Join the AFPD All Stars for the 23rd Annual Trade Show

Mark your calendar now to attend the 23rd Annual AFPD Trade Show, the premiere show of the year! Taking place April 24 and 25 at Burton Manor in Livonia, AFPD is planning ten full hours of buying, along with fun and terrific prizes. With many booths already filled, exhibitors are making plans that guarantee excitement for trade show attendees.

“We’ve had so many requests for booths, that we are using every hall at Burton Manor. Attendees will have an excellent array of products and services to visit — all in one place!” enthused Cathy Willson, AFPD special events director.

For information, see page 21. For exhibit space please call Cathy Willson at (248) 671-9600.

Small grocery stores targeted for food stamp fraud

Efforts to reduce the illegal use of food stamps have kept millions of dollars in benefits from going to waste during the past five years. but according to a December article in USA Today, food stamp fraud continues.

The Government Accountability Office (GAO) has recommended that the Department of Agriculture intensify its focus on finding stores that violate federal rules and increase penalties for trafficking in misused stamps. The GAO’s recommendations, in a report released in October, come as Congress is preparing to revisit the $29 billion-a-year food stamp program as part of a giant farm bill. Among other things, the GAO has urged the Food and Nutrition Service (FNS) to review the 160,000 stores authorized to receive stamps to determine which are most likely to engage in fraud and to target them for enforcement.

“AFPD spent a great deal of time working with Michigan’s Department of Human Services to dramatically reduce food stamp fraud by fully implementing the Electronic Benefits Transfer (EBT) program in 2001,” said Dan Reeves, AFPD Executive Vice President of Food and Beverage. “In addition... would like to send a note of thanks to the team at AFPD who put this event together.”
New Exciting
Fun Runner Packages!

See Your Pepsi Representative for More Details
A New Year opens new opportunities

By Jane Shalal
AFPD President

It was with eager anticipation that I entered my first year as president of the Associated Food and Petroleum Dealers. I would like to thank my Board members and staff. They have truly been a supportive team during my first year. It was truly a year of accomplishments. Numbering among the many of particular note was, of course, our merger. The merger clearly led to a betterment of the Association. It helped us to grow in knowledge, grow in members, and grow in other new avenues than previously were undertaken.

We have many challenges that face us over the next year in Michigan, Ohio and Washington—battles over expansion of the bottle bill, imposition of a commercial activities tax, reform of the small business tax, insurance, licensing issues. There are dozens of more issues that AFPD will be actively engaged in passing or stopping. Be assured, that our association is engaged and effective in meeting the diverse business needs of this industry in a climate that continues to grow more complex.

By David Coverly

The Grocery Zone

DO-IT-YOURSELF WITH GOOD FRIENDS AND PIZZA AND A FEW BEERS

Detroit Police target party store inspections

AFPD has received reports from Detroit retail members who noted increased police inspections at their stores. AFPD is communicating with the police and Detroit city officials on this matter. However, we urge you to know and comply with all applicable laws and regulations governing your stores and immediately check for expired and “sell by” dates on food labels. Other violations may be cited by inspectors.

Expect uniformed or plainclothes police – as many as four in the group – looking for violations: proper liquor license display, expired and “sell by” dates on food labels. Other violations may be cited by inspectors.

What to do:

- Be courteous and do not argue or confront any police officer.
- If the officer is in plain clothes, ask for a card so you know his/her name, precinct or division. Make copies of any surveillance camera activity showing the police and Detroit Police inspections at your stores. AFPD is in communication with Detroit city officials on this matter. However, we urge you to know and comply with all applicable laws and regulations governing your stores and immediately check for expired and “sell by” dates on food labels. Other violations may be cited by inspectors.

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Study: Fresh vegetables can kill
Scripps Howard News Service reports that "fresh raw vegetables like lettuce, spinach, tomatoes and green onions were responsible for the illness or deaths of nearly 19,000 people nationwide over a five-year period," and that "vegetables are nearly as dangerous as under-cooked meat when it comes to transmitting deadly food illnesses like E. coli, salmonella and hepatitis."

According to the story, "Beef, chicken, pork and their byproducts were responsible for nearly 22,600 deaths or illnesses, according to the study of 6,374 outbreaks reported from Jan. 1, 2000 through Dec. 31, 2004." Raw vegetables came in at almost 19,000 illnesses or deaths, and then seafood came in a distant third, causing fewer than 3,000 deaths or illnesses.

"Now that we've discovered that fresh veggies can be as efficient at spreading E. coli as beef, our whole attitude on packing, shipping and handling them has got to change," Dean Cliver, a professor of food safety at the University of California-Davis, tells the news service.

Meijer donates spray-can string to help U.S. troops
After learning about a mother's effort to collect spray-can string for her son and other troops in Iraq, Meijer contacted the New Jersey woman and told her the company will donate 6,000 cans of Magic String. U.S. troops use the neon-colored gel, the most common brand being Silly String, to detect booby traps during building sweeps.

- Fort Worth Star-Telegram/Associated Press

California makes sugary alcohol drinks less available to teens
In response to calls for more control over underage drinking, California authorities will attempt to raise taxes on "acropop" drinks and ban their sale at convenience stores.

-Smirkoff Ice, Mike's Hard Lemonade and similar drinks will cost up to $2 more per six-pack if they are classified as distilled spirits instead of beer. -Los Angeles Times

Kroger fried chicken now trans fats-free
Kroger Co. announced it is frying the chicken in its stores with trans-fat-free oil. The company now uses a combination of non-hydrogenated vegetable oil to prepare its fried chicken dinners, chicken livers and chicken wings.

- BusinessWeek/Associated Press

Democrats to target food safety
Rep. Rose DeLauro (D-Connecticut), who takes over as chairman of the US House of Representatives’ agriculture appropriations subcommittee, told the Washington Post that food safety will be a major priority for the new Congress.

"We've just got to go in and have, really, a top to bottom look at what is going on," she says, noting that the food safety system "appears to have broken down when you have these outbreaks almost every single week."

The Post writes that one likely remedy that will be pursued by the new Congress would be legislation “first introduced in 1999 by DeLauro and Sen. Dick Durbin: an Illinois Democrat, that would place the food safety divisions of the Agriculture Department, Food & Drug Administration and others under one umbrella.”

The attention to this subject is due to the new E. coli outbreak that has sickened more than 60 people and has been linked to food served at Taco Bell locations around the country. – MorningNewsBeat.com

Bottled H2O with extra oxygen latest craze in Japan
Bottled water containing 12 to 15 times more oxygen than regular water has become a big hit in Japan. The drinks are marketed as a way to boost energy and enhance health, as manufacturers claim the drinks hydrate better than regular water. – The Wall Street Journal

Del Monte to offer organic foods
A new line of organic meat and vegetable products from Del Monte Foods will be available in the U.S. starting in January. The company is working with local U.S. farmers to grow the products under strict organic standards. – Food Business Review

Nash Finch to help distribute books
The Nash Finch Co., based in Minneapolis, has joined First Book, an international nonprofit organization providing new books to children from low-income families, in an event at the Minnesota Children’s Museum to celebrate the launch of a new partnership benefiting needy children.

As part of Nash Finch’s new educational program, Feeding Imagination, the First Book Marketplace will distribute 10,000 new books, valued at more than $70,000, to children in need throughout the Twin Cities area.

Nash Finch serves independent retailers and military commissaries in 31 states and other countries around the world. The company also owns and operates a base of retail stores, primarily supermarkets under the Econdo foods, Family Thrift Center, and Sun Mart trade names.

Market for low-glycemic foods set to boom
Sales of low-glycemic products targeted to the more than 20 million diabetics in the U.S. are expected to reach $350 million for 2006. The market for low-glycemic foods, which also appeal to consumers who want to increase their energy and lose weight, is projected to reach $1 billion in 2011, reports Packaged Facts.

- Progressive Grocer

Food manufacturers buy into healthy food trend
BusinessWeek reports that as the anti-trans fat movement gains momentum throughout the US, big food manufacturers are doing two things – they are rolling out healthier versions of existing products as well as acquiring smaller companies that make products deemed to be healthy. While Frito-Lay has produced baked favorites such as Cheetos and Ruffles potato chips for some time, PepsiCo and Kraft Foods are now offering 100-calorie versions of Chips Ahoy! Donuts and other standard snacks. Campbell Soup, meanwhile, recently rolled out reduced-sodium soups that tout the same flavor but are made with naturally lower sodium sea salt.

Study suggests opportunity for retailers targeting young adults
Reuters reports on a new University of Minnesota study suggesting that young adults who prepare their own meals tend to have healthier diets than those who eat out or order take-out.

This spells potential bad news for the current generation of young adults, since statistics also suggest that cooking is not a pastime with which many of them are familiar. According to Reuters, "Just 21 percent of young men and 36 percent of young women bought fresh vegetables every week, for example, white 44 percent of the men made a dinner with chicken, fish or vegetables at least once a week.”

The study says that almost a third of those having "high involvement" with cooking ate five servings of fruits and vegetables daily, compared to three percent of those with "little involvement" in food preparation.

According to the Reuters story, "Females were more involved with food preparation, the researchers found, with 56 percent making a meal with chicken, fish or vegetables at least weekly and 46 percent making dinner for two or more people at least weekly. While 13 percent of males wrote a grocery list at least once a week, 23 percent of females did.”
Buckeye State Roundup

By Paul R. Harvey
AFPD Correspondent

Ohio's public smoking ban goes into effect
Enforcement delayed by state of Ohio

The Ohio Attorney General and lawyers for two groups, who had filed lawsuits challenging the constitutionality of State Issue 5, the Smoke Free Workplace Act, reached an agreement to delay enforcement of the ban on Ohio's public smoking law approved by voters in November, said Associated Food and Petroleum Dealers lobbyist, Rick Ayish.

The Ohio Department of Health had not yet adopted rules to enforce the smoking ban when it went into effect in December, and they will have six months to promulgate the rules to enforce the law. The Ohio Department of Health is expediting the rules development process and they expect to be completed well before the six months included in the agreement, said Ayish.

The Ohio Department of Health says that despite the issuance of information letters instead of warning letters to violators, the law is in effect.

Group rating program offers savings tiers up to 90 percent

The Associated Food and Petroleum Dealers (AFPD) Group Rating program is a great way to save on workers' compensation premiums. The program offers multiple savings tiers up to 90 percent through The Frank Gates Service Company. Some groups provided limited savings: multiple tiers enable Frank Gates to pinpoint the highest discount you can reach.

Current group members and those who submitted savings estimate authorization forms (AC-3s) received enrollment packets in fall 2006. For those who received packets, please submit final enrollment documents before February 28, 2007.

To obtain a free, no-obligation group evaluation, please call (800) 395-4119 or visit www.frankgatesgroups.com to complete an online AC-3 form.

For additional information, please contact AFPD's Frank Gates representative, Rich Elsea, at (800) 777-4283, ext. 721 or via email at relsea@frankgates.com.

Cigarette thieves nabbed

A series of cigarette thefts at Ohio convenience stores and gasoline outlets may have ended with the arrest of one of two suspects, said Medina police. Brandon Samples, 22, of West 43rd Street, Cleveland, is being held on two counts of breaking and entering, while authorities search for a possible accomplice, said police.

The two are suspected of breaking out the front windows of small cigarette retailers located in remote areas, or the outskirts of towns, in five counties, said police.

The thieves stole thousands of dollars worth of cigarettes over the last year. Video surveillance showed that the bold robberies took less than 90 seconds, and police suspect the same thieves returned to the easiest targets for subsequent robberies.

Police continue to look for the second suspect, James Samkas.

Roundup,
Continued on page 20.

Drive-off stickers available through AFPD

Service station dealers in Ohio and Michigan can purchase stickers for gas pumps that are intended to deter customers from driving away without paying for the gas that they pump. The stickers, which cost $1 each for members and $1.50 each for non-members, explain that a person that drives off without paying can lose their license. To order yours, call AFPD at (248) 671-9600.

Federal election consequences for petroleum marketers

By Ed Wegiarz
Executive Vice President Petroleum

With Democrats gaining control of the U.S. House and Senate, changes will have consequences on issues important to petroleum marketers. The parameters of those consequences will likely rest with Republican leaders and their decision to be confrontational or cooperative with Democratic leadership. In a closely divided Congress, Democrats will need the help of Republicans to pass any meaningful legislation.

An easy early prediction is the death of the repeal of the "death tax." Many of the Bush tax cuts will not be extended and the death tax will not be repealed. It is possible that Democrats will offer something to reduce the death tax, but repeal is off the table. One of the first orders of business for Democrats in 2007 will be to pass legislation raising the federal minimum wage.

Prepare for numerous congressional oversight hearings involving the petroleum industry. Without question, legislation to define retail gasoline, diesel and heating oil price "gouging" will be on the table. Efforts to nationally regulate greenhouse gas emissions and reduce the use of all fossil fuels are a top Democratic priority and will be pushed hard. Attempts to amend underground storage tank statutes and provide flexibility for state agencies will face more stringent opposition; however, opportunities for slightly increasing Leaking Underground Storage Tank funding may improve. Democrats believe the Environmental Protection Agency needs to tighten environmental regulations and more aggressively enforce them. Numerous oversight hearings on EPA activities are a certainty.

Support for increased Commodity Futures Trading Commission oversight of oil futures trading will gain supporters in the new Congress and CFTC reauthorization will be moving. Lastly, renewed emphasis on legislation to more tightly regulate tobacco retailers may arise in 2007.
Bright Lights, Big Customer Service

AFPD director Vickie Hobbs knows the secret to attracting and keeping customers

By Paul R. Harvey
Ohio Correspondent

It's easy to find Whitehall Shell Car Wash during the holiday season. Motorists simply look for a bright glow in the central Ohio sky.

The Columbus area gasoline outlet has long been known for providing motorists with one of the finest Christmas displays in town, featuring well over 100,000 lights, decorations, and a model train that appears to chug around the station's canopy.

"People love it. My husband starts planning the display in October while it's still warm," says Vickie Hobbs, Associated Food and Petroleum Dealers (AFPD) board member, and part owner of Whitehall Shell. "When we tell people which station we own, they always say 'Hey, you're the one with the Christmas lights.'"

The goodwill and free advertising produced by the Hobbs' holiday decorating attract new and regular customers. A few years ago, their display made the front page of the Columbus Dispatch newspaper. "What better advertising could you ask for?" says Hobbs.

Hobbs' parents, Larry and Ella Farrington, remain closely involved in the daily operations. They took over Whitehall Shell in 1977 as a small kiosk and car wash on the corner of Broad and Hamilton streets in the small Columbus, Ohio suburb of Whitehall. "I kind of grew up on the corner," says Hobbs. Watching her folks tackle the many stumbling blocks faced by small business owners, Hobbs quickly learned how to run the company profitably and how to compete in a tough market.

From the beginning, Whitehall Shell offered customers a level of service that only a family-owned operation can provide. "We are all about customer service," says Hobbs. That explains why many of their customers have been coming in for nearly 30 years. "I'm here 12 or 14 hours per day, 7 days a week, so I know exactly how my customers want to be treated. If you go into other places, you don't see the level of customer service that you do here. My main function as the owner is to make sure that every customer is taken care of quickly and orderly, and that they leave here happy," says Hobbs.

In 1979, the Farringtons hired on a young man named Tim Hobbs. Working long hours together, Vickie and Tim soon hit it off, and were married in 1982. "He came here to work and never got out! He's stuck for life!" jokes Vickie.

The Hobbs passed their strong family work ethic on to their sons, Nicholas, 20, and Mitchell, 17. Both boys started working at the business when they turned 14. Nicholas is currently in college and will soon be attending dental school. When not in class, he still joins his younger brother to help their parents run the busy station. Mitchell is also considering a career as a dentist, but both boys have expressed an interest in someday owning the station.

Surrounded by other gas outlets and car washes, including a number of existing and under-construction hypermarkets, how has Whitehall Shell managed to flourish and grow?

"The hypermarkets that sell gas are probably the scariest thing about today's industry," says Hobbs. "We have a Giant Eagle a few miles down the street, and the Kroger in Whitehall is trying to add gas pumps. There's also a Wal-Mart under construction on Main Street that will offer gas," laments Hobbs.

"As far as I'm concerned, there should be a law against these practices. They're selling gas at 20 or 30 cents below cost and the individual dealer can't do that and stay on the corner for long," adds Hobbs.

Hobbs knows that to survive, dealers must extract revenue from every corner of their location. "You have to add profit centers everywhere. We have fuel, the car wash, vacuums, ATMs and many other revenue generating services and products," says Hobbs.

Recent changes to their car wash offerings will hopefully translate to added profits. Larry and Ella Farrington never miss a car wash convention and are always on the lookout for the latest and greatest products. "We just added Weatherguard to the car wash. It's kind of like Rain-X for your whole car. We're really excited about it," says Hobbs.

Aside from the challenge to find and hire dependable workers, Hobbs says another crucial issue facing today's dealer is the high cost of credit.
Now with more lemon lime taste!

See Your 7UP Representative for Details on Diet 7UP and Other New Diet Packaging
Transition of government begins in Ohio

By Rick Ayish
The Success Group

The New Year brings a transition of power at both the federal and state levels of government. Although the Ohio General Assembly remains in Republican control, newly elected Governor Ted Strickland becomes Ohio’s first Democrat Governor in 16 years to lead state government in Ohio.

In the United States Congress and the U.S. Senate, the Democrats have begun the process of reorganizing leadership positions and committee chair assignments as they take control of both chambers from the Republicans. Newly elected U.S. Senator Sherrod Brown, a Democrat, will join Senator George Voinovich, a Republican, in representing Ohio in the United States Senate.

It will soon be known what positions of influence will be held in the upcoming session, by both majority Democrats and minority Republican members, in Ohio’s strong Congressional delegation. The Democrats gained one seat in the November elections and Ohio’s Congressional delegation now has 11 Republicans and seven Democrats serving Ohio.

Ohio Congressman John Boehner, formerly the House Majority Leader, was elected by his peers to be the House Minority Leader for the Republicans. This position remains critically important to Ohio, regardless of what political party controls the Congress.

At the state level, the Democrats have a large task ahead of them with the Governor’s office, Secretary of State, Attorney General and Treasurer of State all being transitioned from Republican control to the Democrats. The Auditor of State will remain a Republican with State Rep. Mary Taylor replacing Betty Montgomery as Auditor.

As the eight-year Taft Administration has ended, Governor Strickland will lead Ohio’s state government for the next four years. In a very short time frame, Governor Strickland will be choosing individuals to serve in the Governor’s cabinet and key state agency personnel, replacing Republican appointments to these posts.

Governor Strickland has named his former Congressional Chief of Staff and director of his campaign for Governor, John Haseley as the Governor’s Chief of Staff in the new administration. Haseley is an attorney from Athens, Ohio and has also worked for Senator John Glenn and as a law clerk for a Federal Judge.

Lt. Governor Lee Fisher has been named Director of the Ohio Department of Development to lead that agency in addition to his duties as Lt. Governor. This appointment is similar to the Taft Administration’s Lt. Governor Bruce Johnson, who also headed the Development Department for former Governor Bob Taft.

With a state budget looming in the near term for the Strickland Administration, Governor Strickland has named Ms. Pari Sabety as Office of Budget and Management Director. She returns to Ohio state government from the Brookings Institute. A certified public accountant, Sabety was formerly an economic advisor to former Ohio Governor Richard Celeste.

Governor Strickland has appointed Rich Levin, the Deputy Tax Commissioner to former Governor Celeste as Ohio’s Tax Commissioner. He is also the former Bexley City Auditor, and since 1991 has been a principal in a government tax policy firm.

Ohio Legislative Update,
Continued on next page.
Ohio Legislative Update, Continued from previous page:

and analysis consulting firm. Levin was very involved in the tax reform efforts of state government in the past few years and has worked around the halls of the State House for many years.

Governor Strickland will be announcing additional appointments to fill out the cabinet and key positions in the administration.

A similar process of transition is happening with the other statewide officeholders. Democrat’s, Attorney General Marc Dunn, Secretary of State Jennifer Brunner and Treasurer of State Richard Cordray, as well as Republican Auditor of State, have all begun the process. Of course all of this is due to the change in political parties after so many years of Republican control of those statewide offices.

What’s Next?
The Ohio General Assembly reconvened the first week of January 2007 with smaller majorities for the Republicans than they have had in the past number of years. In the Ohio Senate, Senate President Bill Harris will continue to lead the Ohio Senate with 21 Republicans and 12 Democrats. In the Ohio House, Speaker Jon Husted will have a 52 to 47 Republican majority, a seven-seat gain for the Democrats in the Ohio House.

The first six months of the year will be interesting with the state budget debate, and a new Governor attempting to implement the agenda promised in the campaign. It remains to be seen how the Republican controlled Ohio General Assembly and Governor Strickland will work together on the budget and other priority issues. Ohio voters in November 2006 voted for a change of one political party control of Ohio state government. We will soon see whether bipartisan state government in Ohio is to their liking.

The Success Group is AFPD’s Ohio legislative consulting firm.

Ohio Turnpike turns to Valero
Replaces Sunoco at 14 service plazas

The Ohio Turnpike Commission awarded a five-year contract for gas station operations to Lehigh Gas Corp., Center Valley, Pa. On January 1, 2007 Lehigh began providing Valero fuel at the Turnpike’s 14 service plazas.

“Valero just recently entered the Midwest market, but it won’t be long before people become familiar with the company’s teal and yellow signs. We are working toward a smooth transition to the Valero brand at the end of this month,” said turnpike director of service plaza operations Drew Herberger.

Valero currently accepts all major credit cards, as well as debit cards, COM-CHECK, Wright Express/Voyager and Fleet One. The commission is reviewing additional fleet payment options. Valero also has several credit cards (Valero Proprietary, Valero Fleet and a Valero Gift Card).

“Valero is experiencing tremendous growth, and the name is already well recognized on the U.S. East and West coasts,” said Linford Bauder, area manager for Lehigh.

A report by Crain’s Cleveland Business added that the plazas sell about 55 million gallons of gasoline and diesel fuel a year.

San Antonio-based Valero Energy Corp. owns and operates 18 refineries throughout the United States, Canada and the Caribbean with a combined throughput capacity of approximately 3.3 million barrels per day. It is also one of the nation’s largest retail operators, with more than 5,500 retail and branded wholesale outlets in the United States, Canada and the Caribbean under brand names including Valero, Diamond Shamrock, Shamrock, Ultramar and Beacon.
Congressman Patrick J. Tiberi takes public service to a higher level

By Kathy Blake

Congressman Patrick J. Tiberi, (TEE-berry), makes a point of being approachable and accessible to the people of his district, whether they are corporate executives or small business owners, farmers or grocers, senior citizens or children. "His door is always open to us for any type of problem in our industry. He's always been available to us and has done an extremely good job of directing us to the right people and information when we need help with an issue," said Ron Milburn, AFPD Ohio Membership Field Representative.

Congressman Tiberi said, "I've had a very close relationship with small business owners as such as the gas tax, franchise fees and inventory taxes." He worked to reform the Ohio estate tax for family-owned businesses and farmers when he was a state representative. "With the Democrats in control, we won't see anything reducing the tax through 2011. They may try to roll back existing tax cuts, which I would be opposed to," said Tiberi.

In January, Congressman Tiberi began his fourth term representing Central Ohio's 12th Congressional District, which includes all of Delaware county and parts of Franklin and Licking counties. He first began serving in the U.S. House of Representatives in 2001.

His most recent accomplishment was being a Republican elected to a Democrat-dominated Congress. Politics will have a different tone in Washington. "We, (Republicans) are going to be playing defense," he said. At the forefront will be debate on homeland security and Medicare. Another major accomplishment for the Congressman last fall was the reauthorization of the Older Americans Act. On September 30, 2006, Congress approved and President Bush signed into law Tiberi's legislation renewing and improving programs for seniors authorized under the Older Americans Act. The act is the third largest federal program in the nation. Language in that bill making federal assistance more widely available to caregivers for Alzheimer's Disease patients earned him the "Giving from the Heart" award from the Alzheimer's Association-Central Ohio Chapter. His work on this legislation also earned praise from the AARP, and the "Golden Meal" award from the Meals on Wheels Association of America.

Tiberi's communications aide, Bruce Cuthbertson, said Congressman Tiberi was very proud of getting the Older Americans Act reauthorized in a timely manner. "He wanted to work with the ranking Democrat on his subcommittee, Silvestre Reyes, to get this done and signed into law."

One of his main goals which he hopes to continue bi-partisan work on is making healthcare more affordable for all citizens. He has worked on legislation to improve association health plans. During his first six years, Representative Tiberi was a member of both the House Financial Services Committee and the Education and Workforce Committee. He served as Chairman of the Subcommittee on Select Education for the last two years. This panel has jurisdiction over a wide variety of education-related functions, including programs and services for the elderly and at-risk youth; all domestic volunteer programs; programs related to libraries, museums, and the arts and humanities; and financial oversight for the U.S. Department of Education. In addition, the Subcommittee oversees several important higher education programs, including international and foreign language studies; graduate programs; and oversight of programs for minority serving institutions, including historically Black Colleges and Universities and Hispanic Serving Institutions.

Tiberi used his position on the Financial Services panel to introduce legislation to assist families who wish to purchase their own homes. As a member of the Housing Subcommittee, he is recognized as one of the most knowledgeable members of Congress on housing and homeownership issues. He draws from his background and training as a realtor with ReMax Achievers in southern Delaware County.

As part of the 2006 defense authorization bill, Congress approved Tiberi's proposal to help all returning military veterans better compete for federal jobs.

His work has not gone unnoticed. The authoritative Politics in America 2006 termed Tiberi "an able and diligent lawmaker."

Being in the thick of things is nothing new for Tiberi. During his eight years in the Ohio House of Representatives (1993-2000) he rose to the position of Majority Leader, the third highest post in the House. Throughout his tenure he played a prominent role as a legislative leader who got things done. Among other things, Tiberi was responsible for writing laws that created a DNA database to track violent criminals, established comprehensive lawsuit abuse reform, required performance audits of Ohio's 21 urban school districts, protected seniors from financial con artists and initiated nursing home consumer report cards. Tiberi also proposed a bill that offered state income tax credits for charitable contributions and he led the fight to speed the widening of I-270's North Outerbelt.

Tiberi is past President of the Forest Park Civic Association in Columbus. He currently is a member of the American Red Cross Columbus Chapter Advisory Board, the Prevent Blindness America board and is an honorary member of the Kids Voting Ohio board. He is the co-founder of the Windsor Terrace Learning Center in Columbus and chaired the Columbus Italian Festival in 1999.

His work in public office has gained him numerous honors, including more than a dozen statewide "Legislator of the Year" awards from groups ranging from the Buckeye State Sheriffs Association to the National Federation of Independent Business in Ohio. He's also been named a Watchdog of the Treasury for his efforts to protect taxpayers.

Born and raised in Columbus, the 44-year-old Tiberi is the son of immigrant parents, who both came to this country from Italy. He's a graduate of Northland High School in Columbus and The Ohio State University, where he received a Bachelor of Arts Degree in Journalism in 1985 and was a member of the OSU Marching Band. He is the first in his family to graduate from college. He received an honorary Ph.D. in Humanities from Capital University in 2005. While at Ohio State, he did an internship for Congressman John Kasich. It turned into a job and he worked eight years as an assistant to Congressman Kasich.

A life-long resident of the 12th Congressional District, Tiberi and his wife Denice have one child, a daughter. They attend St. John the Baptist Catholic Church in Columbus. To reach Representative Tiberi, call his district office at (614) 523-2555; his Washington DC office at (202) 225-5355 or write U.S. Congressman Pat Tiberi, 3000 Corporate Exchange Drive, Suite 310, Columbus, Ohio 43221.
Hot fuel goes to court
Suit accuses Big Oil of "bilking" consumers

Truck drivers and motorists in seven states filed a lawsuit in U.S. District Court in San Francisco against 17 oil companies and gasoline and diesel retailers for overcharging at the pump for fuel heated above the industry standard.

This “hot fuel” provides less energy than a standard gallon and bilks consumers of more than $2 billion nationwide, according to Public Citizen, a consumer watchdog group.

For decades, the group alleged, fuel retailers have been overcharging drivers by selling gasoline or diesel that is warmer than the industry standard of 60 degrees. Like all liquids, the volume of fuel expands and contracts when the temperature changes. Hotter fuel has less energy in each gallon than cooler fuel. Regardless of whether fuel temperature rises due to radiant heat from the sun or the refinery process, the results are the same: consumers pay more for less energy, it said.

Those who buy fuel in bulk, such as the U.S. armed forces, have temperature-adjusted purchase agreements with the oil industry. In fact, fuel is adjusted for temperature all along the distribution line except at the end point, when it is delivered to individual consumers, Public Citizen claimed. With U.S. retail pumps, motorists never know how much energy they will receive from a gallon of motor fuel. By some estimates, said the group, retailers are shortchanging drivers 760 million gallons per year.


The group said that while the petroleum industry opposes temperature compensation in the United States, it embraces it in Canada, where it stands to lose money from selling “cold fuel” that has more energy than the standard gallon. The industry has voluntarily implemented the use of temperature control equipment at retail pumps in Canada and supported legislation there to make the technology mandatory at the point of sale, said the group.

“Although the industry claims that the cost of hot fuel amounts to pennies for individual consumers, it really adds up to a $50 tax on every car in the country,” said John Siebert, project manager of the Owner-Operator Independent Drivers Association (OOIDA) Foundation, which supports the suit.

“Ultimately, Congress needs to protect U.S. consumers against the industry-wide practice of hot fuel overcharges—but in the absence of government protections, the only solution is for consumers to band together and force a remedy through the legal system,” said Claybrook.

Dan Gilligan, president of the Petroleum Marketers Association of America (PMAA), told CSP Daily News, “I am disappointed that Public Citizen did not do more research on this topic before moving forward. There has been

Hot Fuel,
Continued on page 23.
Michigan legislative challenges for the year ahead

By Kim Rhead
Karoub Associates

A control switch in the House came as a surprise to most where modest gains for Democrats was the most popular prediction. The loss of one Republican Senate seat was not a big surprise, but no one saw the huge re-election margin that Governor Granholm enjoyed.

The biggest year-end issue was left on the table as the Administration and the Legislature were unable to come to an agreement on a new business tax plan to replace at least some of the revenue lost by the repeal earlier this year of the Single Business Tax (SBT).

There were a number of issues addressed during 2006 that were of interest to the Associated Food and Petroleum Dealers. One of the biggest issues was obtaining Governor Granholm’s veto of Senate Bill 50, the “catering bill.” The long-time bill sponsor, Senator Shirley Johnson (R-Royal Oak) has retired, but the supporters of Senate Bill 50 will surely find another sponsor and will have the bill reintroduced next session.

Senator Johnson was also sponsor of Senate Bill 49, the wine tasting bill that was introduced on AFPD’s behalf. Another sponsor will need to be found if the bill is to be reintroduced. The Beer and Wine Wholesalers continue to oppose Senate Bill 49 so getting the bill passed will continue to be a difficult task.

Changing the distribution times for food stamps, Senate Bill 1334 sponsored by Senator Martha Scott (D-Highland Park) will also need to be reintroduced next session. Bills that we were able to stop in 2006 that will likely be reintroduced in 2007 include, Senate Bill 1363 (George-R-Kalamazoo) that would require store owners to report tobacco product inventory by brand names, Senate Bill 1359 (Bishop-R-Rochester) that would require gas station owners to post service fee notices for credit and debit cards on every gas pump, and Governor Granholm’s Business Tax proposal that includes a gross receipts tax.

We were successful in getting a youth wage provision added to legislation that increased the minimum wage, but other legislation that AFPD supported; HB 5365, fuel price stabilization and HB 5163, the one-penny recycling proposal did not get out of committee in the House of Representatives. Both bills will be reintroduced, but the prospects of either bill passing are questionable at best.

We were also successful in having Ed Weglarz reappointed by Governor Granholm to the Michigan Underground Storage Tank Financial Assurance Fund (MUSTFA) Board for another four years.

Finally, there is likely to be some openings on the Commission at the Michigan Liquor Control Commission. Any candidates that AFPD might wish to support should be encouraged to contact you as soon as possible so we can put their names in front of Governor Granholm.

This past year saw the merger of two long-time Karoub Associates clients. The Service Station Dealers Association and the Associated Food Dealers merged to become the Associated Food and Petroleum Dealers Association. We are thrilled to continue to represent AFPD and look forward to working with you on issues of interest and concern during the upcoming session.

Karoub Associates is the Michigan legislative consulting firm for AFPD.

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**Motor In**
Friday, February 9
By popular demand, returning to Penna’s of Sterling
(Van Dyke at 16-1/2 Mile Road)
6:30 p.m.
A trip to PlumpJack is worth the pilgrimage

By Michele MacWilliams

For any wine enthusiast, a trip to Napa Valley, California is a must. The area's climate, topography and soil conditions make it one of the best spots in the world for growing grapes. There are hundreds of wineries – from glamorous estates to converted barns, from nationally recognized labels to hidden gems – throughout the Napa Valley. Covered with vineyards, the hills and valleys of this rugged land also provide a beautifully scenic backdrop for winery tasting rooms to welcome guests.

Nestled in the nape of the Vaca mountain range on the eastern side of Napa Valley, is PlumpJack Winery. The vineyard is one of the oldest in the area, founded in 1881. The main winery building, which is still in use, was completed in 1883. Part of the Oakville appellation, vineyards have covered the site since the late 1800s.

Known for its estate and reserve Cabernet Sauvignons, PlumpJack Winery also makes Chardonnay, Merlot and Syrah. However, their 50 acres of land are all planted in the Cabernet grape, and 85 percent of the wine produced at the winery is Cabernet.

PlumpJack Winery's winemaker, Anthony Biagi, credits the Oakville estate vineyard for creating the historically great Cabernets for which the property has become known. In other words, the location of the vineyard, and the particular grapes growing there, form a combination that consistently produces exceptional Cabernet Sauvignon.

The Oakville Appellation vineyard for PlumpJack's Estate and Reserve Cabernet Sauvignons is situated 6/10 of a mile from the Silverado Trail on the north side of the Oakville Cross Road. Although generally classified as being in the Bale clay loam soil series, the vineyard has a wide diversity of soils reflective of its special position at the base of the Vaca range, where it transitions to the more level floor of the Valley, making the location a unique hillside vineyard and classic valley site. The soils are well drained, with some creek bottom gravel, and only moderately fertile for the most part — perfect for wine grape growing. The site is rated a Region 2.5, which is comparable to the area immediately surrounding Bordeaux (but without as much rain!).

The PlumpJack estate vineyard receives about 30

PlumpJack, continued on next page.

PlumpJack 2003 Reserve Cabernet Sauvignon

In our estimation, the 2003 PlumpJack reserve is the most approachable Reserve Cabernet released to date. Classic aromas of black cherry, graphite, vanilla bean and rose petal intermingle with faint hints of iron filings which are often found in wines from the red iron rich Aiken soils of the eastern hills and alluvial fans of Oakville. Flavors of chocolate, dried cherries, black licorice and currant coat the palate. The finish is lush and round with great richness. The tannins are ripe and polished. Approachable now, it will age gracefully for the next 6-8 years.

2003 PlumpJack Estate Cabernet Sauvignon - Reviews

Robert Parker, The Wine Advocate, Closing Date Feb 2005 Issue #157 (93-95) "The 2003 Cabernet Sauvignon Reserve ratchets up the power and concentration, but remains remarkably well-focused and balanced. Inky purple with notes of blue and black fruits intermixed with minerals and vanilla, this concentrated, impressively endowed wine will need 3-4 years of bottle-age. It should evolve for 12-20 or more years. Kudos to PlumpJack!"

2005 Reserve Chardonnay (St. Helena) 750ml $46

Continuing in the PlumpJack style of producing well balanced chardonnays, the 2005 vintage PlumpJack Reserve Chardonnay is particularly robust and forward. The primary aromas of baked pears, cinnamon and banana lead into secondary aromas of spearmint, lemon zest and white peaches. On the palate, flavors of apple, pear, lemon drop and custard fill the mouth. The acidity on the finish really gives the wine a nice balance.

2004 PlumpJack Syrah (Napa) — 750ml $38

The 2004 is a mouthful of wine! Primary aromas of blackberries, plums, raspberry jam and vanilla are followed by secondary aromas of coffee, iodine and cigar smoke. The primary flavors of raspberry, plum and black cherry explode in the mouth. The finish is sweet and viscous with a nice level of tannins suggesting this wine will age gracefully for the next 5-8 years.

2004 PlumpJack Merlot (Napa) 750ml $50

The 2004 Napa Valley Merlot really captures the fruit forward nature of the vintage. The primary aromas of Bing cherry, raspberry, smoke, and currant. Flavors of plums, cola nut, vanilla and Bing cherry are followed by a wonderful toast-laden finish. The Cabernet Sauvignon (10% from sources in Saint Helena) gives the merlot just enough tannin to age gracefully for the next 4-6 years.
PlumpJack,
Continued from previous page.

Inches of rain annually and during the growing season the vines receive approximately 210 days of sunlight. The majority of the 50-acre vineyard was replanted in 1992 and currently produces about 3.5 tons of grapes per acre.

PlumpJack Winery was founded in 1995 by San Francisco Mayor Gavin Newsom and financed by San Francisco composer and philanthropist, Gordon Getty, heir to the J. Paul Getty oil fortune. It is considered a small winery for the area, with only eight full-time employees and 50 acres of vineyards that produce 10,000 cases of wine per year.

The winery—as well as a host of restaurants, retail stores and an Inn in Squaw Valley—were named after Shakespeare’s fun-loving Sir John Falstaff (Henry IV), dubbed Plump Jack by Queen Elizabeth. Getty also wrote an opera he called “Plump Jack.”

My party of four wine enthusiasts arrived at PlumpJack Winery on December 8, their last official day of harvest. “We call it the last day of harvest because we pressed the last tank today,” said Ryan Keith, PlumpJack’s person in charge of marketing. Harvesting typically begins in September, with pickers making 15 to 20 passes through the vineyard until the end of October. During this time, and through the beginning of December, they press the grapes.

From then, fermentation begins in stainless steel barrels and then secondary fermentation is done in French oak. PlumpJack received worldwide recognition when it bottled its 1997 reserve wines with screw caps instead of using a cork. “It really is a better closure,” maintained Keith. Now that the bottles have aged a few years, the winery recently opened a 1997 Reserve Cabernet that was bottled with a screw cap and another with a traditional cork closure. “We couldn’t taste the difference,” he added, saying that screw caps are a tight seal that has held up over time.

A visit to Napa Valley and a stop at PlumpJack Winery is a trip that touches all the senses. Visitors are truly thrilled by the panoramic views of the surrounding Mayacamas and Vaca Mountains, enchanted by the sights and sounds of the winery’s whimsical interior spaces and delighted by its exceptional wines. PlumpJack wines are distributed in Michigan through Decanter Imports, a division of General Wine & Liquor Company.

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KANSMACHER Super Series is a large capacity customer-operated plastic, can and glass redemption center that counts, crushes and bags both plastic and cans. The glass is returned in the Distributors' carton/cases.

- **KANSMACHER MINI 3 in 1** is a compact version of the Super Series machine with a smaller capacity customer-operated plastic, aluminum can and glass redemption center that counts, crushes and bags both plastic and aluminum cans. The glass is returned in the Distributors' carton/cases. This machine can be configured in 6+ different possible configurations to fit almost any space provided.

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**VOLTAGE**

110-115V 1 Ph (Standard Outlet)

**PERFORMANCE/CAPACITY**

- Glass—40/minute—Holds up to 300
- Plastic—30-45/minute—Holds 160
- Cans—50+/minute—Holds 720

**KANSMACHER MINI 3 in 1**

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**VOLTAGE**

110-115V 1 Ph (Standard Outlet)

**PERFORMANCE/CAPACITY**

- Glass—40/minute—Holds up to 140
- Plastic—30-45/minute—Holds 120-200
- Cans—50+/minute—Holds up to 480

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10th annual financial performance report shows industry growth

The consumer packaged goods industry is making a significant contribution to the U.S. economy. This was demonstrated in the Grocery Marketing Association’s financial performance report, Insights into the Food, Beverage and Consumer Products Industry, which was conducted by PricewaterhouseCoopers. Specifically, the industry adds an estimated $2.1 trillion of revenue and more than $1 trillion worth of value added to the overall economy. The report provides information, trends, issues and data that illustrate the increasing strength of this sector. Among the other findings highlighted in the analysis:

- CPG industry growth remains above 5% and overall productivity is on the rise
- In 2004, CPG manufacturers employed 14.7 million Americans
- In 2004, CPG manufacturers contributed $2.1 trillion to the economy
- In 2004, CPG manufacturer employees were compensated $569 billion
- In 2004, CPG manufacturers paid $242 billion in tax revenues

“This report captures the vast economic power and impact of the food, beverage and consumer packaged goods industry. By every measure investigated and highlighted by PwC, the data show that the CPG industry helps drive and sustain the economy, and returns significant value to consumers, investors and trading partners,” said Stephen Sibert, GMA Group Vice President for Industry Affairs and Membership.

Whitehall Shell, Continued from page 6.

card transactions. “When a Chevy Suburban pulls in and fuels up on a credit card for $70, the two or three percent credit card fee and 10 cent per transaction fee eat up any profit you made on the gas,” says Hobbs. “Credit card fees are a huge expense in this business, but unless it’s a proprietary card you’re going to pay them no matter what.”

To help keep their other costs to a minimum, Whitehall Shell has taken advantage of a number of the Associated Food and Petroleum Dealer (AFPD) member benefit programs. “We’ve always used the Frank Gates Workers’ Compensation Group Rating program, and we signed on with Liberty USA for their Convenience Store supply program. It’s been very successful so far — we’re really pleased with them,” says Hobbs. They also enjoy savings up to 30 percent through the UST insurance program administered by Lyndall & Associates.

The AFPD board of directors is thrilled to have Hobbs in their ranks. “The AFPD board will benefit greatly from Vickie’s retail gasoline, c-store, and car wash experience,” says Ed Weglarz, AFPD’s Executive Vice President, Petroleum.

“I’m truly excited to be working with such a well-respected group. I want to make a difference in the industry,” says Hobbs.

So what advice does the hardworking Hobbs offer to her fellow dealers? "You have to keep in front of it all, and keep moving forward. If you don't, somebody else will."
What will be the next big thing?

That was brought home to me vividly last month as I stood in an apron and bandana preparing meals with a group of strangers in what has to be one of the most unusual retail operations I have ever seen. I may have felt (and looked) silly, but what was happening around me suggested yet another way to delight the shopper, and any retailer could do it.

It starts with remembering the most basic part of our industry: it's all about the food and all about the meals. It seems almost silly to bring that up, except consumers themselves keep making that point, and at times you have to wonder if anyone is listening. In FMI's most recent study of consumer trends, the most startling finding was the growing gap between the enjoyment shoppers have between cooking and shopping. Basically, they like to cook, but they don't like to shop ... at least for food.

However, there's probably a bit of a falsehood in that finding. The affinity for cooking comes at the same time that shoppers continue to spend more of their food dollars at restaurants and less of their time and money in the kitchen. Somehow subscriptions are up at food magazines, the Food Network grows in popularity and celebrity chefs like Rachael Ray are becoming mega-stars. In short, cooking is hot even if know-how is not.

So, in search of a way to grab at this opportunity, I set off to a "meal preparation" store. What I found was a simple concept store that makes meal preparation easy, gives shoppers an easy source of new recipes and could be a big competitive problem for all of us very quickly.

The store itself is very simple: an approximately 5,000 square foot space filled with preparation tables, ingredients and refrigerators. The concept is equally simple: let busy people build meals by eliminating two issues most cooks hate - preparation and clean up. The "cooks" enter having already signed up online for a time slot and a list of meals they wish to prepare. They are given an apron and a head-covering bandana and told to wash their hands. (Tying the bandana, we were told, is the most difficult step in the process.)

And it was. At each preparation station I found a recipe and simple directions on how to put them together to set up the meal I wished to make. All the necessary ingredients were on hand just waiting for me to place them together in a zip-lock bag. With little effort I prepared chicken with cranberry chutney and pork chops with roasted apples. A colleague, whose limited cooking skills matched my own, prepared Tuscan steak, portobello sandwiches and a lavish dessert. And we did it all in under an hour.

Our meals were tagged with cooking instructions and set for freezing.

The next big thing, Continued on page 22.
The Power of Your Community is right behind you.

Every time you turn on a light, thousands of your friends and neighbors are right there making sure it works. That's thousands of Michigan-based Detroit Edison and DTE Energy workers providing you with the level of service and dependability you've come to expect for over a century. And we're also right behind you when it comes to community support; donating more than six million dollars a year to community causes.
“Frankenwine” debate in South Africa

In Minnesota, the Star Tribune reports that South Africa’s Institute for Wine Biotechnology is testing “a transgenic gene that researchers hope will one day lead to South African wine grapes that don’t need spraying to resist fungal infection.”

According to the story, Sarita Groenewald, a wine biotechnology research manager at the institute, says that “the whole aim is to make wine more environmentally friendly and let farmers use less of these horrible chemicals.”

However, some in the South African wine industry see chemicals as less of a problem than the use of genetically modified plants, with some referring to the product as “Frankenwine.”

But because winemaking is an industry steeped in tradition and history, there are those in South Africa who believe that extending the benefits of genetic engineering to that area would be inappropriate.

Zimbabwe and Malawi allow imports only if the grain has been milled first, to ensure it cannot be planted. Kenya, Nigeria and a handful of other African nations are studying genetically engineered crops but have not given approval for commercial use.

“South Africa, on the other hand, has just 45 million people but in 2005 ranked 8th in the world in the use of the modified plants, behind only such giants as the United States, China, India and Brazil. Across the country, the use of engineered corn, soybeans and cotton has been steadily increasing.”

But because winemaking is an industry steeped in tradition and history, there are those in South Africa who believe that extending the benefits of genetic engineering to that area would be inappropriate.

II, 34, whose last known address was in Cleveland.

Turn chilly weather into c-store profits

Associated Food and Petroleum Dealers (AFPD) director, Paul Elhindi, reminds members that as the temperature drops, the chance for coffee and cappuccino profits increase. AFPD’s coffee program is offered through New England Coffee, and is administered by Liberty USA. The Cappuccino program is offered through Java Bean, and also is administered by Liberty USA. AFPD members qualify for free coffee equipment, free point-of-sale materials, menus and marketing materials. A two percent rebate helps build the bottom line, and participants also receive one free month of product.

“Association members can quantify the advantage of these great programs,” said Ed Weglarz, AFPD Executive Vice President, Petroleum. “Members have reported product credits as high as $750, generated by the free month incentive. Can you afford to miss out on these savings? Contact the AFPD office for additional information on the Coffee and Cappuccino programs.

Employers must post injury/illness summaries

Beginning February 1, all Ohio employers must display a summary of workplace injuries and illnesses that occurred last year, according to AFPD Safety Director, Howard Cherry. The summary (OSHA Form 300A) must list the total number of job-related injuries and illnesses that occurred in 2006 and were logged on the OSHA 300 form (Log of Work-Related Injuries and Illnesses). Employers must display the form in a common area wherever notices to workers are normally posted.

Employers with ten or fewer employees and employers in certain industry groups are normally exempt from federal OSHA injury and illness recordkeeping and posting requirements. Contact the AFPD office, or Howard Cherry, CECM for additional information on these postings. Howard Cherry can be reached toll free at (800) 798-2594.
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of Michigan
AFPD welcomes Kevin Kallabat as the new Field Representative

The Associated Food & Petroleum Dealers recently hired Kevin Kallabat as its Michigan Field Representative. In this position Kallabat will call on food and petroleum retailers to explain the many benefits and services provided by AFPD.

The owner of Orion Market, located on Clarkson Road in Lake Orion, Kallabat has extensive experience in the retail food and beverage industry. "Orion Market celebrated its 20-year anniversary on December 27 and we look forward to continuing to serve the community for many more years," says Kallabat, who will work at his store part time as he begins his duties at AFPD.

Prior to purchasing Orion Market, Kallabat was an area manager for Don-Lee Distributors for eight years. Don-Lee distributed beer and wine. "I've worked in the industry from both the retail and the wholesale sides for over 28 years," Kallabat adds.

He feels strongly that independent retailers need AFPD in order to speak with one voice. "One retailer, alone, can't accomplish much by himself. However, as a group we can work together for common causes." Kallabat cites the competition from big box stores as a threat that individual stores cannot deal with alone.

However, as a group, AFPD members can better compete. Collectively through AFPD, independent retailers can lobby for legislation that favors the independent retailer, leverage their buying power and receive group rates on a variety of products and services that they use every day.

Kallabat will take the AFPD message directly to food and petroleum retailers, by visiting them at their place of business, starting first in Southeast Michigan.

Kevin Kallabat is a resident of Bloomfield Hills. He is married with two children. To reach him, call AFPD at (248) 671-9600.

AFPD Food & Petroleum Report

Media Info & Data

Working Hard for Michigan's Food & Beverage Industry

Monthly Theme/Promotion Schedule

January Store Design, Equipment
February Trade Dinner and Ball
March Service Organizations
April Beer & Snacks
May AFD Buying Trade Show
June Deli & Dairy
July "Independents' Day"
August AFPD Foundation Golf Outing
September Meet our Scholars
October Holiday Beverage Show
November "Made In Michigan"
December Food & Beverage Industry Trends

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Reach a group of 18,000 of your best prospects each month by advertising in AFPD's Food & Petroleum Report!

If you're reading this message, we can help you increase your company's market share in Michigan. Our rates are competitive and layout and design personnel are available to give you your own special flair to your ad. Join the successful companies that advertise in the Food and Petroleum Report. Call for more information, rates, or to schedule an ad. Our readers look forward to learning more about your company, your product and your services.

The next big thing, Continued from page 18.

The sales pitch of these meal centers is that time-pressed shoppers can quickly, and with little effort, build up to 12 meals of six portions - a piece that can be frozen for later use. The cost averages $3 per portion.

The "cooks" in the center with ranged from the inept (me) to the practiced. The best cooks said the center gives them new recipe ideas. One young woman told me she has a two-year-old child and has no time to cook. Two young, single women said it helps them plan out portions and meals. Most of all, it would keep them eating at home instead of grabbing meals at nearby restaurants. All of them agreed that the process was fun. But that's the problem too. Once again, the meal migrates from the supermarket to another new concept. Once again, the new place becomes the one known for fun, while the supermarket is the boring chore that it is, unless supermarket operators find a way to bring this type of solution into your own store. At the minimum, it's an idea worthy of investigation and consideration.

Continued from page 18.
Energized for 2007
Annual CSP Outlook Survey shows early optimism for the new year

On any number of fronts—from foodservice to beverages—retailers are expressing optimism for the coming year. In its annual Outlook Survey, CSP magazine found that most responding retailers expected the business climate for 2007 to "remain the same" (40.8%) or see "some improvement" (47.2%).

Many retailers based their opinions on 2006, which in terms of past Outlook Survey results, showed a slight uptick from the year before. "This has been a good year for us," said Doug Deweese, CEO of Super Stop!, a 42-store chain out of Meridian, Miss. "[Hurricane] Katrina had an impact here, so there's just mega construction and spending in Mississippi and Alabama."

Riding what Deweese calls "construction activity galore" he is optimistic about his business going into 2007. "With the construction going on, that means construction workers and that's who our customer is. We're meeting their needs and we foresee that continuing through next year as people continue to replace and build new things."

With regards to the Outlook Survey, 125 respondents replied to an online push, which CSP sent out in the third week of October.

For 2006, Wade Bohn, partner and general manager of the four-store chain Jay's Market in Las Vegas, said the energy category "just skyrocketed." He said his highest-selling retail item in the cooler is an energy drink. And with energy-drink margins outpacing most of the cooler and additional pay-by-space programs with four distributors, he decided to allocate an entire cooler door to the category. "[Pay-by-space programs are an option] for us as retailers that was not available in the past," Bohn said. "Pay-for-space among energy [distributors] has a huge growth potential. These guys are coming to the table with progressive marketing plans for product in our outlet. It's been great."

On a different front, operators overwhelmingly cited foodservice (48%) as the profit center they hoped to add to or change in 2007, followed by car wash (21.6%), coffee (18.4%), fountain (18.4%) and prepaid (18.4%). Survey respondents could pick more than one category.

― CSP Daily News

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FOOD & PETROLEUM DEALERS, INC.
Raffle a success; Mega Millions ticket leads to big commission for one

The Michigan Lottery is closing 2006 with a bang.

Nov. 22 after just 11 days. Obviously, players loved the concept and those lucky enough to get one of the 500,000 tickets are looking forward to the January 3 drawing. That evening, we will give away five prizes of $1 million each; 10 prizes of $500,000 each; and 750 prizes of $1,000 each.

By now, all of you know the Millionaire Raffle, which was launched Nov. 12, was a huge success. We predicted the tickets would sell quickly, but I think even a few of us were surprised when they were gone by midday.

By Commission Gary Peters

Congratulations to Raj Anghan, owner of the Shell Station at Ford and Haggerty Roads in Canton. The morning after the drawing, Raj already had a crowd of media at his store, and when the Lottery paid a visit to him on Nov. 29 for the check presentation, reporters were there again. Raj is making the most of his lucky sale and has his Lottery point of sale prominently displayed: lots of his new customers come in to buy tickets on his "lucky" terminal. Congratulations again, Raj.

New instant games: January will lead off on January 2 by offering $1,000 bonus commission. For additional information, please visit the Lottery's Web site at www.michigan.gov/lottery. The list will also be provided to all Lottery regional offices and to all Lottery retailers for posting.

Retailers selling the Millionaire Raffle ticket earned $1.20 on each sale prominently displayed; lots of new customers come in to buy tickets on his "lucky" terminal. Congratulations again, Raj.

Leading off on January 2 will be American Idol at $2. In addition to a top prize of $20,000, this game will also offer a chance for a trip to the American Idol finals. Also on January 2, look for Magic Numbers at $1. On January 8, the $2 Ultimate Dream Trip will offer, in addition to cash prizes, 50 vacations to Mexico or the Caribbean. Love American Idol at $2.

To Mexico or the Caribbean. Love American Idol at $2. In addition to cash prizes, 50 vacations to Mexico or the Caribbean. Love Notes, on sale January 15, will go for $2. On January 22, look for the $1, a $1 instant, and on January 29, watch for Blazing Red 7's at $2.

All proceeds from the Lottery are contributed to the state School Aid Fund which supports kindergarten through 12th grade public education in Michigan. In fiscal year 2006, the contribution was $688 million. For additional information, please visit the Lottery's Web site at www.michigan.gov/lottery.
Iood stamp fraud, continued from previous page.

"slopping fraud," he added, "EBT now makes it much easier to detect fraud."

Since then, food stamp fraud has decreased from 2.5 cents for every dollar of benefits to 3 cents per dollar.

Households qualify for food stamps if their gross monthly income is 130% or less of the federal poverty level, or less than about $1,799 a month for a family of three.

Food stamp recipients who want to use their benefits to buy something other than food have found many ways to get cash out of the system. Unfortunately, a grocer or store owner willing to take part in such a scheme will pay a food stamp recipient about 50 cents in exchange for $1 in stamp payments, the GAO has found. The retailer then can claim that the $1 was used for groceries and seek reimbursement from the government.

About $241 million in food stamp benefits were stolen in 2005, according to the FNS. Despite problems at smaller stores, FNS officials have told GAO investigators that they continue to allow stores that stock a bare minimum of groceries to enter the food stamp program so that stamp clients in neighborhoods without supermarkets will have places to shop.

The amount stolen from the food stamp program through fraud has declined dramatically since 1993, when the program lost about $812 million, according to the GAO. Increased enforcement has helped, as has the Electronic Benefits Transfer (EBT) system, which eliminated the easier-to-trade paper benefit coupons.

The government prosecutes dozens of cases of food stamp fraud each year and disqualified 841 retailers in 2005, but the GAO report said the civil penalties aren't tough enough to deter traffickers.

Criminal penalties for individuals convicted of food stamp fraud are more severe. According to USA Today, a Dearborn, Michigan man pleaded guilty last year to committing more than $380,000 in food stamp fraud over 20 months by trading cash for food stamps.

Bush's 2007 budget plan calls for $160 million to fund the FNS office, $18 million more than 2006. The request includes a $4 million increase for "program integrity," which enforces food stamp rules, but it does not include a specific plan for attacking fraud at small grocers.

Shopper survey picks Kroger for customer service

Maybe being huge doesn't always mean you can't have a personal touch. Cincinnati-based Kroger Co. finished first in a recent customer ranking of retailers according to their levels of service.

The survey, conducted for the National Retail Federation and American Express, had around 8,000 consumers write in the name of the drug or food retailer that delivers the best customer service. The results were shared exclusively with Progressive Grocer.

Kroger, the clear leader, finished with an index of 521.09. Next in line were two Supervalu-owned banners: Stillwater, Minn.-based Cub Foods (477.97) and Pittsburgh-based Shop 'n Save (419.46).

Rochester, N.Y.-based Wegmans came in fourth, with an index of 356.85, followed by Food City, which is owned by Abingdon, Va.-based K-VA-T Food Stores (346.02); Portland, Maine-based Hannaford Supermarkets (333.72); Deerfield, Ill.-based Walgreens (301.25); Woonsocket, R.I.-based CVS (273.57); Piggly Wiggly, owned by Sheboygan, Wis.-based Fresh Brands (260.71); and Harris Teeter, owned by Charlotte, N.C.-based Ruddick Corp. (227.15).

BIGresearch conducted the survey in September 2006. The research group said it took into account both the number of responses for each retailer and annual sales to put the retailers on a more level playing field.

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