AFPD announces exclusive Mini-Med Health Plan

AFPD members can now take advantage of a new, innovative employee benefit program. Mini-Med Health Plans provide limited medical coverage for part-time and/or lower-waged employees who cannot afford, or do not qualify for traditional major medical programs. As a trade off for affordability, these plans do not provide catastrophic coverage. They do, however, offer many useful benefits that help most employees cover their day-to-day health care needs. Our Mini-Med Health Plans are not intended to replace or be an alternative to major medical coverage, so it does not compete with our Blue Cross Blue Shield of Michigan Plan. Instead, this plan can be a viable solution for those who currently have no coverage.

Mini-Med Health Plan,
Continued on page 4.

Insider

Farmer Jack plans to pack his bags... 4
Ohio motor fuel allowances .......... 12
Dealers Serving Dealers ............. 16
Maximizing Seasonal Merchandising .. 20
Michigan Lottery has best six months .................... 29

Associated Food & Petroleum Dealers
30415 W. 13 Mile Road
Farmington Hills, MI 48334

Change Service Requested

Free Tickets!
AFPD members will receive four free tickets in the mail, one week prior to the show. Non-members: call AFPD at 1-800-666-6233 and we will send you free tickets too. Admission is $12 at the door, so be sure to get your tickets early!

Free Parking!
Thanks to CBIZ, AFPD's Parking Sponsor, attendees can park in the Broadway or High Market parking decks. Bring your parking ticket to the AFPD Registration Booth for a complimentary parking voucher.

"Connect" on the course at the AFD Foundation Golf Outing

Better get out to the driving range because the Annual AFD Foundation Michigan Golf Outing is scheduled for Wednesday, July 18 at the beautiful Fox Hills in Plymouth. If you are looking for a great way to connect with others in the industry, have a great time and support a good cause, then make plans now for this important event.

"Your support allows the AFD Foundation to award scholarships to deserving students in our industry. Plus it is a great way to greet old friends and make new ones," says event coordinator Michele MacWilliams. See page 22 for details and call Michele MacWilliams at 1-800-666-6233 to reserve your sponsorship, because you know it's important to "follow through."

AFPD’s Ohio Trade Show promises something for every retailer

AFPD Ohio Food & Petroleum Trade Show
Tuesday, June 19, 2 p.m. – 8 p.m.
John S. Knight Center
77 E. Mill Street, Akron, OH 44308

On Tuesday, June 19, the Associated Food and Petroleum Dealers will open the doors to its first Ohio trade show. Called the Ohio Food & Petroleum Trade Show, Cathy Willson, the show’s coordinator, has worked diligently to create an environment that provides products and services sought by owners and managers of gas stations, convenience stores, supermarkets, specialty stores, bars, restaurants and drug stores in Ohio.

“We have had a history of operating successful trade shows in Michigan and now we’re reaching out to Ohio to do the same,” said AFPD President Jane Shallal.

The show will be similar to AFPD’s Annual Trade Show, which is held in the Metro Detroit area each spring. However, offerings at the Ohio show will also include exhibitors that are specific to the Ohio market.

“We have worked hard to provide a mix of exhibitors in our Ohio Food & Petroleum Trade Show who know and understand what retailers want and need to stay competitive in the Buckeye state,” says Willson.

AFPD selected the John S. Knight Center in Akron, Ohio as the show’s venue for its central location and ease of access. Retailers will have six full hours to view exhibits, sample new products and take advantage of show specials.

“To our knowledge, this is the only show in Ohio that provides retailers with access to food, beverage, petroleum and related service vendors all under one roof. This is an excellent opportunity to take it all in during one afternoon,” said Ed Weglarz, AFPD Executive Vice President of Petroleum. For a show diagram and a partial description of exhibitors, please turn to pages 8, 9 and 10.
President's MESSAGE

Knowing Retail Best Practices is important to your success

By Jane Shalafl
AFPD President

A lot can change in our business, and keeping up with the most recent trends and best practices in our industry can be time consuming. But is your store merchandised to best meet the needs of your shoppers? Do you know what the retail best practices are for seasonal merchandising, health foods and OTC, multicultural marketing, health and beauty care merchandising, and whole health?

Both retailers and suppliers face challenges of merchandise planning in today’s diversified markets. Understanding and gaining expertise in category management and merchandising is not an option anymore, it is a necessity. Having good insight into consumer needs and wants will help you address strong competition and increase your profit margin.

But you can't uncover the information you need for successful merchandising just by going back and forth from work. Get out and look around at what others are doing. Visit other successful stores and observe their merchandising patterns and strategy. Read up on the latest trends or check the internet for useful information on what current products have increased sales for retailers.

Trends are happening everywhere and you need to keep up with them.

But if you are too busy to do the research, the AFPD is going to help you by providing regular advice and resources in the monthly AFPD Food & Petroleum Report. By doing so, we seek to promote and enhance your competitiveness, effectiveness and profitability. Look for our articles covering different topics in upcoming editions of the F & P Report. This month we focus on best practices for seasonal merchandising and how it provides an opportunity to generate substantial sales, profit and customer growth for your business. (See my story on page 20.)

Seasonal merchandising has emerged as a powerful source of growth for retailers, offering high annual sales and increases in many instances. Consumers are now responding strongly to seasonal merchandise more than ever before. The biggest beneficiaries of seasonal merchandising are General Merchandise (GM) and Health & Beauty Care (HBC).

Current shopping trends suggest the importance of promoting and developing seasonal merchandising as part of your sales strategy. Simply taking cues from your calendar will make your store its seasonal best. Seasonal merchandising involves planning and executing the seasonal business with the same disciplines that you apply to traditional categories. You need to do this more with seasonal merchandise. You should develop a year-round seasonal program and take advantage of expanded selling opportunities.

I hope that the information in this report helps you to improve your seasonal merchandising strategy. Let me know what you think. Feel free to call me at the AFPD office.

Contact AFPD:
EXECUTIVE OFFICE
30415 West 13 Mile Rd.
Farmington Hills, MI 48334
1-800-666-6233
Fax 1-866-601-9610
www.afdom.org

June 2007 | 3
Farmer Jack makes plans to leave Detroit

The Detroit Free Press recently reported that 66 Metro Detroit Farmer Jack stores may be up for sale.

A labor contract stipulation that expired March 27 freed the chain from having to sell stores as a block. Chris Michalakis, secretary with United Food and Commercial Workers Local 876 told the Free Press. Bids for the sale of Detroit's stores were due in March, said David Livingston, a Wisconsin-based grocery consultant.

Spartan stores and Nash Finch have submitted bids. Livingston told the Free Press, with Nash Finch looking at buying 18 stores and Spartan looking at purchasing stores for independent grocers.

Jane Shallal, president of the Associated Food and Petroleum Dealers, surmised that A& P. Farmer Jack’s parent company, wouldn’t be selling now, with Michigan’s recessionary economic climate, if the stores weren’t losing money. However, she maintained that Michigan’s independent store owners could potentially benefit from the sale, if purchase price and lease negotiations are favorable. “Independents are looking to invest,” Shallal added.

Farmer Jack, which has 5,000 workers in Michigan, has put its Michigan stores up for sale before without success. In 2005, A&P tried to sell all 100 stores it owned in Michigan and Ohio. The company was able to sell only some of its Michigan stores.

Ohio group rating enrollment complete

Take advantage of your group member benefits

The Frank Gates Service Company would like to thank all Ohio members who joined our 2007 group rating program. Enrollment for the July 1, 2007 rating year wrapped up on February 28. We appreciate the trust you have placed in us as the Associated Food and Petroleum Dealers (AFPD) program administrator, and will work to keep your claims costs low and discounts as high as possible.

Remember to take advantage of the valuable services Frank Gates provides throughout the year. Your account executive, backed by a team of expert claims examiners, works to manage your workers’ compensation program and is available to answer your questions or to meet one-on-one for personalized consultation.

Be sure to visit www.frankgates.com and read Vantage Point, Frank Gates’ quarterly newsletter, for valuable workers’ compensation and safety information. In addition, Frank Gates offers educational seminars each year to give you the latest updates on relevant workers’ compensation issues in Ohio. To request additional information about our annual seminars in May please call (800) 395-4119.

If you have questions about Frank Gates’ services to group rating members, please contact Rich Elsea at (800) 777-4283, ext. 721 or email at relsea@frankgates.com.

AFPD announces exclusive Mini-Med Health Plan

Continued from front page.

Mini-Med Health Plans are the most logical alternative for those who want to offer health benefits, but have found it to be cost prohibitive. Mini-Med Health Plans are becoming a partial solution to the needs of more than 46 million uninsured Americans, the majority of which are the part-time and lower-waged employees.

These plans can be a great tool for reducing some of your operating costs because they attract better employees and reduce turnover. Employer consultants estimate that the cost of hiring and training replacement employees can run into the thousands of dollars. Offering benefits, even limited benefits, can give you a competitive edge in your marketplace. Providing these benefits can also reduce absenteeism and worker’s compensation claims—important areas of concern to all employers today!

Mini-Med Health Plans provide benefits that fall into a price range that employers can now afford. They also offer several other attractive features: guarantee issue meaning no medical questions asked, full coverage on all pre-existing conditions, lower participation requirements, and one rate for all employees with much more stable rates over time. These programs are available to groups with as few as five employees. Working with our exclusive marketing agency, Advanced Insurance Marketers, AFPD members can now have an attractive alternative that will help you provide an affordable benefit program which will give your employees a greater sense of security.

An information sheet will be sent out soon with more details. Look for it in your mail. If you have been thinking about an affordable solution for your business and want to know more, call Advanced Insurance Marketers, Inc. toll free at 1-877-547-6337 and ask for the AFPD Mini-Med Plan coordinator.

Calendar

June 19, 2007
AFPD Ohio Food & Petroleum Show
John S. Knight Center
Akron, OH
Contact: Cathy Willson
(800) 666-6233

July 18, 2007
AFD Foundation Golf Outing
Fox Hills
Plymouth, MI
Contact: Michele MacWilliams
(800) 666-6233

September 12, 2007
AFPD West MI Holiday Beverage Show
DeVos Place
Grand Rapids, MI
Contact: Cathy Willson
(800) 666-6233

June is...

National Candy Month
National Dairy Month
National Hunger Awareness Month
National Iced Tea Month
National Papaya Month
National Seafood Month
National Soul Food Month

Statement of Ownership

The AFPD Food & Petroleum Report (USPS 082-970; ISSN 0894-3667) is published monthly by Metro Media Associates, Inc. (MMA) for the Associated Food & Petroleum Dealers (AFPD) at 30415 W. 13 Mile, Farmington Hills, MI 48334. Material contained within The AFPD Food & Petroleum Report may not be reproduced without written permission from AFPD.

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AFPD works closely with the following associations:
Ohio's Financial Assurance Fund Liability

By James R. Rocco
Chairman
Petro UST Release Compensation Board

As Chairman of the Petroleum Underground Storage Tank Release Compensation Board, I appreciate this opportunity to report on the status of Ohio's Financial Assurance Fund.

In order to obtain reimbursement from the Fund, the responsible party must first submit an application to request eligibility under the Fund for a release reported to the Bureau of Underground Storage Tank Regulations (BUSTR). Once that application for eligibility is approved, the responsible party may submit claims for reimbursement of corrective action costs. The prospect of claims for reimbursement based on an approved eligibility application defines a potential liability for the Fund.

Each year the Board's staff performs a claims liability study to estimate the Fund's overall liability for reimbursing corrective action costs based on active eligible releases.

In general, liability increases for each new approved eligibility application and decreases as reimbursement payments are made. Liability for eligible corrective action costs is estimated based on: (1) historical face value of claims submitted, (2) the version of the BUSTR corrective action rules being applied to the corrective action, and (3) the payment history of claims. One important contributor to the reduction in liability has been the transfer and completion of corrective action for older eligible releases (i.e., releases reported prior to the BUSTR 1999 corrective action rules) under the risk-based corrective action rules. This reduces the liability estimates (and actual costs) for these older releases and, in turn, lowers the overall estimated liability. Technology improvements and more effective project management have also contributed to the decrease in overall liability.

Current Estimated Liability

The liability study for the 2005 fiscal year estimated the claim liability to be $52 million. Of this estimate, $10 million is for short-term liability or claims payable within one year, and $42 million is for long-term liability or claims payable beyond one year.

The Fund has disbursed over $151 million in claims reimbursement against 3,441 eligible releases. In addition, over 2,000 of the eligible releases have received a no further action approval by BUSTR or otherwise have been closed. More importantly, the number of eligibility applications submitted each year has decreased significantly after the 1998 upgrade deadline had passed and has remained relatively constant over the past four years. As a result, while new liability is still incurred on an annual basis, claims payments in recent years are greater than the liability for new eligible releases. This is the major contributor to the reduction of our total liability.

We still, however, have substantial liability related to releases reported in earlier years. For example, the remaining estimated amount to be paid for eligible releases received in 1997 is about $8.9 million, while the estimated liability for eligible releases received in 2005 is only about $1.3 million. In addition, a large portion of the estimated liability is for claims anticipated, but not yet submitted to the Fund.

The "peaks and valleys" in the liability expense during the earlier years of the Fund are driven by a number of issues. For example, eligibility applications and associated liability estimates in 1997 are high in comparison to the previous three years because the one-year deadline for applying eligibility applications was implemented in that year, bringing many applications into the Fund in a short span of time. The steady decline since 2000 can be traced not only to a decrease in eligibility applications but also to BUSTR's risk-based corrective action (RBCA) rule, which has contributed to decreased corrective action costs. Several other factors were also at play, such as the federal tank upgrade deadline of 1998, which led many persons to pull their tanks and discover releases in years leading up to the deadline.

The Good News

At first glance, the $52 million liability might seem surprising; however, keep in mind that this is an estimate of not only claims that are currently in house, but claims that have not yet been, but are anticipated to be submitted to the Fund in the future. The fiscal year 2005 estimated liability of $52 million is about $11.9 million less than the 2003 liability of about $64 million. This, of course, is good news. If yearly claim payments continue to exceed increases in the estimated liability, the estimated liability will continue to decrease.

Looking Ahead

At the beginning of each program year (prior to the transfer and completion of corrective action for older eligible releases), the number of eligibility applications submitted each year is about 1,500. This is a significant decrease from the over 2,000 eligibility applications submitted each year in the past several years.

Financial Assurance Fund,
Continued on page 26.

Somebody needs to be professional!

By Ed Weglarz
AFPD Vice President of Petroleum

And that "somebody" is Us! As we face each and every day in our business transactions we must keep in mind that the need to be professional is paramount. The very nature of our business attracts customers that are in a hurry, perceived to be pressed for time, impatient, and unhappy with the required transaction (purchasing fuel).

We can contribute to the nasty attitude that they bring to our place of business, or we can attempt to, at least, change their perception of our business. Just as it takes two people to argue, it takes two people to continue to reinforce a marginal attitude. It is our responsibility to regularly and periodically train and retrain the front line employees who handle the day-to-day transactions at the counter to act positively.

Smile. Greet the customer when they enter your store. Talk to the customer in a pleasant manner. If you know their name or if they pay with a credit card, address them by name. Everybody likes to hear their name spoken, its music to their ears. Differentiate your business from your competitors by being the entity with the positive attitude.

Never, ever contribute to or reinforce a negative attitude projected by the customer. You must be the calming influence in all transactions. Nothing worthwhile is ever accomplished by arguing with a customer with a negative attitude. Even if a customer leaves with their bad attitude, at least you tried to turn the situation around, and later in the day they'll remember your efforts.

With the condition of the general economy in our geographical area many folks are in difficult situations with a resultant short fuse. In all our communications we must consider the feelings of the other party and treat everyone with respect and professionalism.
Study warns against gouging law
Could cost U.S. economy $1.9 billion, according to group

Congress may be moving forward with a law to penalize oil companies and gasoline retailers for price gouging, although a new study says doing so would cost the economy about $1.9 billion during a national emergency on the scale of hurricanes Katrina and Rita, reported the Associated Press.

The study, released by the American Council for Capital Formation, argues that such legislation would cause long lines at gas stations and fuel shortages reminiscent of the 1970s energy crisis. Oil companies, worried about being penalized for price gouging, would shy away from paying higher prices to bring in more supplies, the study said.

According to CSP Daily News, the study’s authors warned that price-gouging legislation would distort prices, causing energy companies some reluctance about exploring for new supplies.

“If price gouging legislation is enacted the penalty must apply at all levels of the supply chain, not just at retail level. Manufacturers, suppliers, wholesalers, and retailers must be held up to the same scrutiny,” said Ed Weglarz, AFPD Vice President of Petroleum.

Representative Bart Stupak (D-Mich.), along with 85 other House members introduced a bill that would establish the first federal law against price gouging by oil and gas companies, imposing criminal penalties and fines of up to $150 million for companies and $2 million for individuals, who also could face jail sentences. The House passed a similar bill last year, but it died in the Senate. Stupak’s bill would give the Federal Trade Commission (FTC) the power to investigate and fine companies and people who boost the price of energy. The rules would cover gasoline, heating oil, natural gas, crude oil and propane.

Stupak is optimistic that his bill will get through the Senate this year. “There is nothing in the legislation that would restrict the supply of oil to this country,” Stupak said. “All we’re saying is: Just justify your costs... If you can justify your costs, you have no fear of this legislation.”

The FTC said last year that a nine-month investigation revealed a smattering of gasoline-price gouging after Hurricane Katrina, but no widespread effort by the oil industry to manipulate the marketplace.

FTC Chairperson Deborah Platt Majoras has said a federal law against oil company price gouging would be difficult to enforce and could hurt consumers by causing fuel shortages. But she predicted in November that Congress would pass a price-gouging law despite her warnings that the nation doesn’t need one; 29 states have price-gouging laws, but they vary widely, and some go into effect only during emergencies.

Kroger not for sale?

Supermarket/c-store chain’s top exec says board has no interest in rumored buyout

The Kroger Co. is denying reports that the grocery and c-store company is planning to sell out to a private-equity firm. The Wall Street Journal said “a number of firms... have been eyeing Kroger...on the expectation that the company will soon begin exploring a leveraged buyout.”

In a letter to employees, David Dillon, chairman and CEO of Kroger, denied the report, saying, “I want you to know neither management nor our Board of Directors has any interest in pursuing a leveraged buyout transaction.”

North and South
We’ve got you covered!

The Dairymens and Meyer Dairy team produces delicious, high-quality fresh products, backed by world-class customer service! We’ll always reach your door on-time with 200 trucks servicing the Great State of Ohio.

Kroger

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AFPD’s Ohio selling trade show, attracting buyers from: convenience stores, supermarkets, gas stations, specialty stores, bars, restaurants and drug stores.
Welcome to the 1st Annual
AFPD Ohio Food & Petroleum Trade Show

Tuesday, June 19 from 2 p.m. to 8 p.m.

Free Tickets!
AFPD members will receive four free tickets in the mail, one week prior to the show. Non-members: call AFPD at 1-800-666-6233 and we will send you free tickets too. Admission is $12 at the door, so be sure to get your tickets early!

Free Parking!
Thanks to CBIZ, AFPD's Parking Sponsor, attendees can park in the Broadway or High Market parking decks. Bring your parking ticket to the AFPD Registration Booth for a complimentary parking voucher.

Special Hotel Rates
AFPD has negotiated special hotel rates at the Crowne Plaza Quaker Square, 135 South Broadway in Akron.
• Single or double: $99 per room per night
• Triple: $109 per room per night
• Quad: $119 per room per night
Call 1-866-668-6689 and mention AFPD to take advantage of this special offer.

Thanks to our sponsors:

home City Ice

Bag Sponsor
Your load is easier to carry thanks to USTI, our bag sponsor!

John S. Knight Center
77 E Mill Street • Akron, OH 44308

Attention Attendees!
Your ticket to the show is used for prize drawings and MUST be filled out completely!
To make registration quicker and more efficient, please fill out your ticket before arriving at the show. Attendees without a ticket must complete a registration form at the show.

★ Save money on show specials! ★
★ Sample new products! ★
★ Learn the latest industry trends! ★
These are just a few of the exhibitors and products at the AFPD Ohio Food & Petroleum Trade Show

Join us Tuesday, June 19 from 2 p.m. to 8 p.m. at the John S. Knight Center in Akron.
Don't miss your chance to see, sample, learn and buy!

A stop at the Frank Gates booth could save you money on rising Ohio workers' compensation premiums. The folks there will explain AFPD's group rating program, which provides the highest possible savings on your Ohio workers' compensation premiums. They offer a wide range of savings options, with multiple tiers, which can bring savings from 17 to 90 percent off your premiums. For more information, call 1-800-777-2823, ext. 721 or visit booth # 110.

Take advantage of AFPD's new, discounted dental plan that can cut your costs substantially. Through Dental Solutions, you and your employees can receive significant savings for less than $7 per month. Thousands of dentists across the country are a part of this program, so there is a good chance that your current dentist subscribes. To find out more, visit booth # 112.

With $3.7 billion in revenue, PepsiAmericas is the second largest Pepsi-Cola anchor bottler with operations in 15 countries around the globe. PepsiAmericas makes, sells and delivers a broad portfolio of Pepsi-Cola core brands, Cadbury Beverages and other national and regional brands in 19 U.S. locations as well as Puerto Rico, Jamaica, Barbados, the Bahamas, Trinidad and Tobago, Poland, Hungary, the Czech Republic and the Republic of Slovakia. In total, the company serves a population of more than 122 million people. See what PepsiAmericas can do for your store at booth # 209.

With a team of more than 44,000 employees and 33 manufacturing facilities in the U.S., Frito-Lay's dedicated sales force, powerful Direct-Store-Delivery system and world-class Operations teams make it the industry leader. Frito's mission "To become the world's favorite fun foods company," drives them to deliver sustained growth, through empowered people, acting with responsibility and building trust. Sample some great Frito-Lay products in booth #205 and 207 to learn how they can help your snack sales.

Enjoy a good cup of Joe with New England Coffee! Through Liberty USA, the New England Coffee Company provides premium-quality, 100 percent Arabica coffee, and for all your coffee purchases – you will receive a two-percent rebate! In addition, Liberty will give you one free month's supply of coffee every year and, all equipment is provided at no charge. To learn more, visit booth #108.

The Ohio Lottery Commission was created in May 1973 by a voter-approved constitutional amendment. The first tickets went on sale in August 1974. Today, the Ohio Lottery Commission offers customers a wide variety of instant games and on-line games to play at about 8,500 licensed retailer locations across the state. Since 1974, the Lottery has provided more than $14.5 billion to public education. Annually, they provide about 4.5 percent of the funding needed for public education – an effort shared by local, state and federal governments. Learn more about the Ohio Lottery and all their current games at booth # 114.

When it comes to dairy sales, independent Ohio retail members can now compete with the larger chains. Visit the Dairymen's and H. Meyer dairy booth to learn about AFPD's group purchasing power for low dairy prices, in addition to a two percent rebate on all purchases. Dairymen's covers the area north of I-70 and H. Meyer Dairy works with members south of I-70, so no matter where you are in Ohio, you can reap substantial savings with this program. See booth #109 for more information.

Enjoy a good cup of Joe with New England Coffee! Through Liberty USA, the New England Coffee Company provides premium-quality, 100 percent Arabica coffee, and for all your coffee purchases – you will receive a two-percent rebate! In addition, Liberty will give you one free month's supply of coffee every year and, all equipment is provided at no charge. To learn more, visit booth #108.

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Dairymen's

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Liberty USA currently services Pennsylvania, Ohio, West Virginia, Maryland, Delaware, New York, Kentucky and is growing! Liberty offers incentive programs that add more profits to your bottom line including a state-of-the-art food service program and monthly flyers timed to maximize your sales efforts to the selling seasons. A full-service convenience store supplier and exclusive AFPD supplier in Ohio, Liberty now introduces Cold Cow Ice Cream and DaVinci's Pizzeria.

Visit Liberty USA at booths 101, 103, 105, 200, 202 and 204. For more details, contact Liberty's sales department. Phone: 800-289-5872 or 412-461-2700, ext. 3, Fax: 412-461-2734, www.libertyusa.com, e-mail: salesmarketing@libertyusa.com

It's a one-stop shop at the American Communications booth. They offer complete turnkey programs for ATM's, air machines, payphones, and prepaid wireless terminals. American Communications will place any or all at your store at no charge to you. They will even provide the cash for your ATM and pay you for doing so. Visit them in booth # 100 or call Tom Twiss at 800-511-7790.

North Pointe Insurance Company, the endorsed carrier of the Associated Food & Petroleum Dealers for 19 years, will be available to discuss their new Gas & Petroleum Dealer Product, tailored to fit the needs of the Ohio station owner. Please stop by to hear more about this exciting new venture in booth # 203.

Sample the Velvety rich taste of Velvet Ice Cream! A fourth generation, family-owned company. Velvet Ice Cream has been making quality ice cream products in Utica, Ohio since 1914. Velvet will feature a variety of ice cream novelties from an old fashioned ice cream sandwich to new items such as the Toll House Cookie. Visit booth # 201 to satisfy your sweet tooth.
Visit Network Payment Systems at Booth # 208 to view the new Tranax Mini-Bank 1700 ATM. Lease prices start at only $69.00 per month or $2,995 to purchase. The Mini-Bank 1700 raises the bar for quality engineering and design. Built with the philosophies of durability, reliability and security you’ve come to expect from Tranax, the folks at Network Payment Systems believe that the Mini-Bank 1700 offers the absolute best value in its class.

At the USTI/Lyndall Insurance Agency booth, you will find answers to all of your insurance needs for your facility. After more than 15 years of providing solutions for Ohio Underground Storage Tank owner’s deductibles, they can clear any confusion you may have regarding your insurance requirements and deductibles. USTI/Lyndall has saved hundreds of Ohio AFPD members significant premium dollars on their entire insurance programs. They understand all of your requirements when it comes to property and casualty insurance. Please visit booth # 106. Thank you USTI for being our trade show bag sponsor!

Mike’s Hard Lemonade Co. is a Canadian-based manufacturer of flavored malt beverages. It is named after its flagship and original product, Mike’s Hard Lemonade. The “Mike’s” product line now includes Mike’s Hard Lemonade, Mike’s Hard Iced Tea, Mike’s Hard Cranberry Lemonade, Mike’s Hard Berry, Mike’s Hard Lime, Mike’s Light Hard Lemonade, Mike’s Hard Frozen Lemonade Mix, Mike-arita, and Mike’s Hard Crisp Apple. Stop by for a sample at booth # 217.

Ohio Bridgeway Power is the distributor representative for Cummins Power Generation Systems, a leading worldwide producer of generators systems of all sizes and types. Bridgeway Power; a Division of Cummins Bridgeway LLC., will be providing customers with business solutions for emergency backup power. These services include rental generators and associated equipment/service, 24/7 service/parts and maintenance and new stationary emergency generator systems. Make sure your business is ready to deal with the unexpected! Stop by booth # 206 for more information.

GroupOneRealty, Inc.

Are you considering the sale of your existing gas/convenience store operation or are you interested in buying existing fuel/convenience operations and want to know how or where to begin the process? Group One Realty, Inc. maintains a professional staff of brokers devoted exclusively to the art of mergers and acquisitions and site selection services. Whether you are considering entering the exciting fuel and convenience market, expanding on your present location holdings, or looking to exit the market, you owe it to yourself to consult with a professional. Contact Scott Hrabcał or Tim Weber of Group One Realty, Inc. 614-888-3456, or better yet, visit them in booth # 210. Professionals with the experience and market knowledge to help you reach your investment goals!

If you want to generate additional revenue and provide a convenience service to your customers, we invite you to join the Reliance Propane Cylinder Exchange Program. In its 15th successful year, Reliance Cylinder Exchange can provide everything you need to get up and running fast and stay up and running for years to come. Stop by booth # 211 to learn more.
Hunts Brothers Pizza

Now you too can offer hot, delicious pizzas to your customers. Hunt Brothers Pizza offers turnkey pizza operations for c-stores, including weekly service by a pizza consultant, inventory rotation, POS signage and in-store training. Stop by booths #401 and #402 to learn more.

Dan Dee Pretzel & Potato Chip Company is a family owned company that was started back in 1913. They carry a full line of tempting snack foods. Stop by booth #215 for a sample.

Reliable Oil Equipment, Inc. provides a full line of products from the leading manufacturers and offers an extensive range of services. See how Reliable Oil Equipment can be your one stop for fuel system equipment. Visit them in booth # 214.

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Cummins Allison Corporation is a US-based designer, manufacturer and distributor of automated money systems and productivity enhancing office machines. They provide coin sorters, coin counters, self-service coin kiosks, currency note counters, currency note scanners, bar code scanners, coin wrappers and much more. During the show, they will be featuring coin and currency equipment. Check out the latest at booth #403.

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Ohio motor fuel tax exemptions and shrinkage allowances

By Richard Ayish
APFD Ohio Lobbyist
The Success Group

Ohio’s Commercial Activities Tax Exemption on Motor Fuels is set to expire on June 30th, 2007

On June 30, 2005, former Governor Bob Taft signed into law House Bill 66, which contained his plan to reform Ohio’s taxes. The reforms called for a reduction in all Ohio personal income tax rates by 21 percent over five years. Various state excise taxes were increased and the 10 percent rollback on real estate taxes for most commercial and industrial property was eliminated.

However, the centerpiece of the plan was the creation of a gross receipts tax, called the commercial activities tax (CAT), which is described as a tax for the privilege of doing business in Ohio. The CAT tax is imposed on virtually all commercial activity in Ohio at a rate of .26 percent (.0026) when fully phased in on taxable gross receipts of commercial activity. The CAT tax is being phased in over a five-year period. Receipts from the sale of motor fuel are excluded from the CAT until July 1, 2007.

Ohio’s new Governor, Ted Strickland and the Republican leadership of the Ohio General Assembly have called for allowing the expiration of the exemption of motor fuel sales from the commercial activities tax. The CAT tax exemption for motor fuel sales will expire on July 1 without any official action by the Ohio General Assembly or the Governor. The Governor has included motor fuel CAT tax revenue in the budget that is currently being reviewed by the Ohio General Assembly, House Bill 119.

The expiration of motor fuel exemption from the CAT tax presents particular problems for independent service station dealers. Depending upon how many individual transactions happen prior to an independent dealer receiving a load of fuel, the commercial activities tax would be required for each transaction on the way up the supply chain to the customer. CAT tax may not be included as a separate tax such as itemized sales tax to a customer. Consequently, the cost of the CAT tax upon each transaction in the motor fuel distribution chain would be added into the cost of the product at each transaction in the supply chain and ultimately on to the consumer.

There have been discussions in the Ohio General Assembly and with the Strickland Administration to consider applying the CAT tax at the rack terminal to avoid the pyramiding effect of the CAT being applied at every transaction within the motor fuel distribution chain. This proposal had been rejected to date by policymakers. The CAT tax has been applied to all other vertical business models that move products through a supply chain and Ohio policymakers are firm that they will not create any

Motor Fuel, Continued on page 14.
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The exemption from the CAT tax for motor fuel sales is one of the original tax reform measures. Business privilege tax that is measured by a business' gross receipts and not net income. Businesses with annual taxable gross receipts of $150,000 or less are not subject to the CAT tax; those with gross receipts from $150,000 to $1,000,000 pay a minimum $150 tax; and receipts exceeding one million dollars are taxed at .26 percent (.0026) of gross receipts from the sale of motor fuel should be dedicated to the Ohio Department of Transportation, just as state gas tax revenue. This issue continues to be a debate between the Democrat Governor Strickland and the Republican controlled Ohio Legislature.

What Ohio AFPD members can do

The challenge to retain the motor fuel exemption from the CAT tax or carve out a specific exemption for independent dealers is significant, with both Governor Strickland and the leaders of the Ohio General Assembly in support of applying the CAT tax to motor fuel sales. However, independent dealers can and should contact their local State Representatives, State Senators, and Governor Strickland to express their concern with the CAT tax being applied to motor fuel sales. AFPD members should explain the difficult business environment in which they operate, particularly with your low margins and competition on the street from many of your motor fuel suppliers. You should also discuss the impact of the "big box" motor fuel outlets that may more directly receive motor fuel from a single source supplier and not be subject to numerous CAT tax charges along the supply chain. Encourage these policymakers to consider applying the CAT tax on motor fuel at the rack rather than permit a pyramiding of the CAT tax along the supply chain that ultimately hurts your business and your customers.

Ohio reduces evaporation/shrinkage allowance and raises vendor discount on motor fuel sales

The Ohio General Assembly has passed and Governor Strickland has signed into law changes to Ohio's evaporation/shrinkage allowance and an increase to Ohio's vendor discount on motor fuel sales. The changes were included in the Ohio Department of Transportation budget that will be effective July 1, 2009.

The Governor's transportation budget included a reduction in the evaporation/shrinkage allowance that compensates fuel retailers and wholesalers for product loss due to evaporation or shrinkage. The final version of the bill calls for a reduction in the allowance for wholesalers from the current rate of 1.3 percent to 0.50 percent and a reduction for retailers from 0.65 percent to 0.50 percent that they can deduct from timely tax filings to the state. The revenue generated from these reductions is to be dedicated to a funding shortage for the Ohio State Highway Patrol.

The legislation did include language that gives motor fuel retailers the opportunity to claim a vendor discount for motor fuel they purchase for the next two years. The discount equals 0.90 percent of the fuel tax paid on motor fuel purchased during each of the four semi-annual periods during the two-year period. July 1, 2007 to June 30, 2009. Refund applications must be filed with the Ohio Department of Taxation within 120 days after the end of each semi-annual period.
OSHA releases new “It’s The Law” poster

By Howard Cherry, CECM
Your Safety Director
Environmental Services of Ohio

OSHA recently announced publication of its new “It’s The Law” poster. The free poster, also known as the OSHA notice of employee rights, is required to be displayed in every workplace in America. Employers are not required to replace their existing poster with the new version.

The poster informs employers and employees of their rights and responsibilities for a safe and healthful workplace. Copies are available in both English and Spanish from OSHA’s web site, www.osha.gov.

OSHA has also posted an employer alert regarding recent high injury and illness rates. Approximately 14,000 employers around the U.S. received a letter from Assistant Secretary of Labor for OSHA, Edwin G. Foulke, Jr., alerting them of their high injury and illness rates. The letter encourages them to improve their safety and health performance. The notifications were based on data reported by approximately 80,000 employers surveyed by OSHA last year. Foulke said the notification process “is meant to raise awareness that injuries and illnesses are high at these facilities.”

If you received the letter and have further questions regarding your safety program, contact Howard Cherry, CECM at (800) 798-2594. Remember, if your employees have not been trained according to OSHA standards, you could be facing costly injury claims and poor equipment plus poor enforcement led to fatal tire accident

By Howard Cherry, CECM
Your Safety Director
Environmental Services of Ohio

Employees must have good tools and good rules to do a job safely. A worker for T.O. Haas, LLC, of Nebraska, was mounting a large tire on a steel rim. The tire wouldn’t seat properly against the rim flange, so the worker cranked up the air pressure to force it to seal. That’s bad. Worse still, the safety device that would have protected the worker from a tire explosion was either ineffective or he didn’t use it.

The over-inflated tire blew up, causing a fatal head injury. The company was fined $132,500 for allowing employees to inflate tires above maximum pressure level and for failing to remove an obviously damaged safety device from service. Do not let workers take risks with dangerously high pressures.

Here are some things to consider when working with air pressure:

• Never override the regulator on a compressor; it’s there for a reason.
• Double-check the accuracy of the regulator with a separate air gauge.
• When using air for cleaning purposes, pressure must not exceed 30 psi.
• On air hoses over one inch in diameter, an excess-flow valve must be installed at the air supply source.

For more safety information, contact Howard Cherry, CECM at (800) 798-2594.

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Unique jobber outfit is getting it done

By Paul R. Harvey
Ohio Correspondent

When three gasoline dealers with combined experience totaling over 100 years get together, a spirited discussion often breaks out concerning industry issues, solutions and opportunities.

One such debate led three seasoned Associated Food and Petroleum Dealer (AFPD) members to launch a unique gasoline jobber operation run by dealers for dealers. Jim Frisch, John Quinn and Gary Robson merged their talents in 1999 and founded Central Ohio Petroleum Marketers, Inc., a lean and mean business venture based on low overhead and great customer service.

"The three of us went to Marathon with a plan to become a Marathon jobber," said Frisch. "We made a commitment that at some point in the future, we would convert our sites to Marathon."

Early on, the trio planned only to supply the four stations owned between them, a plan that satisfied Marathon's requirements. At that time, Frisch's station in Hilliard, Ohio, was under construction; John Quinn's site in Powell, Ohio had an existing supply agreement with BP; and Gary Robson's stations in Dublin and Hilliard had existing supply agreements - one with BP and one with Shell. "We fully expected that my station would be the first one to fly the Marathon flag," said Frisch. "Almost immediately, we started getting calls from dealers who owned their own sites and had dealer agreements that were about to expire," said Frisch. "We talked to them about flying the Marathon brand, so even before we had our own stations branded, we converted two customers' sites to Marathon and started supplying them with motor fuel."

Each partner brought a unique perspective to the venture, along with the knowledge and scars from fighting daily battles in the gasoline retailing trenches. Frisch learned the supply side of the industry during his twenty years with Shell Oil. In the mid 1980s he jumped to the retail side and opened his first Shell lessee service station. Meanwhile Gary Robson and John Quinn were learning the industry from the ground up as independent dealers.

"We have a lot of experience in this business at the retail level, so we're faced with and understand the same set of problems that every retailer is facing. We're not just jobbers delivering fuel," said Frisch.

The new partners also were long-time supporters of their local and regional petroleum trade groups, and had always been involved in various brand meetings and events. After comparing their extensive network of central Ohio contacts, they realized they were sitting on an excellent target market for their new business.

At last count, Central Ohio Petroleum Marketers, Inc. was delivering fuel to 14 customers. A recent listing placed the company as the fourth largest Marathon supplier in Ohio.

"There's been a huge interest in our services, because we can offer everything that Marathon has to offer, and we're making some really good deals," said Frisch. "Now we're getting out there and generating some new business, mainly calling on existing dealers that have expiring supply contracts."

So how can the company negotiate such competitive supply agreements? "We're simple, and we're lean and mean," said Frisch. "Our office is based in Gary's Dublin retail Marathon site and we don't have lots of overhead like a gang of salespeople or maintenance people."

Further savings are gained by forging competitive contracts with outside carriers who deliver their fuel, and these economies get passed along to their growing list of satisfied customers.

Frisch noted that when a customer calls in, 90 percent of the time they reach Robson or his experienced assistant, Becky, rather than voice mail or an electronic phone directory. Quinn, who sold his retail operation a year ago to focus on the jobber business, and Robson share Frisch's excitement over their growing venture. All three believe the oil companies' eagerness to sell off their marginal sites is creating some interesting business opportunities for anyone with a little bit of capital and a willingness to work. "The three of us are constantly watching the market in search of additional deals that fit our unique mold," added Frisch.

So what advice does Frisch offer other AFPD members or young dealers just getting into the industry? "Get involved with the association," said Frisch. "The biggest thing is being a part of it and getting involved with the crucial legislative actions and the lucrative member programs. The association-approved programs -- like the convenience store supply program -- give members, in many cases, a much better opportunity to buy products at extremely competitive prices."

"We've had to work very hard to overcome some stumbling blocks," said Frisch. "The jobber business is just as competitive as the retail business because where margins for retailers have been squeezed, margins for jobbers have been squeezed razor thin as well."

As far as the gasoline industry's future, Frisch offered some advice. "I'm an independent guy. All I ask for is a level playing field. But I also have strong feelings for keeping politicians out of the business arena."

Considering Frisch's 42 years working in and serving the industry, he loves, the politicians would be wise to listen.

For more information about Central Ohio Petroleum Marketers, Inc., contact Gary Robson or Becky at (614) 889-1860.
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June 2007 | 17
A national coalition of associations representing independent petroleum marketers announced the formation of the Partnership for Uniform Marketing Practices (P.U.M.P.). The organization's focus is to ensure fair competition, cost-effective distribution and equitable treatment of consumers in addressing the issue of temperature variation in the sale of gasoline and diesel fuels.

Retailers have banded together to fight recent allegations that consumers are receiving less than they pay for as the result of retailers selling gasoline at temperatures higher than standard 60-degree reference temperature. Based on unverifiable data provided by the Owner-Operator Independent Drivers Association to the Kansas City Star, proponents are demanding that retail gas marketers install expensive automatic temperature compensation (ATC) devices, claiming significant, but unsubstantiated savings for consumers.

"This concept is a solution looking for a problem! The cost/benefit analysis of this scheme reveals that the capital investment for installation followed by the expense of maintaining and monitoring these systems far outweighs the benefit that might accrue to the motorist," said AFPD Vice President of Petroleum Ed Weglarz.

P.U.M.P. members maintain that there is currently no accurate or statistically reliable data to suggest that consumers are being adversely impacted under the existing system. Coalition members maintain that any variation from the 60-degree standard reference temperature balances out for consumers based on year-round, seasonal averages. The coalition further emphasizes that proponents of ATC ignore the fact that the costs associated with enforcing and implementing the proposed regulatory changes would most likely be borne by the very consumers they claim to be protecting.

The coalition is asking government officials and regulators to conduct a comprehensive cost-benefit study of the issue to determine the real costs to consumers compared to the benefits from ATC before any decision is made relative to the use of temperature compensation devices.

Demand for corn shifts food supply

The increasing demand for ethanol in the U.S. and Canada has led to record high corn prices, significantly affecting the food supply. Corn-based food products such as tortillas have become more expensive, and the USDA predicts that the scarcity of corn will lead to a sudden drop in meat production. "The Globe and Mail (Toronto)"
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A powerful merchandising focus in today's competitive marketplace is seasonal merchandising. Seasonal merchandising provides a great opportunity to increase general merchandise (GM) sales, profits and customers. But to realize its potential, it requires some attention, careful planning and administering, and targeted merchandising strategies and tactics. Many retailers take the 80/20 rule approach to seasonal merchandising, that is, they focus on what drives 80% of the potential volume and executing it very well, while intentionally ignoring the other 20% of the volume, as it takes a little more resource to achieve and retailers fear failure and loss of profitability. GMDC Educational Foundation's Seasonal Best Practices: A Plan for Seasonal Merchandising lays out tested strategies for planning and evaluating seasonal merchandise sales. The report focuses on seasonal merchandising for supermarkets and drug stores and suggests that retailers can establish a competitive advantage by developing seasonal offerings.

Here are some strategies for increasing your sales by using seasonal merchandising.

**Defined location.** Create a permanent space in your store for seasonal displays and stock, preferably in a prominent spot near the front of the store or in the center aisles. Customers will get in the habit of checking out the space every time they shop your store. You can use the same space for all holidays. The general promotional calendar for holidays is: Valentine's Day (Jan. 1-Feb. 14), Easter (Feb. 15-March 27, this year), early summer (up to Memorial Day), summer (through July), back to school (Aug. 1-Sept. 15), Halloween (Sept. 15-Oct. 31), early holiday (through Thanksgiving), and holiday (through New Year's). There has been a shift toward more at-home entertaining, so make sure you have enough inventory or can easily obtain it from your wholesaler.

**Micro-merchandising.** Not every seasonal event calls for a major display and promotional plan. When signs of spring start to show, for example, create a small display featuring suntan lotion and beach towels. Put seasonal items in smart places not just in the dedicated space. You might wish to put some of that suntan lotion nearby or a rack of umbrellas from the backroom. For example, you can display sunscreen year-round.

**Create a marketing timeline working backwards.** Develop a seasonal marketing calendar with milestones for the completion of your marketing materials and the launch of your promotions. You'll be able to schedule pre-holiday marketing tasks in advance and have plenty of time to complete them. Avoid the rush and last minute ordering, when suppliers run out of stock of items. You might even consider mapping out a strategy for the entire year in January, 2008. Immediately take an inventory or data of what sold during and after the season while it is fresh in your mind so that you don't reorder items that did not move for next year. If possible, evaluate sales performance weekly and compare to previous year to determine if you should start sooner or later.

**Determine and allocate your marketing budget.** Calculate what you're willing to spend on your holiday campaigns and estimate your desired return on investment. You may also want to try low-cost marketing strategies that you've never tried before like e-mail blasts, leaflet distribution, in-store celebrations and events, and personalized services like gift wrapping or gift consultation.

Create excitement throughout the year. Recognize holidays other than the "Big 4," including ethnic and religious celebrations such as Black History Month, Day of the Dead and what items are hot for those holidays. The general promotional calendar for holidays is: Valentine's Day (Jan. 1-Feb. 14), Easter (Feb. 15-March 27, this year), early summer (up to Memorial Day), summer (through July), back to school (Aug. 1-Sept. 15), Halloween (Sept. 15-Oct. 31), early holiday (through Thanksgiving) and holiday (through New Year's). There has been a shift toward more at-home entertaining, so make sure you have enough inventory or can easily obtain it from your wholesaler. Make sure that your employees are equipped to deal with order processing, shipping, and customer calls regarding the availability of seasonal merchandise in your store.

**Make it easy on customers to buy.** Give them choices, suggestions, and a simple buying process. Gift-buying can be stressful for some people. Take the headache out of shopping for someone special by giving your customers ideas. Offering gift certificates is a great way to ease the burden of shopping and the cost of preparation is minimal. Not only will harried shoppers buy, they'll be forever grateful and loyal.

**Seasoned to Taste—Think out of the Box.** Don't just think of the common seasonal items. Think about other store items you have that can be changed up a bit. What types of beef cuts are popular during a given time of year? What beauty and health care items are aimed at, can the store be sold during that season or holiday? Display these items prominently and use seasonal signage to attract customers to the display.

**Clean up when the Party is Over.** Immediately after the holiday is over, discount all the seasonal products if those products are no longer in season. Craft a good exit strategy for "getting out of the merchandise once the season is over...because then of course it is time for the next season."

**Seasonal Merchandising should not be haphazard; it should be well planned and organized as anything else you do as a retailer. But before going out and selecting items, you need to have an understanding of what shopper needs are for seasonal merchandise.**

**What's Hot for this spring and summer season**

- **Suncare Products, Depilatories and Ear Care Products** complement summer merchandising and appeal to consumers who spend their summer outdoors. Also, make sure you have first aid accessories (bandages), first aid treatments (bug sprays and other ointments) and lip balm. Allergy remedies during the spring cause customers to look for OTC allergy relief, so have a supply available.

**Continued on next page.**
Seasonal Merchandise,
Continued from previous page.

To supplement regular items. Spring cleaning is an under-promoted activity. Cleaning supplies in general have grown at the rate of 15-20% a year during the last 5 years. In both food and drug, GM and grocery items can be displayed together to increase the basket purchase. Providing supplies are a good category for all demographics segments, all income groups and it requires little markdown risk.

Consider planning Mother’s Day, Father’s Day and Graduation Themes together. These events have common merchandising attributes: All three are good greeting card events. Consult with your greeting card company in planning and execution. All three have a strong gift component. Promoting Health & Beauty Care (HBC) products are great opportunities for these celebrations. Of course floral on Mother’s day is a no brainer.

Mother’s Day—May 13. For the basics bring in greeting cards and gifts. For expanded seasonal sales, you can bring in small appliances, handbags and cosmetic bags, jewelry, hair accessories, fragrances, cosmetics, hand lotion, bath products, candles, gift wrap and bags, party goods, videos, books, picture frames, disposable cameras. Father’s Day—(June 17) greeting cards and barbecue accessories are hit. If you have more space, you can include a barbeque, videos, books. Tie in other departments for these holidays such as floral, bakery, liquor, wines, meats.

Although holidays and the four seasons are prime targets for seasonal merchandising and are viewed by retailers as seasonal events for ordering special merchandise, you should experiment with seasonal merchandising programs for other events such as graduations, popular TV Programs, sports events, etc. For Graduations (May and June), hold weekend spots for special merchandise for your customers’ during May and June. Whether graduating from high school, college or grad school, graduation is a big deal and deserves a celebration. Graduation Day is big for greeting cards and gifts. For expanded merchandising you can carry themed party goods, books, videos or other party solutions.

Memorial Day—May 28 and July 4. In the weeks leading up to Memorial Day and Independence Day, you should take the time to really give your meat department a seasonal make-over. Stock your case with all the top grilling cuts. Display items such as charcoal, marinades, barbecue sauces, rubs and cheeses or attractive party platters nearby. Add signage reminding customers to pick up a full propane tank for their gas grills or suggest that customers cook their entire meal on the grill. Suggest veggies that are known to grill up well, like corn on the cob, onions, peppers, eggplant and asparagus. If weather permits, host a grilling

Seasonal Merchandise,
Continued on page 28.

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Ohio county auditor keeps watch over public funds

By Kathy Blake

Joe Testa has a big responsibility as county auditor of one of the largest counties in Ohio, Franklin County. He takes it in stride and still finds energy to work on legislative issues at the state level.

As an active member of the County Auditors’ Association of Ohio, he’s held offices, including president in 1998. He was vice president and co-chair of the legislative committee in 1997 and has sat on the legislative executive committee since 1992. “I have spent a lot of time on legislative issues; either introducing new initiatives or fixing existing ones,” said Testa.

Tax abatements

When he was first elected county auditor in 1992, Testa noted that there was not much accountability for companies that had been granted tax abatements. “When I took office, the abatement programs were very sloppy,” explained Testa.

He worked on legislation to strengthen Tax Incentive Review Councils (TIRC), comprised of school board and other local government officials designating the county auditor as chairperson.

The TIRC’s in the state have the duty of making sure the companies are fulfilling their agreements for the reduction in taxes. “You have all these businesses that are doing what they’re supposed to do without abatements. Our job is to make sure the ones with abatements hold up their end of the deal,” said Testa.

If the companies haven’t met their obligations, they first get a warning. Then the council recommends to the government that their abatement be modified or removed.

County Auditor responsibilities

The duties of a county auditor cover three main areas: real estate functions including property taxes; fiscal accounting including payroll; and consumer services including retail licenses and weights and measures.

It is the duty of the auditor to assess and appraise all real estate for tax purposes and to distribute the revenue to schools, services and government. The Auditor also manages levies – once they are approved by voters – for fire departments, libraries, etc.

The auditor is the chief fiscal officer for the county. In Franklin, that includes $1.1 billion in funds. “We pay the county’s bills, perform payroll functions, including retirement benefits and write the annual report. We follow the state of Ohio’s accounting rules for counties and IRS regulations,” explained Testa.

The Office of Auditor issues vendor licenses for retail stores and the auditor is the Sealer of Weights and Measures for the county.

Weights and measures

In Franklin County, Testa employs five inspectors who use highly accurate equipment to test and inspect commercial weighing and measuring devices including grocery store scales and gasoline pumps. The state assists in the testing and inspection of vehicle and livestock scales, fuel meters (fuel oil, gasoline and L. P. gas) and packaged consumer goods.

Franklin County with a population of 1.1 million, includes the city of Columbus but the city has its own Weights and Measures inspectors. The inspectors make unannounced visits. “Retailers know we’re just doing our job. Our relationships with merchants are very good, our inspectors develop a rapport. We don’t want to unnecessarily interfere with their commerce,” said Testa.

He said that grocery scales are sometimes three to five percent off. “Merchants don’t want to give away product either. If we find things that are wrong, then we give them the results and they contact us before they put it back in service.”

Testa’s office enforces volumetric fuel testing. Testa said, “We can conduct additional fuel testing but we can’t enforce it. If we find gas pumps where the fuel is being sold at 92 octane but it’s actually 89, we can’t do anything to stop them. Since it’s being advertised at a higher octane and priced higher, it should be that. We’ve had several bills in the Ohio legislature for this through the years. We’ve got bills in the hopper again this year,” said Testa.

County Treasury accounts

Another issue that Testa has worked on is getting all funds that are managed by the county, to be kept in the county treasury. Currently, some office holders can make separate checking accounts outside the treasury. “All public funds should be in the public treasury. It is a tool to protect taxpayers, you need checks and balances,” maintains Testa. “When you have outside accounts, it’s an invitation to abuse.”

Testa explained that county government is set up with the board of commissioners handling the appropriations for the county. They approve the budgets for county agencies. The treasurer is in charge of collecting taxes and investments and the auditor dispenses funds and does the county’s accounting.

Background

Joe Testa grew up in Melbome, Florida. He started out working at Kennedy Space Center while attending college in Florida. He then enlisted in the U.S. Navy during the Vietnam War where he was a supervisor of an Aircraft Weapons System Team and received a Vietnam Service Medal for his efforts. Then he went back to his job at the Bendix Corporation where he was a quality assurance technician, testing launch support equipment for the Saturn V Rockets of the Apollo space program. He finished college at the University of Central Florida, earning a Bachelor of Arts in Public Administration in 1975.

Testa moved to Ohio and took the position of assistant employee relations manager at Stokely Van Camp in Columbus, Ohio, from 1976 to 1981. The plant he worked at produced edible oils such as soybean oil and oil products used in margarine. He took his first job with Franklin County in 1981 as Chief Deputy Recorder. He was re-elected again last fall for another four-year term.

He received his Masters of Human Resources from the Ohio State University in 1998. He is currently an adjunct faculty member at Columbus State Community College and Ohio State. He teaches a class called “Strategic Management” to graduating seniors at Ohio State. “When you teach a class, you get as much out of it as you give,” said Testa.

Joe Testa is married, has twin sons and three granddaughters. He keeps physically fit by running every day and has run marathons in the past. He enjoys working on home improvements.

To reach Joe Testa, call (614) 462-7399 or email joe_testa@franklincountyohio.gov.
KANSMACKER 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.

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  - Front Unload W/Side Glass: 67" x 72" x 34"
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- Rear Unload W/Side Glass: 47" x 72" x 54"
- Rear Unload W/O Glass: 47" x 72" x 34"

**VOLTAGE**

110-115V 1 Ph (Standard Outlet)

**PERFORMANCE/CAPACITY**

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- Cans—50+/minute—Holds 720

**KANSMACKER MINI 3-in-1**

- **STYLE**
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- Rear Unload W/Rear Glass: 32.5" x 72" x 53"
- Rear Unload W/Side Glass: 53" x 72" x 33"

**VOLTAGE**

110-115V 1 Ph (Standard Outlet)

**PERFORMANCE/CAPACITY**

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Faygo celebrates 100 years with Centennial Soda, debuts Diet 60/40

To commemorate its 100th year, Faygo has introduced Centennial Soda, with a special label designed by Jodi Miller, a fourth-grade teacher who won Faygo's label contest last year. In addition to the unique label design, the back of the Centennial Miller, a fourth grade teacher who won Faygo's label book, which boasts Faygo's new recipe 60/40, Grapefruit Faygo pop.

Faygo has also issued grapefruit and 40% Lime Soda (60% time for summer. For 100 recipes using 120 pages and over contact your Faygo representative at (313) 925-1600.

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Financial Assurance Fund,
Continued from page 5.

July 1st, the Board sets a budget for expenses including expenses for claim payments in the upcoming year, operational costs (staff salaries and rent), and an annual $6 million debt service expense related to bond sales in 1993 and 1998. For claims payments, the Board must set aside money for claim payments on a yearly basis. The amount is a function of the estimated revenue from annual fees and the budgeted expenses for each year. While I cannot guarantee what future obligations might be, let us assume as an example that claim payments are budgeted for each fiscal year as follows: 2007-5.9 mil; 2008-5.9 mil; 2009-5.6 mil; 2010-5.7 mil; 2011-5.7.0 mil; 2012-5.7.0 mil; 2013-5.7.0 mil.

Assuming payments are made as above and conservatively assuming that approximately $3.5 million in new liability is incurred each year, the Fund will continue to make progress in reducing the liability by about $3 – $6 million per year. Also, after fiscal year 2013, the $6 million annual debt service expense for bonds will be retired and may be used for claim payments. Based on a similar analysis, the Board has determined that a fee increase will not be needed for the next program year. In fact, under this assumed scenario, a reduction in tank fees might become appropriate after about five years.

Of course, no one can predict the future, but for now we can be cautiously optimistic about the claim liability and the future of the Fund.
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Seasonal Merchandise,
Continued from page 21.

demonstration in front of your store. During these holidays, customers purchase beverages, snacks, desserts, cake pans, and themed decorative supplies such as red/white/blue tableware, American flags, etc. They may also purchase high-ticket items needed to host a great party, e.g., barbecue grills and patio furniture. Don’t forget the sunscreen items and insect repellent so they can enjoy their party.

For you manufacturers or suppliers out there, you also should capitalize on seasonal sales by planning, packaging and forecasting. Seasonal marketing generally has longer lead times than traditional promotional windows. Work with your retailer to plan and provide seasonal merchandise in a planned fashion.

Seasonal Merchandising is not just for the big boys.

For convenience stores, highlight products suited to the current season or approaching holiday. At this time of year, c-stores should be featuring a power wing stocked with peak-of-summer products such as suntan lotion, “cool” sunglasses and other beach or pool related items. The c-store industry can do a much better job of seasonal merchandising, in part by modeling seasonal and impulse merchandising with the likes of stores such as CVS and Walgreens. These chains emphasize seasonal merchandising and use shelves, including end caps and power wings, to put impulse items in high-profile positions—things that will make you say, “I’ll take one of those.” Many c-store operators are daunted by the prospect of changing product and presentation frequently. Sure, it requires additional work, but if you wish to make more money, this is what you have to do.

For more information on improving your efforts at seasonal merchandising, I highly recommend that you read the GMDC which includes detailed seasonal event planning ideas, action steps, product suggestions, promotional ideas, a calendar of holidays, and other tools. You can find the report at their web site at http://www.gmdc.org (click on Education and then Studies).
Lottery completes best six months ever

Some of you may have read a recent article in the Detroit News about our very significant Lottery sales. I am proud that we have just completed the most successful six month period in the 34-plus year history of the Lottery. And as a result, we are on track to set yet another record year, our fourth consecutive. Halfway through the state fiscal year, our sales are nearly $1.2 billion, up 3 percent from last year's pace.

There are a couple of reasons for this success. Although it is in its fourth year, Club Keno sales continue to grow by double digits. And the Millionaire Raffle has far exceeded expectations.

Congratulations to all! In a time when state government is suffering terribly, the Lottery is a successful, efficient business operation.

Depending on publication date, the Lottery’s second Millionaire Raffle drawing may have taken place by the time you read this. In any event, this is still a great opportunity for us to congratulate everyone involved in making the sales of that second game among the most rapid of all raffle games in the country. Michigan’s 600,000 tickets sold out in just six days. We anticipated brisk sales, since the first game’s 500,000 tickets were gone in 11 days, but the six days was a surprise to even the most optimistic among us. Watch for information in the coming months about another Millionaire Raffle from the Michigan Lottery!

New instants: The Detroit Tigers instant ticket launched on Opening Day of the 2007 baseball season and sales have been brisk. Some upcoming games to watch for:

- Mom's The Word, a $5 ticket with top prizes of $200,000, goes on sale April 16. This will make a great Mother’s Day gift. Also on sale April 16 is 5 Star, at $1 with $5,000 top prizes. April 30 will see a new twist, the $10,000,000 Game Book. For $20, players get a sampling of eight of our most popular Cashword and Bingo style games. Included in the $10 million in total prize money are top prizes of $500,000 and 200 prizes of $10,000. Also on April 30, two $2 games, $30,000 Bingo and Silver & Gold, go on sale. Top prizes are $30,000 and $25,000 respectively. On May 14, $35 Million Riches, with $35 million in total cash prizes, will go on sale for $20, as will Triple Tripler, with top prizes of $3,333, for $1.

- Rounding out May will be Corvette Cash, a $5 ticket that offers a Corvette C6 Convertible as the top prize, and 5 Card Stud, a $2 ticket with top prizes of $30,000.

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.
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