Singh.

“In many cases, local retailers already possess the information they need to be potent competitors,” said Singh. “The challenge is to figure out how to best use this data to improve performance and compete effectively.”

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Does Your Distribution Company Offer Over 200 Services?

Hardly Small Potatoes.

For information on how Spartan Stores can help your business succeed, call 616-878-2248 or visit our web site at www.spartanstores.com
The 89th Annual Trade Dinner and Ball of the Associated Food Dealers of Michigan

Setting Sail
FEB. 11, 2005
6:00 P.M.
Penna's of Sterling

Please call Michele MacWilliams at AFD
(248) 671-9600 for your Boarding Passes!

Silver Sponsor: $4,000
• One table of 10 for dinner (Preferential seating)
• Five company images for media presentation
• Corporate signage at the dinner
• Half price on the ad of your choice in the Food & Beverage Report
• Use of one company product at dinner (or 4 additional images in media presentation)

$800 for each additional table

Bronze Sponsor: $2,500
• One table of 10 for dinner
• Two company images for media presentation
• Corporate signage at the dinner
• Half price on the ad of your choice in the Food & Beverage Report
• $900 for each additional table

Platinum Sponsor: $10,000
• Three tables of 10 for dinner (VIP seating)
• 80-second video or ten company images for media presentation
• Title sponsorship signage for music, photo booth or centerpieces
• Half price on the ad of your choice in the Food & Beverage Report
• Use of four company products at dinner (or 4 additional images in media presentation)

$600 for each additional table

Gold Sponsor: $7,000
• Two tables of 10 for dinner (Prime seating)
• 50-second video or ten company images for media presentation
• Corporate signage at the dinner
• Half price on the ad of your choice in the Food & Beverage Report
• Use of two company products at dinner (or 4 additional images in media presentation)

$700 for each additional table

TABLE OF 10—$1,250 • COUPLE—$275 • INDIVIDUAL—$150

Attention Sponsor: New Video presentation will feature footage shot on location at your place of business. Excellent marketing tool!
The Associated Food Dealers of Michigan Annual Trade Dinner

“All Aboard the S.S. AFD” Reservation Form

Friday, February 11, 2005. Penna’s of Sterling
38400 Van Dyke Avenue, Sterling Heights, Michigan

Platinum Sponsor – $10,000

• Three tables of 10 for dinner (VIP seating)
• 30-second video or 15 company images in media presentation
• Title sponsorship signage for music, photo booth
or centerpieces.
• Half Price ad of your choice in AFD Food & Beverage Report
• Use of four company products at the dinner (or four additional images in media presentation)
  I would also like ______ additional tables (above my 3 included with the sponsorship) at $600 each

Gold Sponsor – $7,000

• Two tables of 10 for dinner (prime seating)
• 15-second video or 10 company images for media presentation
• Corporate signage at the dinner
• Half Price ad of your choice in AFD Food & Beverage Report
• Use of two company products at the dinner (or two additional images in media presentation)
  I would also like ______ additional tables (above my 2 included with the sponsorship) at $700 each

Silver Sponsor – $4,000

• One table of 10 for dinner (preferential seating)
• Five company images for media presentation
• Corporate signage at the dinner
• Half Price ad in AFD Food & Beverage Report
• Use of one company product at the dinner (or one additional image in media presentation)
  I would also like ______ additional tables (above my one included with the sponsorship) at $600 each

Bronze Sponsor – $2,500

• One table of 10 for dinner
• Two company images for media presentation
• Corporate signage at the dinner
• Half Price ad in AFD Food & Beverage Report
• Use of one company product at the dinner (or one additional image in media presentation)
  I would also like ______ additional tables (above my one included with the sponsorship) at $500 each

General Admission:

_____ tables of ten @ $1,250 per table
_____ couples @ $275
_____ individuals @ $150

Contact info:
Name: ________________________________________
Company: ____________________________________
Address: _____________________________________
Phone: __________________ Fax:__________________

Billing info:
Name: ____________________________
Company: __________________________
Address: __________________________
Phone: __________________ Fax:__________________

Sponsors, please list products you wish to use at dinner:
(Platinum 4, Gold 2, Silver 1. Liquor companies, please call for additional information)

1.________________________ 2._______________________ 3. ________________________

Payment Method: Due to overwhelming response, all attendees must pre-pay!
_______MC/VISA Card Number: _____________-_________ Exp Date: _____________
3-digit code (last 3 numbers on back of credit card): _________
_______Check Check Number: ________________ AMOUNT: ____________________

Please return by fax to (248) 671-9610 or mail to the address below.

Call Michele MacWilliams at AFD (248) 671-9600 if you have questions or need additional information.
Associated Food Dealers of Michigan, 30415 W. 13 Mile Road, Farmington Hills, MI 48334
Everyone's a big winner when you exhibit at AFD's

21st Annual Trade Show!

Join your peers on April 19 & 20, 2005 at Burton Manor in Livonia.

Show Hours:
Tuesday, April 19, 2005 • 5-10 p.m.
Wednesday, April 20, 2005 • 4-9 p.m.

Burton Manor, Livonia, MI
27777 Schoolcraft Road

Call AFD for more information at:
(248) 671-3600

Ask your sales rep for tickets. Admission ticket required. $10 at the door. No bags allowed in or out. The law demands that you be at least 21 years of age to attend this show.
We need YOU to make it fly!!

AFD appreciates your support and help. We will gladly accept monetary donations toward the AFD Foundation Scholarship Fund as well as Product and Prize Donations for Goodie Bags, Snack Stations and Door Prizes.

Or you can volunteer to help at the Outing.

Call Michele MacWilliams at (248) 671-9600 to find out how you can assist the association at this worthy event!

All sponsorships and foursomes are first-come, first-served, based on space availability. Due to overwhelming response, all reservations must be paid in advance!

Approximately 50% of your donation may be deductible as a charitable deduction to the AFD Foundation. Please consult your tax advisor.
Benefits AFD Foundation Scholarships!
Proceeds raised will help fund at least 30 academic scholarships!

Any way you slice it... "It's me to plan for the future. Start now with an AFD Foundation Golf Outing Sponsorship.

But we need your help to make par!
Participate in this worthy Foundation Golf Outing! Please complete the enclosed registration form and fax to Michele at (248) 671-9610, or call (248) 671-9600 or (248) 625-0070 to make your Goodie Bag and/or Prize Donations.

HOLE SPONSOR PACKAGES

Eagle—$2,000
- One golf foursome
- $1,500 academic scholarship
- 10% off ad in the AFD Food & Beverage Report
- A plaque presented to your company
- A sponsor sign on tee
- Exposure in the AFD Food & Beverage Report
- Special gift for each golfer

Birdie—$1,200
- Two golfers
- 10% off ad in the AFD Food & Beverage Report
- A plaque presented to your company
- A sponsor sign on tee
- Exposure in the AFD Food & Beverage Report
- Special gift for each golfer

Non Sponsor Options:
- Dinner only—$75

NON-SPONSOR OPTIONS:
- Foursomes—$900
- Individual Golfers—$250
- Dinner Only—$75

I cannot attend the Golf Outing, but please accept my donation in the amount of $_________.

2005 AFD Foundation Golf Outing • Wed., July 13, 2005 • Reservation Form

Please return via fax by July 6, 2005 to Michele MacWilliams at (248) 671-9638. If mailing in payment send to AFD Foundation, 3041 SW 13 Mile Road, Farmington Hills, Michigan 48334. Phone (248) 671-9600.
A SPECIAL THANKS TO THE FOLLOWING AFD MEMBERS, FOR THEIR COMPLIMENTARY CONTRIBUTIONS TO THE AFD HOLIDAY BEVERAGE SHOW:

Visit booth 502 for all your ice requirements and thanks to U.S Ice for providing complimentary ice to all of our exhibitors and FREE Parking for all attendees!

Stop by Ashby’s Sterling Ice cream at the back of the show for a complimentary scoop!

AFD S.E. MICHIGAN HOLIDAY BEVERAGE SHOW 2005

Tuesday, September 21, 4:00 p.m. - 9:00 p.m.
Wednesday, September 22, 4:00 p.m. - 9:00 p.m.
AFD S.E. MICHIGAN HOLIDAY BEVERAGE SHOW

Exhibitors:
- Absopure Water Co.
- Adamba
- AFD
- Anheuser-Busch
- ATM of America Inc.
- ATM of Michigan
- Brown Forman
- C. Jacquen
- Castle Brands
- Chaldean News
- Cognac Ferrand
- David Sherman Corp.
- Distillery Stock
- Donya
- DTE Energy
- Excel Check Mgmt
- Faygo Beverages Inc.
- Frito Lay Inc.
- Galaxy Wine Distributors
- General Wine & Liquor Co.
- GWL Great Lakes Div.
- Heartland
- Heaven Hill
- ICU Surveillance
- JAYD Tags
- JJ Security Systems
- Jones Soda
- JS Advice Enterprises Inc.
- Kimmackler
- Kars Nuts
- Kobrand
- Luctor
- Marketplace Solutions
- Michigan Lottery
- Miller Brewing Co.
- MoneyGram
- Nat Sherman
- Northern Falls LLC
- Paramount Coffee Co.
- Pepsi Bottling Group of Mich.
- Pontiac POS
- Power One
- Power One
- Powers Distributing Co.
- Remy America
- Remy America
- Remington Wines
- TOMRA East
- Trans-Con Sales & Marketing
- U.S. Ice Corp.
- Wild Tiger LLC
- William Grants

General Wine & Decanter Imports Present:
- A.V. Imports
- Brown-Forman
- Canandaigua
- Click Imports
- Cortena Wines
- Digeo
- Distillerie Stock USA
- General Wine Co.
- Global Wine/Jewel Sebastiani
- Kendall Jackson
- Kobrand
- Leelanau

Motts
North Lakes
Olive Winery
Pernod Ricard
Purple Wine
PWP
Remy Amerique
Royal Wines
Shaw Ross
Sonoma Hill
Smithcorp
St. Michelle Wine Estates
Grocers provide 1,900 turkeys to needy families

During 25th Anniversary Turkey Drive of the Associated Food Dealers of Michigan

Farmington Hills (Nov. 14, 2005)—The Associated Food Dealers of Michigan (AFD) and Detroit-area neighborhood grocers will provide 1,900 families in the Metro Detroit area with turkeys for their Thanksgiving dinners. AFD is the trade organization for the food and beverage industry in Michigan. This is the 25th year that the AFD has given away turkeys for the holidays. The Turkey Drive schedule is as follows:

**Thursday, November 17 – Turkey Pick-ups 10:00 a.m. to 1:00 p.m.**

Turkeys will be picked up by representatives of various churches and civic organizations between 10:00 a.m. and 1:00 p.m. at Value Center Market, 22700 Ryan Road, one block south of 9 Mile in Warren. All turkeys are already spoken for. Please do not send people to Value Center to receive a turkey. (We suggest this as a photo opportunity.)

**Organizations scheduled to pick up turkeys:**


**Ecorse:** Mackenzie Chaldean Parish.

**Grosse Pointe Park:** Wolverine Human Services.

**Oak Park:** Mar Addai Chaldean Parish.

**Pontiac:** NAACP Pontiac. Oakland Family Services. 

**Redford:** St. Mary's Southfield: Hope Methodist Church. Sterling Heights: St. James Church & Nursing Home

**Thursday, November 17 – Turkey Deliveries 10:00 a.m. to 12:15 p.m.**

Also on Thursday, November 17, AFD will deliver turkeys to area churches and civic organizations, which then provide them to needy families. In most cases, the families are waiting at the location for the AFD truck to pull up. The grocers then hand the turkeys directly to the recipients.

**9:30 a.m. Southfield Human Services**

Contact: Rhonda Terry
36080 Berg Road, Southfield
Corner of Berg & Civic Center at the white house
(248) 796-5440

**10:20 a.m. New Greater Christ Baptist Church**

Reverend William Thompson
13031 Charlestown, Detroit
(313) 331-2386
Cell phone: (313) 462-2277

**10:45 a.m. Rosedale Community Ed. Center**

(Also includes recipients from Joy of Jesus and Faith Clinic Church of God)
Contact: Tony McKiernan
13003 Harper, Detroit
Next to Harper Food Center
(313) 527-2103

**12:15 p.m. Chaldean Federation/Family Resource Center**

104 West 7 Mile Road #110, Detroit
(313) 893-2991

Friday, November 18 – Thanksgiving Luncheon 8:30 a.m. to 12:30 p.m.

In celebration of AFD's 25th Anniversary Turkey Drive. AFD volunteers are preparing and serving a Thanksgiving luncheon feast for senior citizens at St. Patrick Senior Center. 58 Parsons Street (at Woodward, one block north of Mack Ave.) in Detroit.

"Many retailers give back to their communities all season long and get great satisfaction out of helping others. This is one way we work together to help those in need," says Mike Sarafa. AFD president.