More counterfeit foods crop up

USA Today reports that counterfeit foods - products that manufacturers have deliberately mislabeled to increase their profit margin - are becoming more prevalent. The products that were mentioned as being counterfeited most often include seafood, olive oil, honey, maple syrup and vanilla. Seafood was described as "the most frequently faked food Americans buy."

Furthermore, cases of "100 percent olive oil" were found to actually contain 90 percent soybean oil. It is expected that the frequency of such foods finding their way into markets and homes is likely to increase as the economic downturn continues.

AFPD Coupon Redemption

Improved coupon redemption program pays retailers an additional 5 cents per valid coupon

Make money and save time by letting AFPD professionals handle your coupons!
- The Associated Food & Petroleum Dealers (AFPD) Coupon Redemption Program eliminates a retailer's time consuming and costly chore of sorting, counting, and mailing coupons to individual manufacturers. It also reduces the volume of accounting records retailers must keep, leaving you with more time to effectively manage your retail business.
- **Plus AFPD will PAY YOU 5 Cents for every valid coupon you redeem through us!**
- Our program is simple. Here's how it works:
  - Call our office and speak to Harley Davis then fill out our survey.
  - You package and mail your coupons to the AFPD office.
  - We take care of the coupon sorting and mailing for you.
  - We then send you a check for the amount of the coupons redeemed, minus a security deposit for any potential charge backs.
  - At the end of the year we will release any security deposit you have remaining.
  - In addition, at the end of the year, we will send you a check for the number of valid coupons you redeemed through AFPD (5 cents per coupon!)
  - Should a problem occur, our dedicated coupon staff is here to assist you.
- **BONUS:** You will receive the face value of your coupon plus 5 cents for each valid coupon you redeem through our program!

Taking coupons allows you to compete and now the AFPD Coupon Redemption Program WILL MAKE YOU MONEY! We do all the work, and you GET PAID!

The AFPD Coupon Redemption Program has been successful for more than 25 years. We hope you will take advantage of our program and allow us to make money for you today!

Call Harley Davis or Jane Shallal at the AFPD Office Today!
1-800-666-6233

Michigan Business Tax exclusions

Michigan SB 1038 Now Excludes Mandatory Taxes Collected by Businesses from definition of "Gross Receipts" - 3 year phase out solution reached

AFPD has been pushing hard to get a fix to the problem of retailers being taxed on the taxes and fees they collect for the state in the gross receipts base of the MBT. Senate Bill 1038, a bill supported by AFPD, was finally passed and will phase in the removal of taxes and fees from the gross receipts base over the next three years.

In a nutshell, the Michigan Sales Tax on all applicable items; and, the Michigan State and Federal Excise Taxes on cigarettes, tobacco products, motor fuel, beer, wine, and liquor can be deducted from the "Gross Receipts" base, thereby reducing your MBTax liability. These deductions will be phased-in over a period of 3-5 years, specific to the category. In 2008, business are allowed 50% of those deductions from the calculation of 2008 MBTax liability. It's important that you consult your business accounting professional to determine exact applications to your business. Removing the taxation of various mandatory taxes collected by retailers and required to be paid under the MBT was a priority for AFPD this year.
Sky-High Sales.
New Over the Moon Milk.
Richer taste yet low fat.

Indulge your customers with the rich, creamy taste they crave — with healthy lowfat and fat free milk they'll feel good about drinking.

- Consumers are looking for healthier solutions
- Spending on value-added products remains high
- Product has had instant success, with a 70% repeat purchase rate

For more information about Country Fresh products, call 1-800-968-7980.
We are moving quickly through 2009

Things have been happening very quickly in our industry and in our lives, for sure. At the start of every year, I make it a point to write down a list of things that I want to accomplish in both my personal and professional life. As the year progresses, I monitor these lists and make the necessary adjustments to achieve my goals.

Here at the AFPD, we have our own lists that we are working on. With our new COO Auday Arabo in place we have established the planks upon which your association will grow as it closes out its first century. The initiatives are clear as I see them

1) Grow our membership – Through enhanced programs, which are being designed, and implemented continually, membership in your association will continue to carry great bottom line value for your business.

2) Relationships in Lansing and Columbus – So many things are happening politically that it takes the continuous efforts of our President, Jane Shalait and our lobbyists to stay on top of them. These are items that DIRECTLY affect the day to day operations of ALL of your businesses. Be assured that we are at the helm as we work with the politicians making these decisions.

3) Vendor Relationships – Working together with our vendors to put together value-added partnerships that benefit both the retailers and the suppliers is more important now than it ever has been. Retailers need to be very attentive to carrying the items that keep them competitive and suppliers need to keep service and pricing structures at levels that are fair to keep competition healthy amongst their customers.

These are tall orders to achieve and to implement but without continuous work on all of the above, we will not succeed. I believe we will be successful.

Fuel surcharges

I want to address a very important issue that has arisen in our industry in the past couple of years that has had an adverse impact on businesses run by suppliers and retailers. That issue is fuel costs. Now that fuel costs are down significantly, at least to levels that they were before, fuel charges were added to keep customer’s invoices.

Many suppliers have ceased the surcharge and we appreciate this consideration. However, some suppliers have continued to charge the fuel surcharge. As fuel prices are now down, it would go a long way with a lot of customers to remove these during this tough economic time.

Getting back up

The business climate continues to be tough out there. We all know it. It’s nothing new. We go at it everyday at our businesses and there are times when our efforts can be less than rewarding. This is nothing new.

At home the other night, I was channel surfing and came across (to my delight I might add) a “Rocky” movie. Any man who is a REAL man stops and watches ANY “Rocky” move (“Rocky 5” and “Rocky 6” not so much, but I don’t want to turn the column into a movie review that’s just my personal opinion). This was “Rocky 3” and Clubber Lang (played by Mr. T) had thrown a beat down on the champ earlier and taken away his belt. Rocky was defeated, he was down and at one point said “It’s over.” He looked deep down, he found the nerve and courage to fight Clubber again.

In his second fight with Clubber, he is getting beaten badly again. He appears headed for defeat, but after a few more punches to the head he realizes that he has taken everything Clubber has. Long story short, he digs deep and finds the strength to turn it all back on his opponent, eventually beating him and regaining his title.

How does this tie in to our business? Simple. Are we all willing to come back? Are we all willing to take everything that is thrown at us? Do we believe that we can overcome the obstacles that face us?

In order to achieve, you must believe. Believe in family. Believe in friends. Believe in love. Whatever you believe in, just believe. I’m sure many of you will let me know what you think about this analogy but really. Do you believe?

Finally, I want to congratulate Auday Arabo and his wife Olivia on the birth of their first child, a little boy Augustine. May God bless him and always keep him safe.

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USDA Announces Country of Origin Labeling Details

The United States Department of Agriculture recently announced details of the final regulation for the mandatory country of origin labeling (COOL) program, that becomes effective on March 16, 2009.

According to the announcement, "The rule covers muscle cuts and ground beef, lamb, chicken, goat and pork, wild and farm-raised fish and shellfish; perishable agricultural commodities (specifically fresh and frozen fruits and vegetables), macadamia nuts, pecans, ginseng and peanuts. Commodities covered under COOL must be labeled at retail to indicate its country of origin. For fish and shellfish, the method of production — wild or farm-raised, must be specified. Commodities are excluded from mandatory COOL if the commodity is an ingredient in a processed food item."

Excluded from COOL labeling are items derived from a covered commodity that has undergone a physical or chemical change — such as cooking, curing, or smoking — or that has been combined with other covered commodities or other substantive food components such as chocolate, breading and tomato sauce. Also exempt are food service establishments, such as restaurants, lunchrooms, cafeterias, food stands, bars, lounges and similar enterprises.

Calendar

- March 23 & 24, 2009
  Food Marketing Conference
  Western Michigan University
  Contact: Dan Reeves
  1-800-666-6233

- April 27 & 28, 2009
  AFPD’s 25th Annual Michigan Food & Petroleum Trade Show
  Rock Financial Showplace, MI
  Contact: Auday Arabo
  1-800-666-6233

- May 7, 2009
  AFPD’s 3rd Annual Ohio Food & Petroleum Trade Show
  I-X Center, OH
  Contact: Auday Arabo
  1-800-666-6233

March is...

- National Caffeine Awareness Month
- National Flour Month
- National Frozen Food Month
- National Noodle Month
- National Nutrition Month
- National Peanut Month

Statement of Ownership

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AFPD works closely with the following associations:
A ‘Wave’ of Innovation

Following on Gulf Oil Co.’s realignment with Cumberland Farms, the company is rolling out new concepts in store design and gasoline marketing to facilitate a healthy future. Company CEO Joe Petrowski told CSP Daily News the company is close to opening a brand new store concept, while also unveiling a secondary gasoline brand called Wave.

Petrowski said Gulf created Wave as an alternate brand for three reasons: “A lot of the Wave [stores] will be sites that don’t qualify for the Gulf brand,” he said. “They’re smaller sites, because [the Gulf brand] has some standards as far as canopy, pumps and volume.”

Profit-margin malaise

While petroleum wholesalers see healthy sales, gas station profits are slow to grow

In a year when many industries struggled, petroleum wholesalers ranked fourth strongest in sales growth in a report analyzing private companies in 1,600 industries. However, both petroleum wholesalers and gasoline stations found themselves in the bottom 30th percentile of industries based on pretax net-profit margins in the overall United States.

“Those two industries have some of the lowest net-profit margins in the country,” Melinda Crump, a spokesperson for Sageworks Inc., told CSP Daily News. According to database information from Sageworks, private U.S. petroleum product merchant wholesalers saw sales grow 16.49% during the 12 months ending Dec. 1, 2008. That’s fourth highest in the company rankings, behind farm product raw material merchant wholesalers (20.99%), cattle ranching and farming (19.71%) and support activities for mining (18.63%).

However, the same industry saw its pretax net-profit margin grow only 1.36% (fifth lowest on the list), and gasoline stations ranked seventh lowest on the same list with net-profit-margin growth of only 1.72%.

Sageworks, a financial analysis firm in Raleigh, N.C., ranked 1,600 industries by their sales growth or decline. The data is aggregated via accountants in Sageworks’ subscriber base based on their work with clients in each industry.

More major mergers?

Remember the old children’s song that goes “there was an old lady who swallowed a fly?” She then swallows a spider to eat the fly, a bird to eat the spider, a cat to eat the bird and so on. According to CSP Daily News, a scenario reminiscent of that could play out with the major oil companies.

Among other economic predictions for 2009, Business Week is predicting more petroleum-industry mergers.

The publication said, “With the rapid collapse of oil prices, and the resulting financial pressures, expect two or more mergers among Big Oil. Our best guess: Royal Dutch Shell buys troubled BP, in part to avoid regulatory issues that could come from merging with a U.S. oil company.”

Niche Marketing And Flexibility

By Ed Weglarz
APFD Executive Vice President of Petroleum

In today’s marketplace the owner/operator must be flexible and ready to satisfy the ever-changing needs and wants of the customer.

Customers are changing the criteria they employ in deciding their purchase selections. The easiest way to determine customer preferences is by asking the customer what they want! The advantage the small, local retailer enjoys over the mass merchandisers is flexibility and the ability to initiate changes quickly. We need to capitalize on that advantage. ‘Big Box’ stores take weeks or months to affect a change.

Customize your offerings to the wants, needs and desires of your customers. For example, because of this challenging economy smokers may want to try the lower priced “generic” brands of cigarettes rather than the traditionally priced popular brands. Consider stocking more brands/types of the generic cigarettes.

Talk to your suppliers about running specials and ask them to participate in the discount.

Customers are seeking value more so than ever before. Oftentimes this means the lowest price. Do price surveys in your marketing area to be sure you are competitive on the most popular items.

Consider initiating some sort of customer loyalty program. Perhaps a punch card that, when completely punched, offers a FREE coffee or cappuccino. Customers like the opportunity to earn free stuff. Set up a program that allows them to do that.

In the vehicle repair business motorists are also strapped for cash. But, since many customers may find it difficult to get financing for a new, replacement car, they need to keep the older car running. Vehicle maintenance may be a new arena for drivers who previously leased their vehicles. You need to educate them on the safety and convenience of having regular maintenance addressed on their car. Do the math with them, to show them how the big ticket items that will prepare the car to last a couple more years, is probably less than their previous monthly car payment.

Try to point out that neglecting maintenance on cars actually increases the cost of the ultimate repair bill, since salvageable parts are often totally destroyed attempting to squeeze out that last 10% of its useful life.

You can’t be all things, to all people. Concentrate on developing a niche market to satisfy the customer’s wants and needs in your trade area, and work on promoting those offerings.
Dealers look to recoup losses

The price for crude oil keeps falling, and that means good news for gasoline stations, who now have a chance to earn back some of the lost revenue from when crude oil rose above $100 a barrel, the Indianapolis Star reports.

Dealers are hoping to recoup previous losses by keeping pump prices level even as oil prices fall. "Crude prices went up so fast that at the retail level retailers couldn't keep up. So many times they were selling at a loss," said Linda Casey, communications director for oil refiner Marathon. "As crude prices come down, retailers are hanging on to cover some of the losses incurred last year."

Plentiful oil supplies mean that gasoline prices could drop even further than they are now, but most gasoline stations have kept their prices firm.

Energy analysts forecast that crude oil prices will once again increase when the economy recovers and OPEC members agree to produce less oil.

During July, crude oil prices reached more than $145 a barrel, with pump prices exceeding $4 a gallon for regular unleaded.

Gazexs and small car sales

At the Detroit International Auto Show, carmakers appeared receptive to the idea of higher gasoline taxes, a move that they said would shift buyers toward fuel-efficient, smaller cars. USA Today reports.

In conjunction with stricter government regulations regarding fuel economy and the recent spike in gasoline prices, automakers shifted their focus to developing technologies that produce fuel-saving vehicles. But with the price of gas now on the decline, consumers are shifting toward larger cars, crossovers, and trucks — a trend that has the auto industry concerned.

General Motors CEO Rick Wagoner commented that taxing gasoline or providing rebates on smaller, fuel-efficient cars "is going to be the most effective way to move the needle [small car sales]." The technology required to develop fuel-efficient cars comes at a price premium for automakers, who are counting on consumer demand to compensate them for their investment.

But consumers respond to gas prices. When they’re at their highest levels, they look for fuel-efficient cars, but when the price of gas falls, they steer toward SUVs and larger vehicles.

"We watched the consumer stampede to fuel efficiency in May, and now the herd is getting ready to stampede back to their old way," said Mike Jackson, CEO of AutoNation, a car-shopping Web site.

Federal tobacco tax increase would hurt industry

If Congress passes a measure to enlarge the State Children’s Health Insurance Program (SCHIP) by raising federal cigarette and tobacco taxes, the result would cripple several industries, including convenience stores, writes Scott Ramminger in the Buffalo News.

NACS is among several trade organizations that listed as the increase of the federal tobacco and cigarette tax.

Ramminger, president of the American Wholesale Marketers Association (AWMA), wrote that the result of such a bill would "be major sales reductions, massive layoffs, numerous store closings and many more robberies because of the much higher value of tobacco products."

AWMA supports the SCHIP expansion, but not at the price of raising the federal excise tax on cigarettes, cigars, pipe tobacco, smokeless tobacco and roll-your-own tobacco. Ramminger listed several ways that the "economic impact on the entire tobacco industry will be disastrous."

First, higher taxes would result in a drop in retail sales of tobacco, which would impact industry jobs. Second, the value of tobacco products held in inventory would significantly increase, making warehouses, delivery vehicles and retailers more likely targets for crime. Third, more taxes on tobacco products will drive consumers to the Internet and black market to purchase products. Fourth, raising tobacco taxes will disproportionately affect the poor, given that more Americans in the low- or middle-income bracket purchase tobacco products.

Ramminger concluded with this plea: "Our organizations implore Congress to reauthorize SCHIP without imposing disastrously large tax increases on tobacco products."

Change in Michigan Petroleum Sales Tax withhold calendar

During the lame-duck session at the very end of December, the Michigan State legislature passed a bill that included amending the time frame within which the Michigan Petroleum Sales Tax Withhold amount will be reviewed.

From April 1 forward, the rate of prepayment of the Sales Tax Withhold shall be determined every three months by the Treasury Department, unless the average retail price of gasoline has changed less than 10% from the previous determination. The present review sequence was every 6 months.

This new approach, supported by AFPD, will more reasonably reflect the nuances of the marketplace, where reducing the situation presently in place where the State is holding about 10 cents per gallon of gasoline sold, above the actual retail, for periods averaging 40 days. Hopefully, this change will help cash flow issues for gasoline retailers.

NACS report says motorists are more price savvy

While consumers believe that marketers make much more money than they actually do — they don’t blame retailers for high pump prices, according to a report released by the National Association of Convenience Stores (NACS). Instead, 61% of consumers surveyed by NACS cited “manipulation of prices by OPEC” as the “lack of government oversight,” and 50% accused “oil speculators.”

At the bottom of a list of nine options, “gas stations increasing profits” were blamed by only 25%, while 4% pointed to gas stations generally.

While pump prices at the beginning of 2009 were down about $1.40 per gallon from last year, consumers remain price-sensitive as they struggle in the current economic climate. Some 70% say PRICE is the most important factor in deciding where to fill up, and 51% say they will still drive 10 minutes out of their way to save 1 cent per gallon.

Furthermore, consumers sent mixed messages with respect to how much they understand the retail sale of gasoline. They believe that retailers make 40 cents per gallon. But, when asked what they thought was a “fair” profit, they said 80 cents per gallon.

Also reported, 24% who purchased gas at a c-store also bought coffee at the store in the past month, while 14% said they bought a sandwich when they purchased fuel in the past month.

“This is significant data when you are trying to establish marketing strategies to attract gasoline and c-store customers,” said Ed Weglarz, AFPD Executive Vice President of Petroleum.

Marathon rejects plans to split company

Marathon is ditching a plan to split into two separate companies focusing on upstream and downstream operations, citing the current economic downturn.

The independent refiner had looked at the idea as a way to enhance shareholder value.

"Given this environment, we have concluded it is in the best interest of our shareholders to remain a fully integrated energy company," said Marathon CEO Clarence P. Cazalot, Jr.

One of the key advantages to keeping Marathon as one company is the ability to fund capital projects from internally generated cash flows. — Oil Express
Liberty USA celebrates 50 years of good people and good products

Liberty USA makes it easier for Ohio retailers to run a successful business. "Retailers are asked to do so much in their stores, they need help. They need a wholesaler to partner with them. Liberty offers a solutions-based approach for each and every area of a retailer's business," said Gene Swiech, senior account executive for Liberty.

As a full-service convenience store supplier, Gene says, "We try to give retailers the biggest bang for their buck. Our representatives go out and become business partners with our retailers." Gene helped Brian Walters with his gas station and tobacco outlet, Yellow Dog Express in Utica, Ohio. "We're always looking for ways to improve our business. Liberty helps us do what we want to do with this store. They've done a wonderful job. Of course, we have to hold up our end of the bargain. You get out of any business relationship what you put into it. We do our best to sell their products and they try to give us what we need. They've definitely been responsive. It's a one-stop shop," says Brian.

Gene is a familiar face in Ohio convenience stores and gas stations. He manages the sales team for the state. "Our reps take a consultative approach to selling, we advise and educate retailers on industry trends and help manage categories in the store. When we solicit a retailer, we go in and merchandise the store. We make sure all the top selling products are part of the store set. We keep the store fresh, with updated tags and cutting in new items. My tagline is, 'If the retailer doesn't sell, we're not going to be successful either,'" said Gene.

Gene started out as a driver 22 years ago. Moving up through the ranks, he has been happy with his job. "The job is fantastic, the people are great. It's a family owned company that treats employees like family. If we have happy employees, we've have happy customers," said Gene. Liberty was voted 14th best company to work for in 2008. There are approximately 350 employees.

Liberty USA is a family and employee owned wholesale distributing company, founded in 1959, by the McGuirk family under the name—Liberty Candy. What started as a small tobacco and candy wholesaler for small independent retailers has grown through the years into a full-line distribution company servicing mostly convenience stores.

Liberty offers AFPD members in Ohio a complete line of food service brands with a two percent rebate on food purchases. Liberty also offers rebate programs for its Cappuccino program, New England coffee program and Value Pride cigarettes. As an endorsed AFPD supplier in Ohio, Liberty USA offers members a three percent rebate on all purchases excluding cigarettes for the first 90 days the member is in the Liberty program. After the 90-day period, they receive a two percent rebate on all purchases excluding cigarettes. These rebates are paid directly to the member from AFPD on a quarterly basis.

With the Liberty Coffee-Cappuccino Program, AFPD members can choose New England Coffee or Java Bean, and the two percent rebate is paid by AFPD on a quarterly basis on all purchases. The coffee programs include brewing equipment and coffee. As an added bonus, retailers receive a credit for free product for their average monthly purchase on both coffee and cappuccino.

Additionally, Liberty offers a pizza and a bakery program for retailers' food service. Liberty helps retailers build a food service program with name brand products, equipment and instructions. The pizza food service program, deVinci's pizzeria, is a ready-to-assemble and serve program for pizzas, Panini's and pasta.

The bakery program also offers pizza, only these are ready to bake and serve. The Bellarico pizza varieties include pepperoni, four-cheese, supreme, buffalo wing and the top selling breakfast pizza. The bakery program also includes thaw and serve cookies and donuts. The breakfast pizza and donuts start food service sales off early everyday.

Liberty prints monthly sales flyers for the food programs.

Liberty also has a Grab n Go program, which includes refrigerated products which can be purchased and eaten as it is or with microwave heating.

A recent addition to the Liberty line-up is Cold Cow ice cream. It is a premium brand designed by Liberty to be creamy and rich. "It tingles our taste buds," said Gene. Liberty's "Cold Cow street team" complete with a cow mascot, go to the stores to provide samples and hand out coupons. Two weeks before the tasting, Liberty provides banners for the retailer to promote the event. "Our two Cold Cow mascots are very charismatic and do a great job. It is customary for Liberty to promote from within the company whenever a job becomes available. Where we have someone with the skill set we are looking for, we will promote them. We identified one of the guys out of the staff as having the talent to move this business segment forward and we gave him the opportunity," said Gene. Both of the employees that work in this position have done an exceptional job in developing our footprint in ice cream and bringing about consumer awareness for the product.

"We plan to do more taste testing's at stores this year," Gene added. They also plan to promote the Cold Cow using pump toppers for the gas pumps. Liberty currently provides pump toppers for Snuff and a plethora of other products.

Another service provided by Liberty is store layout and design on new constructions and remodeling jobs. Liberty USA is headquartered in West Mifflin, Pennsylvania and serves customers in the states of Ohio, New York, Delaware, Maryland, Pennsylvania, West Virginia and Kentucky. They are celebrating 50 years of being in business at their Annual Trade Show, "The Fabulous Fifties" which is being held at the Mountaineer Raceway & Casino Resort in Chester, West Virginia on March 12th.

Liberty sponsors and hosts the Annual Ohio Golf Outing for AFPD Members and Liberty Customers. Liberty is also a sponsor of the Ohio Trade Show and the Annual AFPD Trade Dinner and Ball. "Liberty always makes itself available for any assistance they can give to AFPD," said Ron Milburn, AFPD Vice President.

For more information, call 1-800-289-5872. The company is updating its website, www.libertyusa.com, to make it interactive for retailers. They hope to have it up and running in the very near future.
Certified Oil begins rollout of new store design

Certified Oil has begun the process of converting about 40 outlets to a new design scheme by the end of 2009. In time for its 70th birthday, Columbus, Ohio-based Certified Oil, with 86 convenience stores and about 600 workers, is redesigning its outlets to put a greater emphasis on food sales, according to CSP Daily News.

The changes are part of a broader trend in c-stores as companies try to get gasoline customers to step inside and buy items with high profit margins, such as soft drinks and candy.

Peter Lacaillade, the chief executive, told the Columbus Dispatch he wants his stores to have a consistent, inviting look, which he hopes will lead to greater customer loyalty.

"There’s so much competition out there. We’re just wanting to give a reason for a person to return," he said.

Since its founding in 1939, privately held Certified has had only two chief executives. The founder, Carlyle Baker, bought his first station in Piqua, Ohio. He ran the company until his sudden death in 1998. The company then turned to Lacaillade, Baker’s son-in-law, who had been vice president at an investment firm in Boston.

Certified had been humming along at that point, with 130 stations and an aversion to debt. But the stations were behind the times. They didn’t have scanners for cash registers, and there was little design consistency from store to store.

Lacaillade began to sell underperforming stations and started a $30 million investment in upgrades. The two decisions shrank the company’s regional footprint, with about 80% of its stores now in central Ohio. The remaining stores got new equipment, such as pay-at-the-pump credit-card scanners.

According to CSP Daily News, those investments put the company on solid footing heading into this year’s wild fluctuations in gasoline prices.

The redesigned stores have the red, white and blue color scheme, but they have a new logo, with a red check mark inside a white “C.” Inside, the walls will be decorated with what the company calls “lifestyle photography.”

One of the new products is an exclusively branded coffee named after the founder, called Carlyle’s Cup. The stores’ new image is similar to what has been done at other convenience-store chains, such as BP’s use of the ampm brand to boost in-store sales.

A study from National Association of Convenience Stores shows c-stores got 71% of sales from gasoline last year, but only 34% of profit.

About 10 of the stores will have the new look by the end of this year. By the end of next year, the company hopes the number will be up to about 30.

The gradual approach is in keeping with the company’s tendency to complete projects with cash, rather than debt.

Lacaillade said the lack of debt means the company is under relatively little strain from the current economic downturn, putting it on solid footing for the future. “We’re very happy these days,” he said.
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STRAWBERRY RUM INFUSED WITH DRAGONFRUIT

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LUCKY 7's

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1,800 $700 Prizes

$5,000 Grand-Sized Bonus Commission to Each of the Two Grand Prize-Selling Retailers! Plus:
- Over $650,000 in total retailer commissions
- All of the $70 prizes can be cashed in store — another great sales opportunity
- Limited to 1,000,000 tickets, sold at Club Reno and online retailers

RAFFLE DRAWING ON OR AFTER MAY 4, 2009

MICHIGAN LOTTERY
Lucky 7s raffle set to launch

By M. Scott Bowen
Michigan Lottery Commissioner

With the resounding success of the Super Raffle and Millionaire Raffle games, the Michigan Lottery is back again providing players the opportunity to win cool hard cash, raffle style. Lucky 7s Raffle, set to launch on March 2, is the Michigan Lottery’s latest raffle offering. At just $10 per ticket, it is priced less than Super and Millionaire Raffle tickets and promises to be a hot seller. The Lucky 7s game will have 1,000,000 tickets available for sale, the most ever offered for a raffle. Seven digit tickets, beginning with 0000001, will be issued in numerical order as sales occur across the state. When ticket number 1,000,000 is reached, sales will close. Players will not be able to choose their own numbers and must match the exact number as drawn by the Lottery.

The Lucky 7s drawing will be on or after May 4, 2009, at which point, from the 1,000,000 tickets sold, a whopping 19,820 winning tickets will be selected. Two winning tickets will be awarded a cash prize of $700,000; 18 winning tickets will be awarded a cash prize of $70,000 each; 1,800 winning tickets will be awarded a cash prize of $700 each; and 18,000 winning tickets will be awarded a cash prize of $70 each. That is over $5 million in prizes to thousands of very lucky winners.

Retailers will want to be ready for Lucky 7s as we expect it to be very popular. Watch for your point of sale materials to arrive in February.

Millionaire Raffle Commissions:
Congratulations to the lucky retailers who sold the six $1 million Millionaire Raffle tickets in the January 5 drawing. The Hickory Ridge Market in Highland; the Palace Liquor Shoppe in Macomb; Neiman’s Family Market in Alpena; Wine Valley in Chesterfield; Kim’s Tally Ho Inc. in Curtis; and Meijer #44 in Flint will each receive a $5,000 bonus when the tickets sold at their stores are redeemed.

New Second Chance Program:
On January 19 the Lottery launched a new program that gives players a second opportunity to win on nearly any instant ticket. Called Instant Replay™, this innovative program allows players to enter their non-winning instant tickets into a yearly Lottery.

Continued on page 17.
Former fire chief battles budget in Lansing

By Kathy Blake

Michigan Representative Gino H. Polidori, (D-Dearborn), is a dedicated civic leader, who has traded his fire chief hat to fight fires in Michigan government. He is a retired Dearborn Fire Chief, a position he held for 22 years, after working his way up the ranks. Dearborn had 114 fire fighters and four fire stations at the time of his retirement.

Now in his 3rd and final term as state representative, Polidori says the biggest fire to battle is creating a budget while keeping taxes down. Rep. Polidori holds monthly office hours and meets with constituents to hear their thoughts and concerns regarding issues facing them and the state. He said some of the attendees are Republicans and some are Democrats, like him. "I get beat up before I go to Lansing," he joked.

Road funding

Rep. Polidori said there has been discussion on raising the Michigan sales tax on gasoline because the government needs funding for roads, and cities need help maintaining roads. Rep Polidori opposes any additional gas tax, saying, "If our roads are falling apart, just fix them. We don’t need to build new roads at this time." In his district, reconstruction on the Evergreen and Ford Road Bridge, which began last year, is set to resume in the spring. "It is a vital east/west link in Dearborn and Dearborn Heights, which when finished will greatly improve access for commuters and residents."

Committee assignments

Legislators’ committees had not been assigned prior to when Polidori responded to a question about his committee assignments. "With 46 new freshmen, we need to see where they fit best in the committees," said Rep. Polidori. He said he will most likely be assigned to two of his previous committees: Education; and Miliary and Veteran’s Affairs and Homeland Security, the latter of which he chaired.

Rep. Polidori’s legislative goals

When asked about his goals this year, Rep. Polidori answered, “One of my priorities is to support the leader in finishing the budget in the spring.” Rep. Polidori served on the Dearborn City Council prior to becoming state representative. “Coming from city council, I wish the state budget was set for July 1 instead of October 1. It is hard for schools and local governments, who have to create their budgets in springtime. The schools plan for roughly $8,000 per pupil, then in October, the state says they only get $7,000 per pupil. This makes a huge difference.”

Polidori believes education should be a priority. “It’s so important that we put money behind the children,” he said.

Rep. Polidori was the lead sponsor of consumer protection legislation to prevent companies from spreading personal financial information. He also is an advocate for veterans’ and current military members issues.

He introduced the Fair Claims bill. Polidori described this bill, “If a contractor bids on a project and wins, then cheats on the job by not using the agreed upon materials, then the city or county can go after the company for compensation.”

Rep. Polidori introduced a bill requiring hookah units to be sterilized between uses by customers and prohibiting sale of hookahs to minors. The bill didn’t pass because bills to ban smoking in restaurants took precedence.

Cell phone use while driving

Another bill that Polidori introduced requires hands-free cell phone use while driving. His bill would make it a secondary offense for a driver to hold a cell phone up to his/her ear. If a person is pulled over the first time while they are on their cell phone, they would be issued a second ticket for the cell phone, at a cost of $100. “Ten communities in Michigan are enforcing it already as a secondary offense, including Detroit,” said Polidori. He plans to re-introduce the legislation this year. “The cell phone is very disruptive. Driving is a privilege, not a right,” he said.

Arab and Chaldean American Heritage Day

Last year, he introduced a bill that established Arab and Chaldean American Heritage Day on May 22. Being of Italian descent, Polidori says, “I always believe you should keep your ethnic heritage.”

Rep. Polidori’s background

Rep. Polidori is a current member and past president of the Dearborn Goodfellows, Italian American Fraternal Club, Dearborn Pioneers Club, the Fordson Varsity Alumni Club and the American Legion Post 364. Rep. Polidori is also a member of the Dearborn Elks Club and a member of the Vietnam Veterans of America Chapter 267.

Polidori and his wife have three children and three grandchildren.

Contact

To reach Rep. Polidori, call his Lansing office at 517-373-0847, email: ginopolidori@house.mi.gov. To mail a letter, address it to: Rep. Gino H Polidori, State Representative, P.O. Box 30014, Lansing, MI 48909-7514.
MEGA player prizes
- 12 prizes of $1,000,000 — the most ever for a single instant game
- Over $32,000,000 in cash prizes
- At least one $30 prize guaranteed in every book

MEGA retailer prizes
The first Wednesday of each month, from April through September 2009, a drawing will be conducted. Every book of Million Dollar Mega Play you settle automatically earns an entry into the next drawing.
- Six total prizes of $10,000
- 60 total prizes of $1,000
- $120,000 in total retailer prizes

MEGA commissions
- Earn 60% on each ticket sold
- Over $3,000,000 in total commissions
- Earn $2,000 on each $1,000,000 prize-winning ticket sold

Instant games. Put some play in your day!
McCormick Distilling
“Goes Green” with 360 Vodka

McCormick Distilling Company, Inc., a distiller since 1856, has developed the world’s first “green” vodka, through its new division, Earth Friendly Distilling Company.

Called 360 Vodka, it is the world’s first eco-friendly premium spirit.

“We are proud to set a new standard in the distilled spirits industry,” said Ed Pechar, chairman of McCormick Distilling Company. “As Americans have shown increased interest in the environment and in ‘green,’ environmentally-friendly products, we have produced a super premium spirit that not only stands on its own as a superior tasting vodka but is eco-friendly in every stage of distilling, packaging and marketing.”

The distillation of 360 Vodka uses only American grain to achieve its distinctive quality and ensure a silky smooth finish. Although a “green,” eco-friendly spirit, it is crystal clear in color and purity. Using a unique, state-of-the-art production process, 360 Vodka is distilled four times using the column distillation process, and then filtered five times using a proprietary filter system that removes virtually all impurities.

“We’ve priced 360 at $19.95, which is $1 below some of the other popular premium brands,” said Joe David, Michigan’s representative for McCormick Distilling.

“Our distillation process is 200 percent more efficient than the conventional pot still method and our proprietary charcoal coconut shell filter system – which takes out virtually all impurities – is second to none in the industry,” Pechar added.

What sets 360 Vodka apart from all other premium spirits is its commitment to producing, packaging and marketing the product in the most ecologically friendly manner possible. It is packaged in a strikingly clean, crystal-like bottle that is made from 85 percent recycled glass (the maximum allowed) with a unique closure. The label and all marketing materials are produced using the most ecologically friendly materials, methods and procedures available.

“Even 360’s shipping container is designed for re-use as a file cabinet,” added David.

In addition, Earth Friendly Distilling works with other eco-friendly “green” organizations dedicated to the betterment of our environment through its “360 Close the Loop” campaign where the company donates up to $1 to selected groups and organizations for every bottle cap that is returned to the distillery.

It is the official vodka of the Sundance Film Festival and the Traverse City Film Festival.

“Business doesn’t exist in a vacuum segregated from the everyday world,” added Pechar. “Our customers are our neighbors and that is why we are committed to doing everything we can to better the world we live in. Our company is evolving in order to achieve a ‘greener’ world through manufacturing, packaging and marketing our products.”

In keeping with its commitment to the environment, McCormick Distilling Company partnered with Renewable Choice Energy to offset all of its facilities into 100 percent carbon neutral plants. The three-year comprehensive and multi-faceted project offsets 100 percent of the company’s electricity, transportation, and natural gas emissions with renewable, clean energy while reducing greenhouse gas emissions and lessening dependency on fossil fuels.

In addition, McCormick Distilling Company announced its partnership with the Environmental Protection Agency (EPA), further demonstrating its commitment to bettering the environment.

McArdell McCormick’s facility in Weston, Missouri offsets the electricity used to produce 360 Vodka with Renewable Energy Credits (REC), and the company purchases carbon offsets for the ground and sea transportation needed to produce the vodka. Furthermore, the partnership also helps to offset the natural gases used by all of McCormick’s facilities.

In the three-year program, McCormick Distilling Company is avoiding more than 7,953,594 pounds of carbon dioxide pollution from being released into the atmosphere. This has a similar environmental impact as planting 32,731 fully-mature trees or taking 781 cars off the road.

McCormick Distilling Company was also named to the EPA’s Green Power Leadership Club, which honors partners that substantially exceed the minimum purchase requirements for joining the partnership.

In addition, 360 Vodka was selected to participate in the first-ever WIRED LivingHome.

This modern luxury residence, designed by Ray Kappe, PAIA, served as an example of how people can effectively balance green living with high technology and high design. Located in an exclusive Los Angeles neighborhood, the 4,057 square foot WIRED LivingHome is designed to attain at least a Gold rating from the U.S. Green Building Council’s (USGBC) LEED® for Homes Program.

“We have a lot to be proud of at McCormick Distilling,” concluded Mr. Pechar. “Our latest product, 360 Vodka, is a remarkable achievement and is leading the way for our company into the ‘green’ business and represents the kind of change we need in order to secure our ecosystem’s future.”

McCormick Distilling, located in historic Weston, Missouri, was founded in 1856 and is the oldest continuously operated distillery in the U.S. The McCormick portfolio of products includes nationally and internationally distributed brands such as McCormick Vodka, Tequila Rose and its new flavors Cocoa, Tarantula Tequila, McCormick Irish Cream Liqueur, Wiser’s Deluxe Canadian Whiskey, Polar Ice Vodka, Tarantula Azul and Tarantula RTD’s. Additional information on the privately-held corporation may be found at www.mccormickdistilling.com or on 360 Vodka at www.vodka360.com. Joe David can be reached at (586) 296-4845. For more information or to order, call J. Lewis Cooper Spirits at 1-800-686-7592.
25th Annual
MICHIGAN
FOOD & PETROLEUM
TRADE SHOW

Monday and Tuesday,
April 27 & 28, 2009

Mon., April 27—5 p.m. to 10 p.m.
Tues., April 28—4 p.m. to 9 p.m.

46100 Grand River
Novi, MI 48375

For more information, contact Auday at 800-666-6233

Two days with 10 hours of uninterrupted selling!
A Selling Trade Show attracting buyers from convenience stores,
supermarkets, specialty stores, drug stores and service stations.
Admission ticket required. $12 at the door. Ask your sales rep for tickets.
New Family and Medical Leave Act regulations

On November 14, 2008, the U.S. Department of Labor issued new Family and Medical Leave Act ("FMLA") regulations. The new regulations provide direction concerning "qualifying exigency" and "service member" leaves which were added to the FMLA as a result of amendments, and also provide significant clarification in a number of other areas. The new regulations became effective January 16, 2009.

An FMLA eligible employee is an employee who (i) has been employed by the entity for at least 12 months; (ii) has had at least 1250 hours of service in the 12-month period immediately preceding the leave; and (iii) is employed at a worksite where 50 or more employees are employed within a 75-mile radius.

The new regulations specify that, while the employee need not show 12 consecutive months of employment, the employee generally cannot count periods of employment preceding a break in service of seven years or more. (Exceptions include where a seven or more year break in service was due to National Guard service or Reserve military service, or when otherwise provided under a collective bargaining agreement or other written agreement.)

Serious Health Condition - Time Periods and Treatment Parameters

The FMLA definition of "serious health condition" is quite broad, but the regulations now include a few time limitations and treatment parameters.

The serious health condition covers, for instance, an incapacity of more than three consecutive calendar days which also involves (a) treatment two or more times by a health care provider or other specified individual; or (b) treatment by a health care provider on at least one occasion with continuing treatment under the supervision of the health care provider.

The new regulations specify that the period of incapacity must be more than three full calendar days, and also specify the time periods in which the visits to the health care provider must take place. The first (or only) in-person visit to the health care provider or other designated individual must be within seven days of the first day of incapacity, and the two or more treatments must take place within thirty days of the first day of incapacity.

Serious health condition for purposes of the FMLA also covers a chronic condition which (i) requires periodic visits for treatment by a health care provider or other specified individual; (ii) continues over an extended period of time; and which (iii) may cause episodic incapacity. The new regulations specify that the periodic visits for treatment must be at least twice a year.

Health Care Provider - Expansion of Definition

The definition of health care provider has been expanded to include a physician's assistant who is authorized to practice under state law who is performing within the scope of his/her practice as defined under state law.

Exigency Leave - Eligible employees may take FMLA leave for a qualifying exigency involving the employee’s spouse, son, daughter, or parent who is on active duty or called to active duty status. Qualifying exigencies are broadly defined under the new regulations and include absence for:

- Issues related to short notice deployment
- Attendance at military events and related activities
- Arranging for or addressing child care and school activities
- Making financial and legal arrangements
- Attending counseling
- Rest and recuperation
- Attending post deployment activities

Service member Leave

Eligible employees may take FMLA leave to care for a current member of the armed forces who has a serious injury or illness incurred in the line of duty for which he or she is undergoing treatment, recuperation or therapy or who is in outpatient status, or who is otherwise on the temporary disability retired list. An employee is entitled to 26 workweeks of leave during a 12 month period for this type of leave. The 12-month period begins on the first day of the leave and ends 12 months from that date, regardless of the method normally used by the employer to calculate FMLA leave. The regulations provide a fairly extensive clarification of the terms and definitions regarding service member leave.

New Forms

The regulations provide new and expanded forms for FMLA administration:

- Certification of Health Care Provider - Employee's Serious Health Condition
- FMLA Designation Notice
- Certification of Qualifying Exigency for Military Family Leave
- Certification for Serious Injury or Illness of Covered Service member

Grocery chain stops selling cigarettes

After soul-searching and considering the potential harm to customers, Hiller's Markets Inc. no longer sells any tobacco products, including cigarettes.

Chief Executive Officer Jim Hiller smoked from when he was about 13 until he graduated from law school at 26, he told the Oakland Press.

“I've agonized over this decision,” he said. “My personal beliefs are intertwined in my business ethos and to continue to sell cigarettes runs contrary to my personal commitment to this community and its future.”

Hiller's owns stores in Union Lake, Ann Arbor, West Bloomfield, Northville, Plymouth, Berkley and Commerce Township, Michigan. The business was started in 1941 by Hiller's father, Sidney, who had a Detroit butcher shop.

Customers and workers also will not be allowed to smoke in any of the stores.

“There are all kinds of vices and unhealthy products for sale — but cigarettes aren't only dangerous to those who smoke them,” Hiller said.

“The effects spread far beyond those who choose to smoke — the effects of cigarette smoke can kill people who live and work with smokers,” says Hiller. “Despite the right of those who choose to smoke, I will not make Hiller's a fellow traveler.”

Michigan is not among the 19 states where smoking is banned in public places and at work sites. Lynne Schreiber, a spokeswoman for Hiller's, said "thousands of dollars worth of cigarettes" were thrown out by Hiller's stores shortly after the first of the year.

Gaffney named to Michigan Liquor Control Commission

Ed Gaffney was recently named as a Republican member to the Michigan Liquor Control Commission by Governor Jennifer Granholm. Prior to his appointment, Mr. Gaffney was a member of the Michigan House of Representatives, from the Grosse Pointe area. The Liquor Control Commission is responsible for overseeing regulations of liquor and alcohol retailers across the state.
Lottery, continued from page 11

drawing for $1,000,000. All it takes is $10 worth of non-winning tickets to earn one entry into the drawing pool. Players may enter as many times as they wish and all entries will be received online at the Lottery’s VIP club website, playcity.net.

Retailer Advisory Panel: The opportunity to talk with our partners directly is important to me and I appreciated hearing comments and suggestions related to point of sale, instant ticket vending machines, ticket prices, promotions, the conversion, shipping of tickets and settlements at our first Retailer Advisory Panel.

If you have ideas or concerns about the Lottery business that you’d like to share with us, consider signing up and participating in an advisory discussion. Lottery officials from the Lansing headquarters will be traveling around the state to meet with retailers to get their opinions on what is currently working, what isn’t – and what you’d like to see happen in the future.

If you are interested in participating in these discussions, please contact the Lottery’s Marketing Division at (517) 335-5621. We will take your name, business name, phone number – and if you have one, your email address. You will be contacted when a meeting in your area has been scheduled.

Over 95 cents of every dollar spent on Lottery tickets is returned to the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to retailers. In fiscal year 2008, the contribution to schools was $740.7 million. Since its inception in 1972, the Lottery has contributed more than $15 billion to education in Michigan.

For additional information, please visit the Lottery’s Web site at www.michigan.gov/lottery.

U.S. House Passes Bill to Increase Cigarette Tax

The U.S. House of Representatives voted recently to expand the State Children’s Health Insurance Plan (SCHIP) and increase cigarette taxes to pay for it, according to a Reuters report. Similar legislation was twice vetoed by President George W. Bush, who opposed raising tobacco taxes and argued that expanding the popular program would push more children into government-run health care instead of private plans. According to the National Association of Tobacco Outlets (NATO), which opposes the legislation, the bill would increase the federal cigarette tax from 39 cents per pack to $1 per pack. If passed, the bill becomes effective April 1, 2009, and assesses a floor stocks tax on all manufacturers, wholesalers and retailers for the tobacco products (except large cigars) in inventory on April 1, 2009, with the floor stocks payable by August 1, 2009.

Michigan WIC: From paper to EBT

The Michigan WIC program has been converting from paper coupons to EBT. The statewide conversion from paper coupons to EBT was completed in November 2008. However, please be reminded that paper coupons will continue to be in circulation until the spring of 2009 and that WIC vendors must continue to accept paper coupons through that time.

Take a spin with renewable energy... choose DTE Energy’s GreenCurrents™.

Ever wish you could do something good for the environment? Now you can.

Sign up for GreenCurrents™, the new renewable energy program from DTE Energy.

By paying just a few extra dollars a month, you’ll be helping promote the use of environmentally friendly energy, generated in Michigan, through wind and bioenergy resources.

Increasing the use of renewable energy will reduce our dependency on fossil fuels, decrease carbon dioxide emissions, cut down on pollutants in the air we breathe and leave a cleaner, healthier planet for future generations.

DTE Energy is committed to minimizing the impact we have on the environment. And we believe GreenCurrents™ is an important step on that journey. We hope you’ll join us.

Sign up for GreenCurrents™ today!

Go to www.GreenCurrents.com

Or call 866-207-6955.
3rd Annual
Food & Petroleum Trade Show

Thursday, May 7, 2009
I-X CENTER
One I-X Center Drive, Cleveland, Ohio, 44135

Show Hours: Thurs., May 7, 2009 • 11 a.m.-5 p.m.
Ask your sales rep for tickets, or call 800-666-6233 for free tickets.
Admission ticket required. $12 at the door.

Call Auday at AFPD for more information: Toll Free: 800-666-6233
or Toll Free Fax: 866-601-9610

AFPD’s Ohio selling trade show, attracting buyers from:
convenience stores, supermarkets, service stations,
specialty stores, bars, restaurants and drug stores.
Ohio News Updates

Ohio's Workers' Compensation
Group Rating Program in Jeopardy

Ohio's Group Rating System came under critical review following a lawsuit in Cuyahoga County. Proponents of group rating worked quickly to ensure that the lawsuit did not interfere with the upcoming year for which groups worked. After many heated debates during the lame duck session, the House and Senate passed HB 79 which, among other things, corrected language in the group rating statute, effectively making the ruling in the lawsuit irrelevant and allowed the group rating program to operate under its current structure for the upcoming year. However, during the committee hearings, many Legislators sympathized with the plight of those kicked out of groups and lamented about the fairness of group rating. To this end, an amendment was included in HB 79 that requires the Bureau of Workers' Compensation to conduct a thorough review of group rating and report back to the appropriate committee chairs, House and Senate leadership and the Workers' Compensation Council by September 15, 2009. HB 79 was signed by the Governor on January 6, 2009.

Governor Remains Committed to Not Raising the Cigarette Tax

Numerous groups continue to come out with reports supporting a tobacco tax increase, especially in light of the dismal budget projections. Despite the significant budget shortfalls, the Governor and the Legislature remains firm in their position to not pursue any additional hikes in the state cigarette tax. Governor Strickland has reiterated during interviews that he does not believe the cigarette tax is a stable or reliable source of revenue for the state and therefore does not see any merit in raising the tax.

2008 Ohio Election Summary

The 2008 elections proved once again that Ohio is deserving of swing state status. Barack Obama secured the support of Ohio in the Electoral College by earning 51% of the popular vote. At the state level, Democrats gained control of the Ohio House of Representatives for the first time in 14 years, garnering a 53-46 majority. The Ohio Senate remains a GOP stronghold by a 21-12 margin. Democrats also picked up three Congressional seats and maintained control of the Attorney General's office with the election of former State Treasurer Richard Cordray to the position left vacated by the resignation of former Attorney General Marc Dann. Both Republican incumbent Supreme Court Justices easily won reelection by significant margins of victory. Two contentious ballot issues placed before Ohio voters resulted in the rejection of a proposed casino development and an effort to overturn tightened regulations on payday lending.

Ohio Unemployment Reaches 20-Year High

Ohio's unemployment rate jumped to 7.8% in December, the highest jobless rate in more than 20 years with number of unemployed increasing by 118,000 in the past 12 months alone. The Ohio Department of Job and Family Services attributes the high percentage to accelerated job losses in the goods-producing and service-providing industries.

Sen. George Voinovich Will Not Seek Re-Election in 2010


Attention Food and Beverage Industry:

Food & Petroleum Report
M E D I A I N F O & D A T A


Monthly Theme/ Promotion Schedule

- February Food and Beverage Industry Trends
- March Food & Beverage Service Organizations
- April Food & Beverage Wine Distributors
- May Tobacco Tax Increase
- June Food & Beverage "Independent's Day"
- July Food & Beverage AFPD Foundation Golf Outing
- August Food & Beverage Meet our Scholars
- September Food & Beverage Holiday Beverage Show
- October Food & Beverage "Made in Michigan"
- November Food & Beverage Food & Beverage Industry Trends
- December Food & Beverage Food & Beverage Industry Trends

FDA (Food & Beverage Industry Trends)

Monthly Theme/ Promotion Schedule

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 Food and Beverage Industry Trends. 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.

ADVERTISE WITH US: IT PAYS!

March 2009  |  19
Coupon Redemption

Make money and save time by letting the AFPD professionals handle your coupons!

The Associated Food & Petroleum Dealers (AFPD) Coupon Redemption Program eliminates a retailer's time consuming and costly chore of sorting, counting, and mailing coupons to individual manufacturers. It also reduces the volume of accounting records retailers must keep, leaving you with more time to effectively manage your retail business.

***Plus AFPD will PAY YOU 5 Cents for every valid coupon you redeem through us!***

Our program is simple. Here's how it works:

- Call our office and speak to Harley Davis & fill out our survey.
- You package and mail your coupons to the AFPD office.
- We take care of the coupon sorting and mailing for you.
- We then send you a check for the amount of the coupons redeemed, minus a security deposit for any potential charge backs.
- At the end of the year we will release any security deposit you have remaining.
- At the end of the year, we will send you a check for the number of valid coupons you redeemed through AFPD. (5 cents per coupon!)
- Should a problem occur, our dedicated coupon staff is there to assist you.

**BONUS:** You will receive the face value of your coupon plus 5 cents for each valid coupon you redeem through our program!

Taking coupons allows you to compete and now through the AFPD Coupon Redemption Program WILL MAKE YOU MONEY! We do all the work, and you GET PAID!

The AFPD Coupon Redemption Program has been successful for more than 25 years. We hope you will take advantage of our program and allow us to make money for you today!

Call Harley Davis or Jane Shallal at the AFPD Office Today! (800) 666-6233
AFPD keeps working hard for you!

Whether it is educating your employees on proper procedures for alcohol sales, testifying at Congressional hearings, or developing purchasing programs to save you money, AFPD is here to assist the independent retailer. Here is a brief rundown on some of the projects that we have been working on over the past month:

**Michigan Update**

<table>
<thead>
<tr>
<th>Image Grading program</th>
<th>TIPS Classes</th>
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<tbody>
<tr>
<td>AFPD is in the process of drafting Image Grading Guidelines for use with an upcoming Image Grading Program.</td>
<td>AFPD has been conducting a number of TIPS (Training for Intervention Procedures) responsible alcohol seminars for retailers. AFPD has been asked by the Michigan Liquor Control Commission to conduct a class for the Commissioners and other interested state employees.</td>
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<tr>
<th>Local gas tax</th>
<th>Health Insurance updates</th>
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<tr>
<td>AFPD testified before a Michigan House committee in opposition to allowing local municipalities to impose their own gasoline tax, up to seven cents per gallon, in addition to the already mandated federal, state, and sales tax burdens. Due in part to AFPD’s efforts, this proposed legislation died during the lame-duck session in December 2008.</td>
<td>AFPD met with Gadaleto Ramsby Associates (AFPD Third Party Administrator) and Blue Cross Blue Shield of Michigan to discuss various marketing strategies.</td>
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<tr>
<th>Local sales tax</th>
<th>Recycling Partners</th>
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<tr>
<td>AFPD also testified in opposition to legislation allowing local municipalities to impose their own sales tax, up to an additional 1%, on all purchases subject to Michigan sales tax. Also due in part to AFPD’s efforts, this piece of legislation died during the December, 2008 lame-duck session.</td>
<td>AFPD met with other state and national association representatives at the Michigan Recycling Partners Annual Meeting to begin planning the 2009 recycling campaign and legislative issues.</td>
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<tr>
<th>AFPD Retail RoundTable</th>
<th>Michigan Society of Association Executives conference</th>
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<tr>
<td>AFPD conducted an interview on The Retail RoundTable presented by AFPO on MNN TV with AFPD member Joe Nashar. We discussed winter driving tips for the motorist and safeguards to be employed around the holidays. Tips included: Exercise caution when driving or parking your car; protect your wallet; secure your car.</td>
<td>AFPD was a sponsor of the Annual Michigan Society of Association Executives Legislative Conference, recognized as the year’s first major legislative conference. It was designed to give attendees the information they need to know about Michigan’s Economy in 2009 and beyond. It included an introduction to the newest faces in the Michigan legislature and the plans of the administration.</td>
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<th>MISTR meetings</th>
<th>Department of Agriculture meeting</th>
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<td>AFPD attended the first of six Michigan DEO Michigan Underground Storage Tank Rules meetings, which are being conducted to rewrite the rules applicable to the storage and distribution of fuel stored underground.</td>
<td>AFPD attended the MDA Food Safety Alliance meeting at the MDA Laboratory in East Lansing. After a tour of the facilities, the group met to review industry and MDA Community Health issues for the upcoming year.</td>
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**Ohio Update**

<table>
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<tr>
<th>Complying with Ohio BWC Group Rating Plan</th>
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<td>AFPD staff reviewed all information sent to our members regarding safety and accident prevention. This information was then submitted to AVIZENT to comply with the requirements of our Ohio (BWC) Group Rating Plan directive that AFPD must promote Accident Prevention and inform participating members of the classes offered by the Ohio BWC. This is important to AFPD members, in order to comply with their Workers’ Compensation insurance rules.</td>
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<th>BWC meeting</th>
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<td>AFPD then attended a Workers’ compensation meeting with Ohio BWC personnel to review 2009 programs.</td>
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<th>More CAT issues</th>
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<td>AFPD met with Jerry Shriner of Marcon Management regarding information on the Commercial Activity Tax.</td>
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<th>Credit card fee legislation</th>
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<tr>
<td>Through its lobbyist, AFPD secured a draft of legislation on credit card fees from Representative Kenny Yuko.</td>
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<th>CAT letter</th>
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<td>AFPD has requested a copy through the Freedom of Information Act of the Commercial Activity Tax (CAT) letter which was sent out by the Department of Taxation through FOIA.</td>
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<th>OPMCA</th>
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<td>AFPD staff and members met with the Ohio Petroleum Marketers &amp; Convenience Store Association regarding gasoline shrinkage, tax collected float and the commercial activity tax.</td>
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Save up to 25% on your monthly electric bill

Guaranteed to lower your electric bill!

- Reduces electricity required by inductive loads (motors)!
- Same utility provider / No contracts or monthly fees!
- Eliminates harmful power surges!
- Reduces "noise" in the electrical system
- 60 day money back guarantee if we don't lower your monthly electric bill!
- Free Energy Service Analysis!
- Power Factor Optimization!

Industrial • Commercial • Single and 3-Phase
Power Factor Optimizer

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734.945.5967

31355 West 13 Mile Rd., #102
Farmington Hills, MI 48334

We Specialize in Retail Stores, Restaurants and Supermarkets!

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As an AFPD member, you are provided with a wide range of professional services and solutions that are custom-tailored to the food, beverage and petroleum industry in Michigan and Ohio. Here are two:

**Office Supply Program**

**for members only**

**Staples Business Advantage**

AFPD members will receive an average of 10% to 20% savings from regular Staples pricing on any and all purchases from Staples.

Free next day delivery on orders of $50 or more. Sign up today and take advantage and save money on your everyday items, from paper to computers and much more.

Contact Daniel Behrendt at 1-800-693-9900 ext. 584 and make sure to mention you are an AFPD members or contact the AFPD office at 1-800-666-6233 and ask for Auday Arabo.

**AFPD Coupon Redemption Program**

Save money and time by letting the professionals handle your coupons. Plus, receive 5¢ back on all valid coupons!

All AFPD members have access to our successful Coupon Redemption Program. The AFPD coupon program eliminates the time-consuming and costly chore of sorting, counting and mailing coupons to individual manufacturers, which reduces the volume of accounting records a retailer must keep. Now in 2009, AFPD will pay you an additional five cents per valid coupon.

You simply package and mail your coupons to the AFPD office and receive a check from us within five to six weeks! Then, at the end of the year you will receive one check for five cents times the number of valid coupons you redeem through AFPD! Coupon Specialist Harley Davis will make sure that you get your money. There is absolutely no charge for this service as long as you are a member of AFPD. The AFPD Coupon Redemption Program has been a valuable membership benefit in Michigan for over 25 years. All our grocery and petroleum dealers who use our coupon redemption program realize how quick and easy it is to accept coupons and get manufacturer redemption.

If you are interested, please give Harley a call at 1-800-666-6233. He will explain how simple it is to accept and redeem coupons at your location(s).

Interested in an AFPD membership?

☐ Yes! Please send me information on membership.

Your Name: ___________________________________________________________________________________________________________

Business Name: _______________________________________________________________________________________________________

Address: ______________________________________________________________________________________________________________

City: ___________________________ State: _______________________ Zip: ___________________________

Type of Business: _______________________________________________________________________________________________________

Phone: _________________________ Fax: __________________________

Email: ___________________________ Sponsor: ____________________________

Fax this to (866) 601-9610 or mail it to:

Executive Office
30415 West 13 Mile Rd.
Farmington Hills, MI 48334

Ohio Office
655 Metro Place South, Suite 600
Dublin, OH 43017
**Classified**

**STATION FOR SALE**—Located on the east side of Columbus, OH. Retail gas service and convenience store business with C-1/C-2 liquor license and real estate. Serious and confidential inquiries only. Please call (814) 523-2947.

**BUSINESS OWNERS—need cash fast? $50,000 to $2 million loans. Business loans; Lines of credit; Joe H (810) 229-5929, C (248) 854-1856**

**FOR SALE—Cleveland County Shell gas station, 3 1/2 acres of property, high traffic area, off freeway. Convenience store, car wash, gasoline and diesel sales. Serious inquiries only. Contact Joe H (810) 229-5929, C (248) 854-1856.**

**FAST FOOD RESTAURANT FOR SALE—Located in nice Detroit westside area on 7 Mile rd. Newly remodeled, equipped to run, plenty of parking spaces. Good Investment. Owners looking to retire. If interested, please call Maria at (248) 980-4558.**

**SLUSH MACHINE FOR SALE—Taylor brand slush machine for sale, makes 645 with 4 flavored beverage cylinders that feature automatic defrost and power saver. Can provide you with start-up supplies such as plastic cups, lids and straws. Asking $9,999.00 firm. Please call Jay of John at (313) 757-2130.**

**DRI STORAGE WAREHOUSE—Reasonable rates. Reasonable rates, easy unloading/pickup and loading. Licensed since 1946. Call (313) 491-1500.**

**FOR SALE—Oakland County Shell gas station, 5 plus acres with 25,000 sq. ft. retail and commercial buildings. teaser program or savings club. Beautiful, high traffic, strong sales. $495,000. Reasonable rates. Call (810) 391-5380 or (810) 397-0154.**

**SPRINT STORE FOR SALE—Located in Muskegon Michigan. Busy location. Must sell, better moving out of state. Asking $325,000. Serious inquiries only. Call (231) 288-3353.**

**FOR SALE—Retail gasoline station with corner location at 5345 Heidelberg Rd. West Bloomfield, Mi. Reasonable rates, easy unloading/pickup and loading. Call (248) 626-2662 ask for manager.**

**FOR SALE—4 acres commercial lot. More available. Located in between Roscommon and Quitman, Mi. Possible business location in the center of town. $395,000 please call (989) 389-1428.**

**FOR SALE—5 plus acres with 25,000 sq. ft. retail and storage building with phone, electric and natural gas in the center of town. $495,000. Reasonable rates (810) 391-5380.**

**FOR SALE—Ann Arbor, Mi. 14 plus acres at 8860 A-2 & 9 mile Rd. Natural gas at the street and electric on the property. $485,000 or best offer please call (810) 391-1428.**

**FOR SALE—Price Rockcreek Bakery & pizza store. Price 1981. 8 foot walk-in cooler. High traffic corner location. Will consider lease or build. Must be serious. Call Paul Tyler at (810) 331-3136.**

**STATION FOR SALE—Great location in NW Columbus. 76 plus Gasoline station with convenience store and walk-in cooler. Serious and confidential inquiries only please. Call (814) 580-8000.**

**PALETTES WANTED—Detroit Storage Co. Free pick up. Call (213) 491-1500.**

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**CHARTING CONSUMER TRENDS:**

'Price' tops shoppers’ priority list

Consumers changed their relationships with food and beverage, and the stores and restaurants that provide them, after the economy’s downturn in 2008. Visits and spending shrank, as people began to save in many ways that seem likely to stick.

They tightened their shopping plans, retail outlays, and eating and nutrition strategies to grow fitter and weather these tough times.

As a result, shoppers seek retail improvements in the areas of price, cost savings, service, and assortments, especially healthful, locally grown foods, according to survey results of the 2009 National Grocers Association-SupermarketGuru Consumer Panel. People are eating out less—and demanding more of supermarkets.

Price is currently the number one issue—even with the potential economic lift from the new U.S. presidency and a stimulus package. Families dislike deficits in their budgets. The panel shows most households spend $96 or more each week on groceries—and stores that help them save with little compromise will build a foundational trust.

How absolutely important is price today? The survey shows store features that have classically driven store selection are less important now. Among them: availability of high-quality meats, seafood, fruits and vegetables; nutritional and health information; organic foods; and consistent product freshness in perishables and center-store categories.

Concurrently, consumers say that low prices, sale items and money-saving specials, frequent shopper programs and private labels have soared on their priority lists. The findings represent current thoughts of 2,145 chief household shoppers polled between November 2008 and January 2009 on what appeals to them (or not) about supermarkets, as well as their purchase influences, eating habits and nutritional concerns.

Key insights include:

- *An overwhelming 84% of survey respondents say they buy the majority of foods in the supermarket. Mass merchandiser stores (including supercenters and conventional discount formats) attract 7%, and clubs 3%. The lowest income tiers made up the highest numbers of respondents who primarily shop supermarkets: 15% of the $25,001-$45,000 tier, 14% of the $45,001-$65,000 tier, and 11% of the $25,000 or less tier.*
- *Some classics slide: Nearly 9 out of 10 consumers (86%) overall want terrific produce where they shop, yet this measure fell 5 points from 91% a year ago. Nearly three out of four consumers (73%) call high-quality meats 'very important,' down 4 points from 77% a year ago. Confidence that a store sells foods in time for optimal taste and freshness is 'very important' to 83% of consumers, down 2 points from 85% a year earlier.*
- *Price rules. The majority (52%) calls price 'very important' in deciding where to buy food—versus 45% a year ago, and 41% in 2003.*

Today, nearly everyone else (45%) calls price 'somewhat important.' Stores that fail to ensure accuracy in shelf pricing will upset 97% of shoppers who feel this is an important concern. Nearly six in ten (58%) say sales specials are 'very important' factors in where they shop today—up 7 points from a year ago.

Also, 63% say frequent shopper programs or savings clubs are important savings tools, up 4 points from 59% a year earlier. And 69% of consumers call private label important when deciding where to shop, up 7 points from 62% a year ago.

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- *Phil Lemper-Trends, Figures & The Future*
Because AFPD is focused on your success, you can focus on running your business

Operating a successful business is never simple. That is why over 3,000 retailers in Michigan and Ohio rely on the Associated Food & Petroleum Dealers.

Beyond selling the product or delivering services that your company offers, you must also manage the people and systems that keep it running efficiently and profitably.

AFPD can help. We are uniquely positioned to provide a wide range of professional services and solutions that are custom-tailored to the food, beverage and petroleum retail industries in Michigan and Ohio.

For more information about our programs and services, call 1-800-666-6233 or go to www.AFPDonline.org.

AFPD - Committed to serving food, beverage and petroleum retailers.
Does Your Distribution Company Offer Over 200 Services?

Hardly Small Potatoes.

For information on how Spartan Stores can help your business think smarter call Jim Gohsman at 616-878-8088 or visit our web site at www.spartanstores.com