

# AFPD Bottom Line

OCIATED FOOD & PETROLEUM DEALERS *Working to Improve Your Bottom Line* VOL. 21, NO.8 AUGUST 2010

## Refreshing!

**Beverage Makers  
Respond to  
No-Sugar Trend**

— Consumers Re-Define  
the Game of Shopping

—What New Credit Card  
Reforms Mean to You





# HOT FOR SUMMER

**NEW!** Single Serve Ice Creams  
Swiss Premium Iced Teas

For more information on delicious Swiss Premium Iced Teas, our Fine ice creams or any of our milk and dairy products, call us at one of the toll-free numbers.

Country Fresh, Grand Rapids  
800-748-0480

Country Fresh, Livonia  
800-968-7980

[www.enjoycountryfresh.com](http://www.enjoycountryfresh.com)



# Ohana 16 ounce cans

New!



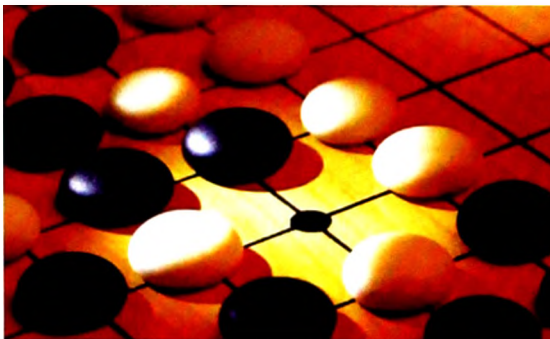
Ohana Punch • Ohana Lemonade & Iced Tea • Ohana Sweet Tea • Ohana Lemon Iced Tea  
Ohana Melon • Ohana Strawberry Banana • Ohana Citrus Green Tea

# Faygo

Faygo Beverages 3579 Gratiot Avenue Detroit, Michigan • 48207-1829 (313) 925-1600 • [www.faygo.com](http://www.faygo.com)



August 2010



## 16 Re-Defining the Game of Shopping

Consumers have re-shaped the playing field.



## 23 Understand Credit Card Reform

New electronic payment rules save retailers money.



## 18 Refreshing!

Beverage makers respond to no-sugar trend with exciting new products.

## 24

## Politics in Your Business Model

Some practical advice for tobacco retailers.



## Departments

8 AFPD Corner

10 Industry News

43 Healthy Living

44 AFPD Supplier Directory

46 Safety Sense

## Columns

6 PRESIDENT'S MESSAGE  
*View from the Top*

14 PETROLEUM NEWS & VIEWS  
*Protect Your Small Business from Fraud*

28 RETAILER SPOTLIGHT  
*Perry Village Market*

30 MI LOTTERY  
*Red Hot & Blue 7s*

32 OH LOTTERY  
*Ohio: The Lucky Powerball State?*

34 SUPPLIER SPOTLIGHT  
*Spartan Stores*

38 LEGAL EASE  
*Express Your Opinion on the Death Tax*

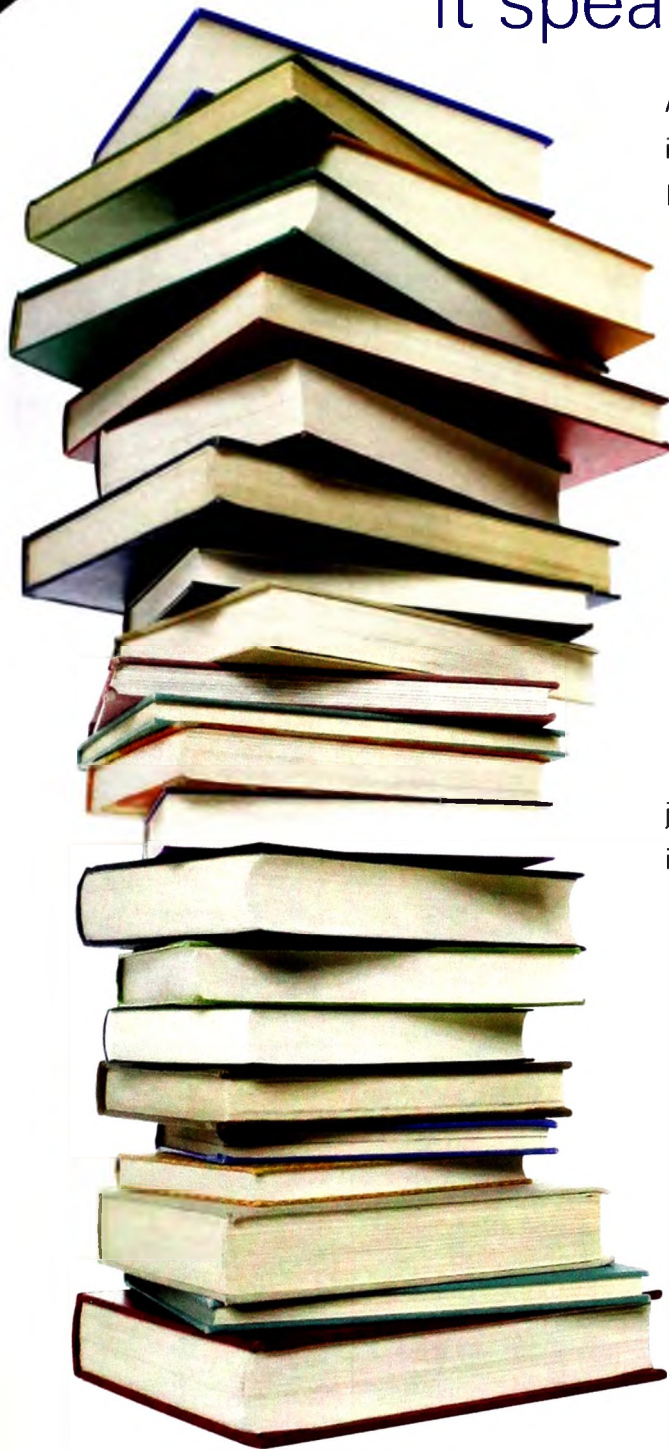
40 MI LEGISLATIVE UPDATE  
*Support Those Who Support Small Business*

41 OH LEGISLATIVE UPDATE  
*2010 Election Spotlight*



DTE Energy  
congratulates AFPD  
100 years of dedicated  
service to the community.

# Community Commitment... it speaks volumes.



At DTE Energy, being part of a community is more than simply doing business there.

It's about doing our part to help the community and our customers thrive. We wrote the book on community commitment.

That's why we believe employee volunteerism, contributions and sponsorships, community involvement and environmental stewardship are so important.

At DTE Energy, enhancing the communities we serve is not just a chapter in our book — it's a never-ending story.

**DTE Energy**



The Power of Your Community | e = DTE®





**Jane SHALLAL**  
AFPD President/CEO

## President's Message

# View from the Top

**R**ecently, AFPD was selected by the Michigan Society of Associations Executives (MSAE) as a leader in company management, strategy, and operations process. We are honored to be selected among all the statewide associations as the feature cover story in MSAE's July/August *Association IMPACT* magazine. Being interviewed for this article helped me reflect on the personal attributes that led to success for AFPD. This reflection is especially timely, as I recently announced my retirement from AFPD. I will be leaving AFPD on October 1, content that I have led effectively.

As the head of your business, you too are in a unique position to provide strong leadership to achieve business success. But success is not about just crunching numbers. Here's how you can be a strong leader in your business.

### Have a Vision.

A clear vision is critical to good leadership, and it provides direction for planning. My vision for AFPD is that the association represents the interests and needs of its members—a vision fulfilled. Today, AFPD has a growing membership that is strong and very engaged in the association's vision and goals. AFPD has met its members' needs for programs that positively affect their bottom lines. And AFPD is perceived as the industry expert and the go-to source for independent retailers, the industry, and the government. I hope that my vision will offer more possibilities for

growth in the future.

### Make Your Ideas into Realities.

While strong leadership involves identifying potential problems and solving them before they become a crisis, it also involves the keen ability to identify opportunity and reap potential windfalls. Take these opportunities and ideas and make them a reality. You can change your practices, but not your principles. Over the past five years of my term, AFPD has responded to changes extremely well and has reaped the rewards of many unique opportunities.

### Raise the Bar. Always aim high

when setting goals for your business. There will be people who will criticize your efforts or try to pull you down. These are just distractions. The stronger you stand and the bolder you get, these negatives grow weaker. We have an effective team on staff and board of directors that understands the issues, creates solutions, takes risks, and stretches to outdo themselves time

after time for AFPD.

### Share Your Vision with Others.

Your business will go nowhere without the help and efforts of your employees and the support of your customers. In this regard, I would like to thank the staff, the Board, and our members for your input on how AFPD moves forward. Thank you, AFPD, for allowing me to be a part of something great.

*I hope to say goodbye to you at our September Holiday Food & Beverage Show, which will be my last association event as president of AFPD. ■■■■*



## EXECUTIVE COMMITTEE

<b>Jim Hooks</b> Chairman • Metro Foodland	
<b>Joe Bellino, Jr.</b> Vice Chair Government & Legislative Affairs Broadway Market, Region 2	
<b>Pat LaVecchia</b> Petroleum/Auto Repair	
Vice Chair Government & Legislative Affairs Pat's Auto Service	
<b>John Denha</b> Food & Beverage Vice Chair Membership • 8 Mile Road	
<b>Paul Elhindi</b> Petroleum/Auto Repair Vice Chair Membership Lyndhurst Valero, Region 8	
<b>Al Chittaro</b> Vice Chair Long Range Planning • Faygo Beverages	
<b>Jim Garmo</b> Vice Chair Community Relations • Shoppers Valley Market	
<b>Bobby Hesano</b> Treasurer • D & B Grocers Wholesale	
<b>Najib Alisha</b> Secretary • Indian Village Market	

## EMERITUS DIRECTORS

<b>Chris Zebari</b> ..... Lipari Market	
<b>Fred Dally</b> ..... Medicine Market	
<b>Ronnie Jamil</b> ..... Mug & Jug Liquor	

## REGIONAL DIRECTORS

<b>Jim Gohsman</b> ..... Spartan Stores, Region 1	
<b>Vickie Hobbs</b> ..... Whitehall Shell, Region 2	
<b>Mike Quinn</b> ..... Pepsi Bottling Group, Region 3	
<b>Mark Shamoun</b> ..... Country Acres Market, Region 4	
<b>Percy Wells</b> ..... Coca-Cola, Region 5	
<b>Brian Yaldoo</b> ..... Park Place Liquor, Region 6	

## FOOD & BEVERAGE RETAIL DIRECTORS

<b>Frank Ayar</b> ..... Walters Shopping Plaza	
<b>Jerry Crete</b> ..... Ideal Pharmacy	
<b>Matt Jonna</b> ..... Plum Market	
<b>Phil Kassa</b> ..... Saturn Food Market	
<b>Sam Shoukri</b> ..... Showerman's Fine Wine & Spirits	
<b>Thom Welch</b> ..... Hollywood Super Market	

## FOOD & BEVERAGE SUPPLIER DIRECTORS

<b>Ben Benjamin</b> ..... Kar's Nut Products	
<b>Gary Davis</b> ..... Prairie Market	
<b>Fred Gongola</b> ..... Food City	
<b>Earl Ishbia</b> ..... Sherwood Food Distributors	

## PETROLEUM / AUTO REPAIR DIRECTORS

<b>Dave Freitag</b> ..... Yorkshire Tire & Auto	
<b>Jim Mandas</b> ..... Broadway Market & Auto	
<b>Joe Nashar</b> ..... Grand River & Halsted	
<b>Gary Robson</b> ..... Dublin Market	

## ASSOCIATE DIRECTOR

<b>Richard Fiato</b> ..... North Pointe Insurance Center	
--	--

## STAFF & CONSULTANTS

<b>Jane Shallal</b> ..... President/CEO	
<b>Auday P. Arabo</b> ..... Chief Operating Officer	
<b>Ed Weglarz</b> ..... Executive VP Petroleum	
<b>Ron Milburn</b> ..... Vice President—Operations	
<b>Cheryl Twigg</b> ..... Controller	
<b>Lauren Kopitz</b> ..... Event Coordinator	
<b>Harley Davis</b> ..... Coupon Manager	
<b>Carol O'Dea</b> ..... Coupon Department	
<b>Tamar Lutz</b> ..... Executive Assistant	
<b>Doug Jones</b> ..... OH Membership Services	
<b>Kenny Ibrahim</b> ..... MI Membership Services	
<b>John Duncan</b> ..... MI Membership Services	
<b>Derek Dickow</b> ..... Business Development	
<b>Carla Kalogeridis</b> ..... Executive Assistant	
<b>James V. Bellanca, Jr.</b> ..... Legal Counsel	
<b>Bellanca, Beattie &amp; DeLisle</b> ..... Legal Counsel	
<b>Pepple &amp; Waggoner, Ltd.</b> ..... Legal Counsel	
<b>Karoub Associates</b> ..... Legislative Consultants	
<b>Capitol Strategies Group of Ohio</b> ..... Legislative Consultants	
<b>Pat Gregory - UHY-MI</b> ..... Certified Public Accountant	
<b>Walt Kempinski Graphics</b> ..... Graphics & Preparation	





DOUBLE GOLD AT THE 2010  
SAN FRANCISCO WORLD  
SPIRITS COMPETITION



**FREEZE  
FILTERED  
SMOOTH**

Introducing **RÖKK™** Vodka  
**FREEZE FILTERED SMOOTH**

RÖKK Vodka is crafted with spring water from the glacial sources of Sweden, which is then freeze filtered at subzero temperatures to remove impurities. The result: exceptional smoothness and a refreshing icy finish.

RÖKK arrives from Sweden to give a new generation of vodka drinkers a brand they can call their own. Like the Viking spirit itself, RÖKK Vodka is undeniably bold, the ideal choice for men setting out on life's journey. Sweden's Viking heritage is reflected in the brand's packaging and identity, giving it a unique authenticity and masculine personality.

Available August 2010 in 50ml, 375ml, 750ml, 1L and 1.75L (PET) sizes



IMPORTED

**VODKA**

**VENTURE BEYOND**

FREEZE  
FILTERED

**OF SWEDEN**

PLEASE DRINK RESPONSIBLY.  
©2010 Imported by Rökk Vodka Co., Norwalk, CT.

[rokkvodka.com](http://rokkvodka.com)



# Michigan Updates

## Feed the Children

AFPD participated in and financially supported the "Feed The Children" program in Southeast Michigan, which provided food and personal hygiene items for more than 4,000 families.

## Oppose MUSTFA Extension

AFPD testified before Michigan House Appropriations Committee opposing a proposed five-year extension of the MUSTFA fee of 0.875 cents per gallon of refined petroleum product.

## AFPD Golf Outing

AFPD hosted the Michigan AFPD annual Golf Outing where 288 golfers enjoyed a fun-filled day of golf and refreshments at Fox Hills Golf Course.

## Cigarette Rules Webinar

AFPD participated in a webinar sponsored by NACS and the US FDA outlining new rules that apply to cigarette retailing across the country.

## DHS Meetings

AFPD attended additional Department of Human Services (DHS) meetings to discuss changes in Food Stamp Distribution Payments. DHS needs funding and is asking the retailer and supplier community for assistance in this regard.

## Senator Meeting

AFPD had a membership meeting with Senator John Pappageorge to discuss various issues and legislative bills affecting Michigan grocers and service station owners.



## Cottage Foods Bill

AFPD met with Michigan Department of Agriculture regarding the Cottage Foods Bill and discussed possible changes in Michigan Food Law.

## Ficano Fundraiser

AFPD attended a Wayne County Executive Robert Ficano fundraiser.



## Michigan Spirits Association

AFPD met with Michigan Spirits Association to review its legislative agenda and discuss its impact on Michigan retailers.

## Select Michigan

AFPD met with Governor Granholm's office and other stakeholders to discuss the future of the Select Michigan Program and AFPD's involvement in a coalition to promote Michigan-grown foods.

# Ohio Updates

## Petroleum Advisory Council

AFPD conducted a Petroleum Advisory Council meeting on June 30th in Perrysburg, Ohio. Topics covered Credit Card Fees, PCI Compliance Update, the Kroger/Shell Loyalty Program, Ohio UST Regulations, OEM Parts Provision, House Bill 364 and Senate Bill 204, Ohio Lottery issues, and other pertinent issues.

## Workers' Comp Group Rating

Members will soon be receiving Form AC3 Temporary Authorization from CareWorks, Inc. for the 2011 program. The temporary authorization gives CareWorks your approval to gather information from the Bureau of Workers' Compensation to calculate your 2011 Group Rating Program. Every year businesses are flooded with solicitations from third party administrators requesting this information. CareWorks (CCI) is the only authorized third party administrator for AFPD participating members.

## Private Employer Base Rates Fall

AFPD reports that BWC recently approved an overall premium rate decrease of 3.9 percent for private employers effective this month. With this reduction, Ohio's private employer base rates are at their lowest levels in the last two decades, and 35 percent lower than policy year 2007.

In addition, base rates are now lower for more than half of Ohio's 531 manual classifications, an overall 8.4 percent decrease in base rates since 2009. Because private employers pay for their workers' compensation coverage six months in arrears, they will see this latest decrease in their January 2011 statements.

# National Update

## President Obama Signs Swipe Fee Reform

The convenience and petroleum retailing industry's nearly decade-long battle to rein in outrageous interchange fees became a reality July 15, 2010, when the U.S. Senate voted 60 to 39 for the financial reform package known as the Dodd-Frank Bill. The House of Representatives passed the legislation on June 30, 2010. Visa and MasterCard currently charge debit swipe fees of around 1 percent to 2 percent of the transaction amount — among the highest rates in the industrialized world.

Swipe fees have been the convenience and petroleum retailing industry's top pain point and second largest expense item — behind only labor costs — for a number of years. AFPD President Jane Shallal says the vote demonstrates the value of retailers engaging with their elected officials.

Now retailers will have the choice of at least two networks upon which to run debit transactions. In addition, the amendment allows merchants to decline credit cards for small dollar purchases (\$10 max.) because swipe fees often exceed profits on such sales. The amendment also clarifies that retailers can offer discounts to consumers who choose to pay with cash, check, or debit card.





## AFPD Member Exclusive!

# National Management Systems

*Reduce your current waste disposal costs by an average of 25% to 40%!*



## A Professional Approach to Waste Management

- No obligation analysis for AFPD members!
- No up-front cost to AFPD members...NMS is compensated only if they save you money!
- To qualify, your waste disposal bill must be at least \$500.00 per month or you must have multiple locations that add up to \$500.00 per month collectively.



*To learn more about this unique program and to schedule your free analysis, call Sam Langer today at (877) 955-0655 or (586) 209-7015. Be sure to let him know that you are an AFPD Member!*

Members with Questions Call: Auday Arabo at the AFPD Office at 1-800-666-6233!





## Salmonella Risks to Kids in Shopping Carts

In the June issue of the *Journal of Food Protection*, a study conducted in Foodborne Disease Active Surveillance Network (FoodNet) sites identified an association between riding in a shopping cart next to raw meat or poultry products and infection caused by *Salmonella* or *Campylobacter* in infants younger than 1 year. FoodNet is the principal foodborne disease component of the Centers for Disease Control and Prevention's (CDC) Emerging Infections Program.

According to the study, *Salmonella* and *Campylobacter* are the most common causes of bacterial gastroenteritis in the United States, resulting in an estimated 1.4 and 2.4 million illnesses each year, respectively. Infants and children younger than 5 years are at increased risk, with reported rates 2 to 10 times higher than for persons 5 years or older.

Among infants, riding in a shopping cart next to packaged raw meat and poultry is an important risk factor for *Salmonella* and *Campylobacter* infection. *Salmonella* and *Campylobacter* have been detected on the outside of packages of meat and poultry at retail outlets, which indicates that these contaminated surfaces could play a role in transmission.

"Parents should separate children from raw products and place children in the seats rather than in the baskets of the cart. Retailer use of leak-proof packaging, customer placement of product in a plastic bag and on the rack underneath the cart, use of hand

sanitizers and wipes, and consumer education may also be helpful," states the report.

— Alexa Nemeth, *Food Safety News*

## PepsiCo Picks Retailers' Brains

PepsiCo's senior executive Eric Foss has been on a tour of the nation's retailers—from big grocery chains to mom-and-pop shops—picking the brains of store managers and executives and interviewing consumers. His mission is part of an effort by PepsiCo to collaborate with the merchants who sell their products, in hopes of boosting sales and gaining market share, said *The Wall Street Journal*.

PepsiCo took control of its distribution operations earlier this year, said the



# PEPSICO

report, spending \$7.8 billion to buy its two biggest bottlers, partly to establish a more direct relationship with retailers. Consumer-products makers have always worked closely with stores, the report said. But with consumer spending soft and big brands competing for shelf space with private-label goods, some companies, like PepsiCo, Campbell Soup Co., and Hershey Co. are intensifying those efforts, it said.

Foss said retailers have told him they would like to run more promotions that combine PepsiCo products, such as displaying six packs of Pepsi and bags of Doritos tortilla chips side by side, and offering discounts for purchasing them together. Some of these bundles can be tailored for specific retailers. In a convenience store, for instance, a bundled promotion might include single bottles of PepsiCo promoted with smaller packs of snacks, said the report. "Our retail customers really want to differentiate themselves from their competitors," Foss told the paper. Excerpted with permission from *CSP Daily News* ([www.cspnet.com](http://www.cspnet.com)).

## Store Shelves Beat TV in New Brand Intros

If you're rolling out a new product, nothing beats getting it on store shelves. According to research conducted in six countries by Nielsen Bases, store shelves beat TV commercials by 50 percent to 36 percent when it came to making consumers aware of new items. This margin is up from a 52 to 48 percent split just four years ago, according to AdAge.com.

Consumers identified as heavy buyers were even more likely to cite store shelves as their introduction to new items (55 percent). The findings research support the overall increase in brand marketers have put into shopper marketing initiatives in recent years.

Mike Twitty, director-shopper insight at Unilever Americas, told Ad Age, "For the longest time...people bought the same 300 items over the course of the year, so there was a lot of repeat purchasing and not a lot of engagement at the shelf. What we saw in the last year contradicted that."

Interestingly, just putting products on in-line shelves was the most important factor in driving awareness of new items, according to the research.

Seventy-one percent said they noticed new products within the standard planogram, while secondary displays, retailer circulars, demos, and in-store media graded out no higher than 18 percent. George Anderson, editor in chief and associate publisher for *RetailWire* Ltd. Excerpted with permission.





**Where Service,  
Quality and Price meet!**

# U.S. ICE

- Cube Ice
- Block Ice
- Crushed Ice
- Dry Ice
- Cash & Carry  
Department at  
Wholesale Prices!
- Best Prices In Town!
- Centrally Located  
for Best Delivery!

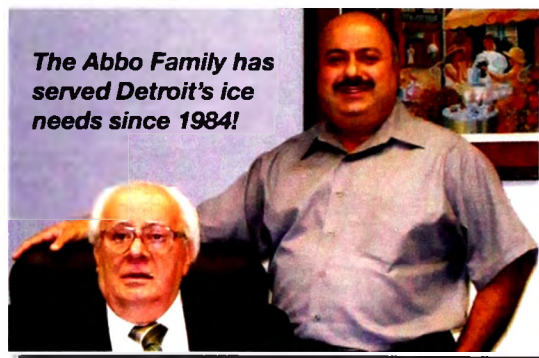


## U.S. ICE CORP.

10625 West 8 Mile Road • Detroit, MI 48221  
(313) 862-3344 • Fax (313) 862-5892



**LARGEST ICE  
MANUFACTURER  
IN THE CITY  
OF DETROIT,**  
with a manufacturing  
capacity of 400 tons  
(800,000 lbs.) of ice per day!



*The Abbo Family has  
served Detroit's ice  
needs since 1984!*

*U.S. Ice's extensive fleet of delivery trucks  
keeps the Metro Detroit area "On ICE!"*



**Call the ICE LINE: (313) 862-3344**





## 2010 Michigan Holiday Food & Beverage Show

One of the most popular annual AFPD events is the Michigan Holiday Food & Beverage Show, scheduled for Tuesday, September 21st and Wednesday, September 22nd at the Rock Financial Showplace in Novi, Michigan. With approximately 200 exhibitors and 3,000 attendees, the Michigan Holiday Food & Beverage Show is the hot-spot for c-stores, grocery stores, drug stores, service stations, specialty stores, and bars and restaurants to preview and stock up on the holiday items that will boost their sales this season.

AFPD Holiday Food & Beverage Show is known for its high-quality attendees, non-stop interaction, and exhibitor satisfaction. As the leading industry food, beverage, and petroleum show in Michigan, this event attracts far more retailers than any other trade show.

Thousands of buyers come to the show in advantage of special "show-only" deals. AFPD can offer attendees this kind of access. It's hard to believe, but the holiday season is around the corner, and AFPD retailers should not wait until the last minute to get the most popular products of 2010. "Take this opportunity to stock your shelves with show-only deals and make sure you are ready for the holiday season," urges Jane Shallal, president and CEO of AFPD. "In addition, AFPD is constantly bringing in new products that will be showcased at the show, so make sure you are taking advantage of your AFPD membership to the fullest."

For more information about the 2010 Michigan Holiday Food & Beverage Show, contact Lauren Kopitz at (800) 666-6233 or [lkopitz@afpdonline.org](mailto:lkopitz@afpdonline.org). ■■■■



## *Proudly Supporting Local* **MICHIGAN** *Farmers*

Michigan farmers grew over 472 million pounds of potatoes for Frito-Lay last year.

Happiness is simple™







**ASSOCIATED FOOD & PETROLEUM DEALERS**

# **2010 Holiday Food & Beverage Show**

**Tuesday and Wednesday,  
September 21 and 22, 2010  
Rock Financial Showplace**

**46100 Grand River • Novi, MI 48375**

**(One mile west of Novi Road, Novi)**

## **SHOW HOURS:**

**Tues., Sept. 21, 2010 • 4-9 p.m.**

**Wed., Sept. 22, 2010 • 4-9 p.m.**

**Admission Ticket Required.**

**\$35 at the door for Non-AFPD members**

**Call AFPD for more information: 1-800-666-6233**





**Ed  
WEGLARZ**  
*Executive VP, Petroleum*

## Protect Your Small Business from Fraud

**W**orkplace fraud siphons millions of dollars from businesses each year, and small and mid-sized businesses are the most vulnerable. The culture of trust that knits together a small, family-held business can make the owners easy targets.

Trusted employees' personal situations can change, and you need to be aware and mindful of what's going on around you. The perpetrator typically develops a financial need (which can be more prevalent during these challenging economic times): the ability to rationalize his deception; and an opportunity to commit fraud. While you can't do much to eliminate the person's financial need or ability to rationalize, you can reduce opportunities for fraud. Here's how:

**1. Split accounting functions.**

To help prevent employees from diverting payments received by the business, be sure that the person who receives incoming payments isn't the same person who posts them to your accounting system.

- 2. Reconcile incoming payments daily with the amounts that get posted to your books and deposited in your bank.** You or someone you designate should spot-check this procedure. If you use a desktop electronic check scanner, make sure that the device will credit funds only to your account. Otherwise, it's easy for an employee to scan in a customer check, direct it to his personal account, then shred the physical evidence, and delete the check's image from your hard drive.
- 3. Guard your company's own checks.** Keep your checks locked up, and place strict limits on who can sign them. Avoid signing blank checks ahead

of a transaction, and never make a check payable to "cash." If you use electronic transfers, you can allow employees to set them up, but personally review them in advance, and only you should be authorized to send them out.

- 4. Monthly bank statements should be mailed directly to your home or directly to you at your business, unopened, and you should review them right away.** You should get images of all paid checks.

- 5. Pay close attention to your credit card processing statements for unusual deductions or charges.** Employees could use your card terminal to improperly transfer funds to their personal credit card accounts.

**6. Consider outsourcing your payroll.** This is an inexpensive way to deter employees from tampering with your payroll. An outside service, such as ADP, will perform the administrative duties

and assume the compliance risks associated with the task—all you do is "call in" your employees' hours.

President Ronald Reagan suggested: "Trust, but verify" when entering agreements. These are words to live by. Periodically double-check safe drops, verify rolled coin stashes, and verify that cash register "shift report" start/end times dovetail with previous and subsequent "shift reports" start/end times. An unscrupulous employee can run a limited "short shift" between scheduled shifts and pocket the receipts.

All the activities taking place at your business are really financial transactions, either with cash, credit cards, services, or products. Somebody is in charge of each transaction—and it had better be you. ■■■■

**President Ronald Reagan  
suggested: "Trust, but verify"  
when entering agreements.  
These are words to live by.**



# new Tax Benefits for Hiring Unemployed Workers

No new tax benefits are now available for employers hiring workers who were previously unemployed or only working part time. These provisions are part of the Hiring Incentives to Restore Employment (HIRE) Act enacted into law March 18, 2010.

Employers who hire unemployed workers this year (after Feb. 3, 2010 and before Jan. 1, 2011) may qualify for a 6.2 percent payroll tax incentive, exempting them from their share of Social Security taxes on wages paid to these workers after March 18, 2010. This reduced tax withholding will have no effect on the employee's future Social Security benefits, and employers would still need to withhold the employee's 6.2 percent share of Social Security taxes, as well as income taxes. The employer and employee's shares of Medicare taxes would also still apply to these wages.

In addition, for each worker retained for at least a year, businesses may claim

**For each worker retained for at least a year, businesses may claim an additional general business tax credit up to \$1,000 per worker when filing their 2011 income tax returns.**

an additional general business tax credit up to \$1,000 per worker when filing their 2011 income tax returns.

The two tax benefits are especially helpful to employers who are adding positions to their payrolls. New hires filling existing positions also qualify but only if the workers they are replacing left voluntarily or for cause. Family members and other relatives do not qualify.

In addition, the new law requires that the employer get a statement from each

eligible new hire certifying that he or she was unemployed during the 60 days before beginning work or worked no more than 40 hours for anyone during the 60-day period. The IRS has developed a form (Form W-11) that employees can use to make the required statement.

Businesses, agricultural employers, tax-exempt organizations, and public colleges and universities all qualify to claim the payroll tax benefit for eligible newly hired employees. Household employers cannot claim this new tax benefit.

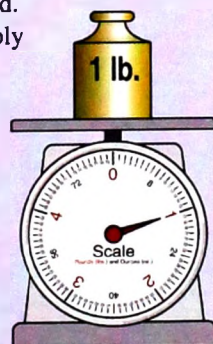
Employers claim the payroll tax benefit on the federal employment tax return they file (usually quarterly) with the IRS. Eligible employers will be able to claim the new tax incentive on their revised employment tax form for the second quarter of 2010. Visit the AFPD website at [www.afpdonline.org](http://www.afpdonline.org) for a link to the HIRE website. ■■■

## Beware Michigan Weights and Measures Penalties

Be aware that monetary fines or equipment "lock-downs" are likely to occur should an operator fail to pay a fee assessed by a State of Michigan Weights and Measures official.

After determining that a measuring device (e.g. gas dispenser or scale) is not in compliance, the Michigan Weights and Measures Division will require that the device be put "out of service" and/or repaired to acceptable tolerances. When a re-inspection is completed, an invoice payable within 60 days is presented to the owner or manager of the business.

AFPD has learned that a significant number of these re-inspection invoices are being ignored. The law enables the Department to apply fines and/or "lock-down" procedures to measuring devices at locations where the re-inspection invoices are delinquent. Save yourself money and perhaps embarrassment and inconvenience. If you have an unpaid re-inspection invoice from the Michigan Department of Agriculture, send in the payment immediately.



**COMMUNITY CARE ASSOCIATES, INC.**  
A Wayne County Healthcare Provider.

**AFFORDABLE Health Coverage**

Starting at \$116 MONTH/Per Person

**Office Visit co-pays only \$10.00**

Prescription Drug co-pays \$10.00 for Generic / \$15 for Brands!

Extensive Provider Network covers more than **1500 physicians & major area Hospitals** • Over **1000 pharmacies** including CVS, Rite-Aid & Walgreens and community pharmacies

**Specialist co-pays only \$20.00**

**Our Benefits**

Physician Services / Home Health Services / In-Patient & Out Patient Hospital  
Emergency & Urgent Care / Prescription Drugs / Diagnostic Lab & X-Ray  
Out of Area Emergency Services...

**Our Customers**

Seaway Market, Holbrook Liquor, Peking Restaurant, Ponderosa, 7-Eleven,  
New China, Best China Chef Romulus, China Gold, Ming Chop Suey,  
Hunan Empire, Tormina Pizza, Days Inn, China Star, Beverage 1 Inc., Dearborn Golden Bakery, Dearborn Satellite Park Rite, Benitto Pizza, BP, Marathon,  
8-mile Gas, CITGO, Shell, Dunkin' Donuts, Hamtramck Hardware, American European, Al-Ameer and Cedarland Restaurants...

313-218-9068 • 313-961-3100 • [info@ccarei.com](mailto:info@ccarei.com)

CELL
OFFICE
EMAIL



# Consumers Re-Define Game of *SHOPPING*

American consumers have re-learned how to shop — and in the process re-shaped the playing field for both consumer products marketers and packaged goods retailers. The recession has made it necessary for Americans to rethink and adjust their shopping patterns, which has resulted in a more strategic, informed — and even calculating — approach to a shopping game previously driven by impulse, advertising responsiveness, and the fundamental attractiveness of brands.

A joint study released by Deloitte and Harrison Group titled, “The 2010 American Pantry Study: The New Rules of the Shopping Game,” found that 92 percent of people surveyed have changed their grocery shopping behavior in the last two years. In particular, 89 percent said they have become more resourceful, while 84 percent say they are more precise when they shop.

In addition, the survey showed that while this new shopping approach is generally based on spending less, approximately two out of three (65 percent) people do not feel like they are sacrificing much. In fact, 79 percent reported feeling smarter about the way they shop versus two years ago. Moreover, consumers have embraced a persistent recessionary mindset, as 93 percent surveyed said they will remain cautious and keep spending at their current level, even if the economy improves.

“We continue to witness consumers creating a whole new rule book and skill set for shopping that’s based on value, not boasting of brands,” says Pat Conroy, vice chairman and Deloitte’s consumer products practice leader in the United States. “Our analysis concludes that personal gratification

and a desire to feel smart about what consumers are putting in their shopping carts are trumping brand satisfaction, and that price-consciousness, value-orientation and bargain-hunting will remain prevalent for years to come.”

## New Rules in a Changed Game

To play the new game of shopping, consumers plan resourcefully and often follow their “game plan” precisely, resulting in a win at check-out. The Deloitte/Harrison Group study revealed four distinct shopper decision strategies, embodied by four segments of consumers, each reflecting their own attitudes and resourcefulness:

1. *Super Savers* manage their resourcefulness at the cash register, hunting for and taking pleasure in savvy price management through extensive coupon collection.
2. *Sacrificers* manage resourcefulness at the shelf, selecting among competing products on the basis of unit price, shopping more store brands and eliminating convenience shopping.
3. *Planners* address resourcefulness through pantry management where they plan out meals, accept bulk pack discounts, and set fixed spending limits.
4. *Spectators* are the most loyal to national brands and are the least impacted by the recession, but still strive to be resourceful. Their pursuit of value still allows room for specialty goods, but they learn how to save by taking advantage of in-store discounts.

According to the study, three of these shopper segments — Super Savers, Planners and Spectators — which combined account for about 80 percent of shoppers, have little intention of returning to their old shopping practices. They see the changes they have made as having led

to emotional as well as practical rewards, and they do not believe they have made unacceptable trade-offs in the marketplace. Sacrificers, on the other hand, are not as pleased with the changes they have had to make, particularly when it comes to the adoption of store brands.

“The extent and duration of the recession has given people the motivation to learn and adapt new strategies,” says Dr. Jim Taylor, Harrison Group’s vice chairman and director of syndicated research.

“Consumers are using more discount strategies, such as coupons and store incentives, and are consulting with their family about which brands really matter to





*continued from page 16*

## Revamped Shopping Arsenal

Loyalty cards are very important to shoppers with 84 percent reporting having at least one, and 65 percent describing them as an “essential/very important” money-saving method. In addition, 44 percent of consumers surveyed are now using loyalty cards in grocery stores every time they shop.

## About the Survey



Watching store fliers has also become a key strategic approach for consumers to meeting their objective. There is an increasing preference for shopping only for sale items with nearly half (48 percent) putting off a purchase of a product they wanted because it was not on sale.

"This choice between brands heralds back to the consumers' belief that the game is not necessarily about the savings itself, but about the hunt for the savings and what goes into it—resourcefulness, planning, and precision," says Conroy. "Consumers have become so skilled in executing their new approaches that most feel they have become smarter, more calculating shoppers. Moreover, these new 'badges of honor' will not fade away. As a result, consumer products marketers shouldn't expect to see a return to the carefree spending or impulsivity more reminiscent of the mid-2000s." ■■■■

SHDIP, INC.  
All other trademarks are owned by Société des Produits Nestlé S.A. Suisse, Switzerland.



# Refreshing!

**Soft drink and sweetened beverage makers meet the consumer trend toward less sugar consumption with new product lines to suit every preference.**

By Carla Kalogeridis

Pop, tea, juice, and energy drinks—sounds so innocent, and yet, these products have been under fire from many angles in recent months. For example:

- A recent report in the *American Journal of Public Health* questions whether federal nutrition assistance should be used to buy “obesity-promoting, sugar-sweetened beverages.” The journal says that about \$4 billion of carbonated soda is purchased with money from the Supplemental Nutritional Assistance Program (SNAP), the program formerly known as Food Stamps.
- Some health professionals suggest that a federal excise tax of 12 cents per 12 ounces on soft drinks could raise more than \$15 billion a year and decrease consumption by 10 percent. At least 24 states have special sales or excise taxes on soda that raise substantial revenues.
- Latest figures indicate that two-thirds of adults are either overweight or obese, and growing numbers of children are overweight as well. Associations between obesity and drinking beverages sweetened with sugar and/or high-fructose and other corn syrups (e.g., sodas, fruit drinks, sports and energy drinks, and powdered mixes) have received increasing attention—and blame.

So with the federal government, dietary experts, and the media all telling consumers to reduce consumption of soda and other sugar-sweetened beverages, what are these beverage manufacturers doing to grow sales? Is it time to reinvent themselves and their products?

## New Products Ride the Trend

Soda, energy drink, and other sugar-sweetened beverage manufacturers are paying attention to media coverage and consumer trends, but they are not deleting these products



## MI Soft Drink Association Responds to Negative Media Coverage

By William Lobenherz

Unfortunately, as with any consumer product, negative propagandizing by the main stream media (even when not supported by sound science or the real facts), can have a negative impact on consumer behavior in the marketplace.

The soft drink industry responded to this unfair reality, both to set the record straight and to be true to its longstanding tradition of good corporate citizenship. Its first initiative was to cooperate as an industry to work with the Alliance for a Healthier Generation (a joint venture between the American Heart Association and the William J. Clinton Foundation) to develop a set of Model School Beverage Guidelines, grounded in sound science and good old common sense. The three major beverage companies (Coca-Cola, Pepsi-Cola, and Dr. Pepper/Snapple Group) undertook an intense campaign to implement these Model Guidelines nationwide, and the results are nothing short of impressive. The Model School Beverage Guidelines removes all full-calorie soft drinks from the school environment and has reduced the number of beverage calories delivered to our schools by an impressive 88 percent! Let no one now even suggest that the beverage industry is somehow even remotely the culprit of our nation's obesity problems.

Earlier this year, the same three major beverage companies took a second bold step. They announced their new Clear on Calories initiative in conjunction with First Lady Obama's campaign to promote healthy lifestyles among our youth. This was also an industry-initiated move, voluntarily undertaken in the interest of helping parents and children become more aware of the caloric and nutrient content in beverage products. Working in close cooperation with federal agencies, the nutrition labeling on our packaging will be redesigned to be more prominent and easily understandable by the consuming public.

Probably more than any other industry, the beverage industry stepped up and voluntarily addressed the misplaced negative media commentary with concrete and constructive solutions to better serve the public. We are proud of these accomplishments, and look forward to continuing to serve our consumers and customers with meaningful industry programs and practices.

*William Lobenherz is president of the Michigan Soft Drink Association.*



from their offerings.

"The U.S. consumer palette is still somewhat on the sweet side," says Roger Newberry, regional account business manager for Monster Energy Drinks, a Coke™ product. "Whether you like it or not, the American profile is still toward sweeter beverages."

Nevertheless, that has not stopped these manufacturers from introducing new products to keep pace with the rising popularity of sugar-free beverages. "We don't have to reinvent ourselves to take advantage of the trend toward less sweetened or unsweetened drinks," says Newberry. "We're simply adding light, zero calorie, low carb, and no-sugar versions of our products to the line."

Monster's "healthier" versions of the main product line are rolling out in mid-August, he says. "The packaging looks great, the colors are very bold and dramatic," he says. "We're expecting the new products to do very well."



With a name like "Grandad's Sweet Tea," you'd think CEO and founder Rick McQueen's company may be in a little trouble. Not so, says McQueen, who prides himself on a product with all natural ingredients and no artificial flavorings or sweeteners.

Grandad's Sweet Tea has enjoyed strong sales this year that have kept his

manufacturing facility in Brighton, Mich. humming. Mirroring the consumer trend, McQueen says Grandad's lemon flavor tea has been its number-one seller this summer, followed by unsweetened tea in second place, and the original sugar-sweetened flavor in third.

Whether sweetened or not, McQueen says Grandad's products are doing well because they are so pure. "Our teas are clean and clear. You don't have to shake them up to drink them, and we don't have ingredients on our label that people can't pronounce," he says.

### The Story Behind the Story

Despite what could be a changing U.S. consumer taste preference, soft drink manufacturers are enjoying a resurgence in sales, buoyed by the confidence that their original products can morph into popular, no-sugar versions that will meet the needs of consumers looking for healthier alternatives.

"I think all this hype could largely be about raising tax revenues," says one soft drink manufacturer who asked to remain anonymous. "You have to use common sense with everything you eat or drink. Anything you overdo can be harmful to you, but if you keep things in moderation, you're usually just fine. I think most people know that." ■■■■

*Carla Kalogeridis is editor of AFPD's Bottom Line.*

## Retail Options for Soda Taxes

Trying to gauge the impact of a soda tax is quite a workout. All sorts of figures get tossed about — starting with the amount of the tax. How much will be enough to change purchase behavior? One study claims that we would need a 1,200 percent tax — an extra \$9 on a 75-cent can — in order to dissuade a noticeable segment of the population.

Extreme? Probably. But a 20 percent tax is nothing to laugh at, either — and that's the number increasingly being used in various scenarios and studies. Indeed, that's the number the Economic Research Service (ERS) of the U.S. Department of Agriculture used in studying the question.

The U.S. Department of Health & Human Services has gone on record stating that a tax on soda and snack foods could generate almost \$15 billion in the first year alone. Critics, including the American Beverage Association (ABA), argue that a soda tax won't reduce obesity. According to ABA, this isn't about health, but about desperate states looking for new ways to raise much-needed revenue.

The ERS study found that a tax-induced 20 percent increase in the price of caloric sweetened beverages could reduce net calorie intake from all beverages by 37 calories per day for the average adult. The effects for children were estimated to be larger—an average reduction of 43 calories per day.

That translates into about 4 pounds a year for adults and 4.5 pounds for kids.

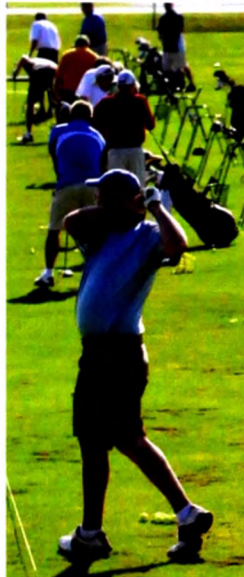
Now, if and when a tax comes down, what do we do about it? It will depend on the type of tax levied by the government. The ERS notes that consumers don't get reminded of a sales tax at the shelf, so it might have less influence than expected. Then, there's the excise tax, determined by the manufacturer's use of ingredients or by quantity of product. But even here, a determined soda maker or retailer might not choose to pass the tax along, or spread it over an entire portfolio of products so that the impact of the tax is barely felt by shoppers. Therefore, the impact of any tax would be diluted.

Despite the admirable goals and government intervention, retailers and their manufacturer partners might hold the key to success in this area. The ERS report concludes: "The ultimate outcome would depend on many factors, including the size of the tax, the type of tax, and the competitive strategies of beverage manufacturers and food retailers." —Bob Vosburgh, contributing writer for Refresh blog. Excerpted with permission from Supermarket News, [www.supermarketnews.com](http://www.supermarketnews.com). ■■■■





# 2010 Annual Michigan





# Golf Open



**A**FPD hosted its 34th Annual Michigan Golf Outing on July 14th, and 288 golfers enjoyed a fun-filled day of golf and refreshments at Fox Hills Golf Course in Plymouth, Mich. A total of 32 sponsors stepped up to make the event special for everyone—in addition, Eagle Sponsor funds were allocated to AFPD Foundation's Scholarship Program. Navigating the course was made easier by the food and drink samples at each stop along the way. A wonderful dinner, silent and live auctions, raffles, and cigars completed a perfect day!







ASSOCIATED FOOD & PETROLEUM DEALERS

*Graciously thanks these sponsors for their generous support of our 2010 Michigan Golf Open*

**MASTERS TOURNAMENT TITLE SPONSORS**



**GOLF SHIRT SPONSOR**



**GOLF CART SPONSOR**



**GOLF DINNER SPONSOR**



**TOURNAMENT CO-SPONSORS**



**GOLF LUNCH SPONSOR**



**GOLF BALL & ICE SPONSOR**



**EAGLE SPONSORS**



**PUTTING CONTEST**



**LONGEST DRIVE CONTEST SPONSOR**



**HOLE IN ONE CONTEST SPONSOR**



**BIRDIE SPONSOR**



**CELEBRITY FOURSOMES**





# Understand New Credit Card Reforms

There are two retail electronic payment acceptance reforms that take place immediately with the signing of the Dodd-Frank Wall Street Reform and Consumer Protection Act. One would provide retailers greater protections from card network fines in offering discounts or incentives for using cheaper forms of payments. The second would allow retailers to set minimums, not to exceed \$10, for the use of a credit card.

First, contact your merchant acquirer to discuss potential programming changes that may need to be made to effectively carry out these reforms and determine if it makes financial sense for your company to implement these reforms. Your acquirer will likely play a large role in the programming necessary to offer discounts or in-kind incentives.

## Discounting/In-Kind Incentives

The first reform is that a card network shall not inhibit the ability of any person to provide a discount or in-kind incentive for payment by the use of cash, checks, debit cards, or credit cards, provided that discounts for debit cards and credit cards do not differentiate on the basis of the issuer or the card network, and provided that the discount is offered to all buyers and disclosed clearly to the extent required by federal and applicable state law.

Discounts or in-kind incentives can be offered for cash, checks, debit cards or credit cards. While networks created extreme barriers to doing so, the ability to offer cash and check discounts was previously protected by the Cash Discount Law, but the ability to discount on debit and credit cards is new.

Discounts or in-kind incentives on credit and debit cards cannot vary based on the card network (e.g. Visa or MasterCard) or by the card issuer (e.g. Citibank or Bank of America). For example, you may offer a 1 percent discount for all debit purchases, but you may not offer a 1 percent discount for a Citibank debit purchase and then a 2 percent discount for a Bank of America debit purchase.

Discounts may be applied to the full shopping basket. Discounts do not need to be labeled on each individual item. Any discount or in-kind incentive should be clearly and conspicuously posted at the register. Discount signage may be placed at other locations throughout the store (such as the entryway or the aisle where an in-kind incentive may be offered) to help make shoppers aware of the discount.

In-kind incentives may include (pursuant to state laws) offering any product or service to incentivize a customer to use a less expensive form of payment. For example, you may wish to offer a customer a free loaf of bread to use cash, or if it is less expensive for you to accept debit cards you can offer the same or a different incentive to any shopper who uses a debit card.

## Minimums on Credit Credit Cards

The second reform is that a card network shall not inhibit the ability of any person to set a minimum dollar value for acceptance of credit cards, provided that the minimum does not differentiate between issuers or card networks, and provided that the minimum does not exceed \$10. The following are a few conditions:

- The minimum purchase dollar amount should be clearly posted at the register.
- Signage should indicate that the minimum purchase amount is only on credit cards and does not include debit card purchases.
- Signage may be placed at other locations throughout the store (such as the entryway) to help make shoppers aware of the credit card minimum purchase amount.
- The minimum purchase amount must be the same for all credit cards.

Finally, when instituting these reforms, review relevant state laws, such as consumer protection laws surrounding consumer disclosures. ■■■





## TOBACCO RETAILERS:

### *What is the Role of*

# *Politics*

## *in Your Business Model?*

By Steve Kottak and Dave Riser

A turbulent economy. Threats of higher taxes. Massive state budget deficits. Political races and elections. Looming regulatory issues.

As a tobacco retailer, all of these influences can directly affect your sales, your profits, and your ability to compete. However, you can make a difference.

Your involvement in the political process can have an impact on policymakers and

so be sure to use them.

In Michigan, the current state excise tax is \$2.00 on a pack of cigarettes and \$1.25 per pack in Ohio. At these rates, combined with the federal excise tax and tobacco settlement payments, the government makes about 60 percent of the profit on every pack of cigarettes sold in these states. Even so, we can expect a strong push for higher cigarette and tobacco taxes by some legislators, despite the negative impact this would have on adult tobacco users and

retailers.

Given that sales of cigarettes and other tobacco products comprise about 35 percent of the in-store sales at convenience stores, political involvement is no longer a luxury, but a necessity. You should think of engaging in the political process as an integral part of your business model. With this involvement, you have the ability to impact public policy by building and maintaining a relationship with legislators and becoming an advocate for a cause or issue.

To effectively serve their district, legislators need to know the opinions of constituents. They need to understand the impact their votes and their choices have on retailers and other businesses they represent. AFPD members and their employees can be valuable resources of information for state legislators. To do so, it's important to stay current on proposed legislation that affects you and speak out and share your opinion with your representative.

Being politically active doesn't have to be difficult or time-consuming. To help in this effort, R.J. Reynolds Tobacco Company

*See Politics, page 26*



### **Make a Difference In One Day— or Less**

Here are ways you can make a difference at varying levels of commitment:

- **5-10 minutes.** Five to 10 minutes is enough time to make a phone call to your representatives to ask them to "vote no" on any new tobacco taxes or to express your view on other issues that impact your business. Just a few minutes can make a difference.
- **30 minutes.** One of the most effective ways to communicate with legislators is a personal handwritten letter based on your experience as a retailer.
- **1-2 hours.** Invite your representative to visit your place of business and meet with you and your employees. This gives elected officials an opportunity to gain greater insights into your business to hear about industry issues firsthand.
- **One day.** Visiting your representative at the Statehouse or in the district is a meaningful way of communicating your concerns and positions.



help improve the economic environment for your business. We want to thank the Associated Food & Petroleum Dealers (AFPD) and its many members throughout Michigan and Ohio who have done just that.

Your engagement in the political process has helped shape favorable legislative and regulatory outcomes and continues to lay the groundwork for future success. This is a great reminder for all AFPD members and their employees to know that their voice and their vote are important and powerful –



# Thank you for your support!

*"You're making  
a difference"*

**NoCigTax.com**

There's no substitute for your support! Working together, we can continue to get the attention of lawmakers and make your opinion known on tax increases and other unfair legislation. And now with NoCigTax.com, a new online resource, contacting legislators is faster and easier than ever! Partnering together, we can continue to make a difference!

**RJReynolds**

CAMEL PALL MALL MODERN SMOKE-FREE TOBACCO

*face the future  
join the movement*





## Record Year

By Ernie Davis, Acting Superintendent,  
Ohio Division of Liquor Control



The Ohio Division of Liquor Control recently completed another record year of liquor sales. Spirits liquor dollar sales at the state's 452 Contract Liquor Agencies reached \$742.7 million in fiscal

year 2010. This was an increase of \$12.8 million (or 1.75 percent) over sales in fiscal year 2009. The Division's net profit for fiscal year 2010 also increased to \$228.8 million, which is \$4.6 million more than fiscal year 2009. In addition, the Division's profit margin increased to 30.2 percent.

The Division's transfer to the state's General Revenue Fund (GRF) for fiscal year 2010 was \$167 million. In addition, the Division contributed another \$143.5 million in liquor sales and tax revenue to help fund a variety of state services. The Division's total contribution for fiscal year 2010 was \$310.5 million.

The fiscal year 2010 liquor sales revenue was distributed in a variety of ways, including:

- \$167 million transferred to Ohio's General Revenue Fund;
- \$35.9 million to the Ohio Department of Development for the retirement of economic development bonds for the small business loan program;
- \$14.9 million to the Ohio Department of Development for the retirement of Clean Ohio Revitalization Bonds;
- \$10 million for state liquor law enforcement;
- \$4.2 million to the Ohio Department of Alcohol and Drug Addiction Services for alcoholism treatment and prevention;

Gallons of spirits liquor sold in fiscal year 2010 was 10.8 million, an increase of 217,002 gallons (or 2.04 percent) compared to fiscal year 2009.

## Politics *Continued from page 24*

developed [www.NoCigTax.com](http://www.NoCigTax.com), a one-stop, on-line resource for tobacco tax information and ways to quickly contact elected officials. It can be a valuable resource in making your voice heard. Also, you can call the toll-free tobacco-tax hotline at (866) 658-8337. An operator will transfer you to the appropriate legislator's office so you can share your opinion with his or her staff. Additional information also is available at [www.facebook.com/nocigtax](http://www.facebook.com/nocigtax) and [www.twitter.com/nocigtax](http://www.twitter.com/nocigtax).

The fact that this is an election year presents an even greater opportunity to meet with and get to know the candidates and to tell them about the issues that concern

- **Make a donation.** Candidates rely on the donations of individuals to run their campaigns and to operate and succeed. Every donation counts.
- **Place signs at your business.** Obtain a sign for the candidate you support and display it at your place of business. Don't overlook the fact that many legislators are now using on-line technology when communicating with constituents. Facebook pages, Twitter feeds, blogs, and campaign and social networking sites are all emerging opportunities that offer quick and easy ways to correspond with elected officials.

Time devoted to developing and solidifying relationships with legislators and being active in

**As sales of cigarettes and other tobacco products comprise about 35 percent of the in-store sales at convenience stores, political involvement is no longer a luxury, but a necessity.**

you as a retailer, such as labor and health care costs, the Ohio commercial activity tax and the Michigan single business tax, as well as additional tax threats on cigarettes, tobacco, and other products. To help build relationships during the election cycle, you can:

- **Participate in town meetings.** Spend some time with local and state representatives. Learn about the issues facing your community. Meet others who support the same causes you do. Voice your opinion.
- **Be a registered voter – and vote.** Your vote provides you with a voice in government. Your vote does matter. Bring others to the polls with you to vote also.
- **Participate in your candidate's campaign and network with others.** Campaigns need help, and everyone has something to offer as a volunteer. You don't need to devote a great deal of time to volunteer – it can be for a one-time event.

the political process is a small investment to make when it comes to protecting your business. You should know your representatives and they should know you. These relationships can pay dividends for many years to come – not only on tobacco issues, but on all other proposals that affect your business and your employees.

Remember: You can help shape the future legislative landscape or it will be shaped for you. Thank you for your support and all that you do. ■■■



Steve Kottak is director and Dave Risk is VP of external relations, trade marketing for R.J. Reynolds Tobacco Company.



# 7Up Detroit:



**It's what  
we drink  
Around Here.**

***Need an Energy Boost? Try these great new flavors!***



## **VENOM Energy Drinks**

- Black Mambo • Mojave Rattler
- Death Adder • Killer Taipan



## **HYDRIVE Energy Drinks**

- Blue Raspberry • Lemon Lime
- Kiwi Raspberry • Triple Berry
- Grape Fusion • Citrus Burst

**See your local 7Up Account Representative for details.**



# Perry Village Market: Growing and Giving

By Beverly Sturtevant

You've always heard that the three keys to opening a successful store are location, location, and location. Ray and Jen Peteritis' small grocery store in Perry Village, Ohio, a farm community of 2,000 or so folks not far from the south shore of Lake Erie, is a prime example of a fortunate location.



The Perry Village Market opened in early 2007 in a dirt-floored, unfinished building 300 yards from the local high school, just down the road from the Village Hall and post office. Today, it is still the only grocery store in Perry Village.

Tired of split shifts as a truck driver and with no retail experience and a growing family, Ray Peteritis and his wife, Jen, moved to Perry five years ago and now count themselves blessed. A neighbor who owned a vacant building became a mentor through the planning and layout phases of the new store. Ray took a class in persuasive writing focused on business plans, and the Peteritis managed to snag a loan two



days before Christmas in 2006.

For the first 15 months, it was a family affair. The store was in the black after 18 months and now is growing at 10-17 percent each year. Perry Village Market currently boasts two employees and 1,200 square feet of sales area devoted to groceries, pop, snacks, cigarettes, lottery, beer, and wine.

The Peteritis' three boys—Jacob (10),



Nathan (8), and Zack (6)—are involved in youth sports, so it was a natural fit for the store to sponsor both Little League and high school teams in Perry Village. In fact, with Perry Village Market as the center of the community, the Peteritis family donates to and/or sponsors just about every charitable cause in the community, including reverse raffles, Relay for Life, and support of AmVets golf outings.

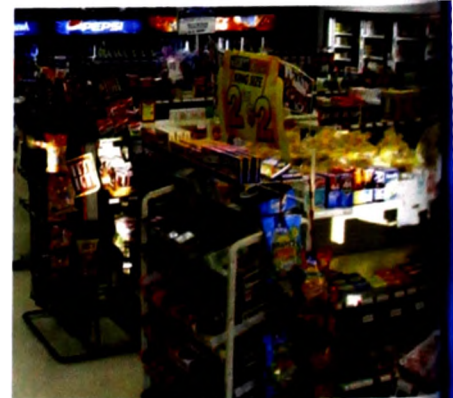
Ray Peteritis also believes it's important

to lend a helping hand to the many migrant farm workers in the area by offering services such as money transfers and phone cards. He is trying hard to learn a little Spanish. Ray Peteritis says the Market's three-year membership in AFPD has "done nothing but help" the store to thrive. They currently use AFPD's Dairymen, Leanin' Tree

and Chase Paymentech programs, and anticipate participating in other offerings such as the New England Coffee program in the near future.

Despite the current down economy, the Peteritis family is upbeat about the store's future. Plans include adding services such as fuel, phone/fax order delivery to older folks in nearby condos and check cashing. In addition, they've added a fryer and will offer hot foods and perhaps subs or pizza down the road. Most of all, they are excited about growing the Perry Village Market by gaining access to the vacant lot next door. The Peteritis' choice of location for their store has been a fortunate one.

*Beverly Sturtevant is assistant editor for AFPD's Bottom Line.*





MICHIGAN ONLY



## AFPD Member Exclusive!!

### AFPD/Pepsi Beverages Company Program



#### TO QUALIFY

AFPD members must have signed and are executing a 2010 CDA program; if you would like to sign up for a CDA, please contact the number or email below.

#### *Crush/Mug Root Beer/Sierra Mist/Lipton Brisk Incentives*

- **GROCERY STORES** - Incremental **\$0.25** per case above & beyond your pricing on all 2 liter bottles of Crush, Mug Root Beer, Sierra Mist & Lipton Brisk products and **\$0.50** per case on 20 oz. Must place one full shelf (7skus) of 20 oz bottles and merchandise a minimum of 25 case display/rack (suggested retail price for 20 oz. is \$0.99 each).
- **ALL OTHER RETAILERS** - Incremental **\$0.25** per case above & beyond your pricing on all 2 liter bottles of Crush, Mug Root Beer, Sierra Mist & Lipton Brisk products and **\$0.50** per case on 20 oz. Must place one full shelf (7skus) of 20 oz bottles and merchandise a minimum of 5 case display/rack (suggested retail price for 20 oz. is \$0.99 each).

#### *Equipment Fund Per Year*

- **Grocery Stores** - \$250 placement fee for incremental one door checklane cooler.
- **All other retailers** - \$250 placement fee for incremental one door cooler within 8 feet of front register.
- No limit on the number of coolers; subject to pre-qualification by a Pepsi Beverages Representative.
- Rebate checks to be sent out every quarter by AFPD.



To sign up for this AFPD Exclusive Pepsi Program, please call 1-888-560-2616 and leave your name, your store name, address and telephone number. You can also email your interest in joining this program to [Aarabo@AFPDonline.org](mailto:Aarabo@AFPDonline.org).

Members with Questions Call: Auday Arabo at the AFPD Office at 1-800-666-6233!





## M. Scott BOWEN

*Michigan Lottery Commissioner*

# Red Hot & Blue 7s: 2nd Chance to Win

**P**layers have some great opportunities to win big this summer. Red Hot & Blue 7s provides the chance to win big money during the Arts, Beats & Eats Festival in downtown Royal Oak, Mich. The \$5 Red Hot & Blue 7s instant ticket features more than \$10 million in total cash prizes and a chance for players to win a top prize of \$270,000.

More than 200 winners of \$700 each will be automatically entered into a drawing for a chance to win \$270,000 during a live drawing at the Arts, Beats & Eats on September 3. Players who claim a \$700 prize at a Lottery Regional office between June 18 and August 17 will be eligible for the finalist drawing. On August 19, five finalists will be selected for a chance to win the grand prize in September. Red Hot & Blue 7s™ has been available for purchase since June 21.

### Red Hot Raffle

Red Hot Raffle, which launched June 14, has been a huge success. Like other raffles, a limited number of tickets -- just 500,000 -- are available for purchase. Each ticket will be issued a unique raffle number from 000001 to 500,000. The ticket price is the same as the Lucky 7s Raffle (\$10), but there is half the quantity available for purchase and more prizes for players to win. That means the overall odds for players to win a prize are 1 in 19.

The Red Hot Raffle drawing will be conducted on or after August 4; from the tickets sold, more than 26,000 winning tickets will be

selected. Ten winning tickets have a cash prize of \$100,000; 100 winning tickets have a cash prize of \$10,000 each; 1,000 winning tickets have a cash prize of \$100 each; and 25,000 winning tickets have a cash prize of \$20 each. That is \$2.6 million in prizes to thousands of very lucky winners.

Players will not be able to choose their own numbers and must match the exact number as drawn by the Lottery. Red Hot Raffle tickets are selling quickly, so be sure to remind your customers to purchase theirs before the supply runs out.

### Lottery Mobile Retail Unit

The summer is flying by, and there are still plenty of opportunities for you to visit the Lottery mobile unit traveling throughout Michigan. All summer the unit has been traveling to fairs, festivals, and sporting events across the state to promote the Lottery and sell tickets.

Upcoming events include:

- **August 4 – 8.** Labadie Pig Gig, Bay City
- **August 12 – 15.** The Michigan International Speedway, Brooklyn
- **August 20 – 21.** Woodward Dream Cruise, Royal Oak
- **August 28.** Detroit Lions tailgate, Detroit
- **September 3 – 5.** Arts, Beats & Eats, Royal Oak

### Bow Wow Bingo

Remind your dog-loving customers about the opportunity to show off their four-legged friends through the Michigan Lottery's Bow Wow Bingo™ Photo Contest. Since June 21, Michigan Lottery players have been able to submit one or

more photographs of their dog to the Bow Wow Bingo Photo Contest at the Lottery's Player's Club website, [www.michiganlottery.com](http://www.michiganlottery.com). To enter the contest, players must submit three non-winning Bow Wow Bingo™ instant game tickets with each photo of their dog.

Professional pet photographer Keith Kimberlin will judge and select five finalists between August and October from the pool of entries. Each of the five finalists will receive a \$250 Visa® gift card featuring the image of their dog. From October 8 through October 28, Michigan Lottery Player's Club members will then vote for their favorite pet photo among the five finalists. The dog owner with the most votes will receive a \$500 VISA® gift card; a photo shoot for their dog with professional pet photographer Keith Kimberlin; and a package of prints from the photo shoot. See contest details at [www.michiganlottery.com](http://www.michiganlottery.com).

### New Instant Tickets

New instant tickets on sale in August include Triple Cash Bash™ (\$1), Dubble Bubble Bingo™ (\$2), Blazing Wild Time™ (\$20), and Poker Multiplier™ (\$5) on August 9 and Gimme \$50™ (\$1), Diamond Cashword™ (\$2), Detroit Lions™ (\$2), and Million Dollar Multiplier™ (\$10) on August 30. The release date for these tickets is subject to change.

### Instant Ticket Activation

Retailers are reminded to always activate instant game tickets before putting them on sale to ensure winning tickets can be claimed following their purchase. ■■■





# AFPD Member Exclusive!!

## Michigan Ice Cream Program

*Large Format (3 registers or more)*



- Receive a 3% Rebate on ALL ice cream purchases from Prairie Farms.
- Rebate checks are sent out every quarter from AFPD.
- In addition, if you commit to 4 doors for 1 year, you will receive a \$500 check from AFPD.
- Special discount pricing before the rebate is even calculated.
- *This program includes the following products & more:*



To sign up for this program today, call Kelly Zaremba at 1-800-399-6970 ext 200 or email her at [detroitales@prairiefarms.com](mailto:detroitales@prairiefarms.com)  
Be sure *to let her know you are an AFPD Member!*

Members with Questions Call: Auday Arabo at the AFPD Office at 1-800-666-6233!





## Kathleen BURKE

Ohio Lottery Commissioner

OH Lottery

# Ohio: The Lucky Powerball State?

**W**ow, what an exciting run we're having with Powerball! Not only did Ohio celebrate its first Powerball jackpot in June, we celebrated our second as well. In the space of seven drawings, two of the jackpots have been won (or shared) by Ohio winners.

We had such a good time visiting Hub Carryout, seller of Ohio's first winning Powerball jackpot ticket. The day after the \$261 million jackpot winner was drawn, I traveled to Sunbury, Ohio, just north of Columbus, to congratulate the retailer. It was quite a day for store owner Ralph Smith and the staff of this popular, family-run operation. Hub Carryout is a community gathering place, and I enjoyed talking with him, his staff, and his many customers.

I presented Ralph with the \$100,000 retailer bonus for selling the winning ticket—what a thrill!

Even before that prize was claimed in a blind trust, our second jackpot winners—a group of 14 Chrysler workers from Ohio and Michigan—were making their claim at our regional office in Toledo. The \$97 million jackpot was split with Montana, so our group shared \$48.5 million.

We'd love nothing more than for Ohio to become known as the "Lucky Powerball State." It's exciting to watch and wait for our streak to continue.

We're also celebrating another record sales year. As we close the books on our fiscal year, we are proud to set an all-time sales record with nearly \$2.48 billion in lottery sales. That exceeds our prior year's results by about \$67 million. This is the Ohio

Lottery's 9th consecutive year of sales growth; we join only a handful of state lotteries nationally with uninterrupted consecutive growth over such an extended period of time.

Our transfer to the Lottery Profits Education fund this year is \$728.6 million—a whopping \$23 million more than the \$705 million we were committed to send. The \$728.6 transfer was the second highest transfer in our 36-year history.

In August, we'll be giving our Ten-Ohio! players a chance to win 50-percent more cash on Tuesdays, Wednesdays, Fridays, and Saturdays. From August 3-31, for example, a regular Ten-Ohio! winning jackpot of \$6,000 (for matching 9 of 10 numbers) would automatically increase to \$9,000 during the promotion.

Hope your summer is going well! ■



## AFPD Member Exclusive!



60 Years of Experience

## ADP Payroll Program

- 25% discount for AFPD members!
- One month FREE payroll. 2 year price lock on all major accounts.
- 50% off W2 preparation.
- Automatic check of new hires for tax credits. Only a 20% charge on savings from tax credits.

***This is such great program, that AFPD will guarantee that ADP payroll services will MEET or BEAT your current payroll processor or we will give you a one year FREE Membership to AFPD!***

***To sign up for this program today, call Diana Bazzi at (877) 634-1434 or (313) 845-6544.***

***Be sure to let her know you are an AFPD Member!***

Members with Questions Call: Auday Arabo at the AFPD Office at 1-800-666-6233!



BEYOND  
GOOD!  
BRAND

# Uncle Ray's®

*Always*  
Made Fresh from  
Nature's Best!®

Bold New  
Unique  
Flavors!



Contact your Uncle Ray's Distributor to place an order!



# Spartan Stores

## Expands

# Michigan's Best

Spartan Stores is expanding its Michigan's Best program due to strong consumer response and its impact on local economies throughout the state. The expanded program kicked off Fourth of July weekend in 97 Family Fare, D&W Fresh Market, Felpausch, Glen's, Glen's Fresh Marketplace, and VG's stores, as well as 250 independent grocery stores selling Spartan Stores products throughout Michigan.

Spartan Stores created the Michigan's Best program in July 2009 to pay tribute to Michigan farmers and businesses and help residents identify Michigan-made products. The initial campaign promoted 2,400 products grown and produced by 42 businesses and farms in Michigan and emphasized that buying Michigan-made products is a simple – and healthy – way to boost the state's economy.

Spartan Stores believes the impact of the Michigan's Best program on the state's economy and health is significant, notes Alan Hartline, executive vice president of merchandising and marketing for Spartan Stores. "The Michigan's Best program supports our state, our manufacturers, our farmers, our neighbors, and our families simply by choosing Michigan-made products. Buying local helps keep Michigan residents employed. It also benefits communities by boosting the local and state economy by creating more jobs. Plus, buying local fresh fruits and vegetables picked within hours of being on the shelf is a healthier option.

"Local products also have lower food miles, meaning they are shipped shorter

## Spartan Stores

distances, which requires less gas and is better for the environment."

The Michigan Department of Agriculture agrees, emphasizing if each family in Michigan started spending \$10 per week of their grocery bill on Michigan products, we would keep more than \$37 million in Michigan,



each week.

Hartline also noted that Spartan Stores is continuing to identify new vendors and Michigan-made products to include in the Michigan's Best program. "We've added over 600 new products and 30 additional independent grocery stores have come on board. This is a win-win situation for our farmers and Michigan businesses as we are promoting local and keeping dollars in the community."

Buying local isn't something that takes a great deal of effort. The

Michigan's Best program includes an extensive A-Z list of options from apples to vitamins and a plethora of fruits, vegetables, cereal, coffee, dairy, meat, juice, beer and wine, baked goods, health and beauty, and home products in between.

To raise greater awareness of Michigan-made products, Spartan Stores also has launched the [www.supportmichigansbest.com](http://www.supportmichigansbest.com) website and will have a number of in-store promotions, including signage, weekly specials featuring Michigan-made products, and a children's coloring contest.

Sen. Mark C. Jansen from Michigan's 28th District notes, "I very much appreciate our major local job provider, Spartan Stores. At a time when we are losing jobs in this state, Spartan continues to demonstrate its commitment to the Michigan consumers in many ways, such as the Michigan's Best campaign. We absolutely need more business leaders like Spartan Stores."

Spartan Stores was honored with the National Grocers Association Creative Choice Advertising Award as "2010 Best Advertising Campaign" for its Michigan's Best campaign. Spartan Stores is the nation's 11th largest grocery distributor with warehouse facilities in Grand Rapids and Plymouth, Mich. The company distributes more than 40,000 private label and national brand products to approximately 375 independent grocery stores in Michigan, Indiana, and Ohio. Spartan Stores also owns and operates 97 retail supermarkets in Michigan.





Your Store Name Here **Candy Center**  
Your Store Name Here **Candy Specials**

**ENDCAP**  
**CHECKLANE**  
**GONDOLA**

All around  
the store,  
we meet  
your Candy  
needs!

*Contact our Grand Rapids Distribution Center  
for more information about our products and programs  
designed specifically for the Supermarket Class of Trade!*

**HT HACKNEY GRAND RAPIDS**

1180 58th Street  
Grand Rapids, MI, 49509  
[www.hthackney.com](http://www.hthackney.com)

Contact; 1-800-874-5550  
or e-mail;  
[craig.diepenhorst@hthackney.com](mailto:craig.diepenhorst@hthackney.com)





## Convenience Fuels Growth in Prepared Foods

Convenience is a key driver for U.S. consumers who are increasingly turning to prepared foods purchased at the supermarket deli for in-home suppers, reports The NPD Group, a leading market research company. According to NPD's DeliTrack, which tracks deli-prepared food purchases, consumers indicate that one of the top reasons they purchase prepared foods is for an easy meal at home.

DeliTrack data finds that nearly half of deli-area prepared food purchases are in-store decisions. This aligns with findings from NPD's upcoming report entitled *Before the Store*, which studies consumer shopping habits and meal planning. According to the report, the top challenges consumers face when planning and shopping for meals are getting new ideas and finding meals that are quick to make. While most purchases of deli-prepared foods are driven by habit and convenience, 10 percent are items buyers are trying for the first time.

According to NPD's DeliTrack, approximately one-in-five adults purchases a prepared food from retail in a typical week. When making prepared food purchase decisions, consumers' top picks are chicken or turkey items; sandwiches; deli salads such as potato salad; and leaf salads. These four types

of foods account for just over half of all deli-prepared food purchases.

"The popularity of deli-prepared foods is not surprising. We are a convenience-driven society. Picking up a prepared meal in the supermarket deli along with other staples we might need for home represents one-stop shopping," says Ann Hanson, executive director, product development in NPD's food and beverage unit. "There are more prepared food options available at supermarkets today providing consumers with both variety and the convenience of buying a prepared meal along with their other groceries."

Hanson, who is author of a report titled, *A Look Into the Future of Eating*, which analyzes eating patterns over the next decade based on population changes, generational influences and trends, says that convenience in terms of reducing or even eliminating the amount of food preparation is a trend that is expected to grow over the next decade.

"Prepared foods represent an opportunity for growth," says Hanson. "Consumers are looking for a way around having to cook, and deli-prepared foods are one solution for quick and easy meals in the home."

## Will Savings Clubs Bond Spenders to Supermarkets?

The Lempert Report suggests that stores add one more classic offer to their Christmas, Chanukah, and Kwanzaa celebration portfolios—a savings club that could help lock in loyal shoppers who plan to host gatherings of families and friends at the end of this year. "Offer a few percentage points of interest, and savings-minded shoppers will feel they're getting more of a deal," says Phil Lempert, author of the report. Lempert reached back about half a century to suggest this idea.

"Remember when our mothers and

grandmothers took \$1 a week to their favorite supermarket and got \$52 back to buy foods for the holidays?" he asked. "A good deal all around: extra savings for shoppers, and a timely hit for the store with productive spending. This could be easy to revive, 2010 style, using electronic deposits through a retailer website or a card swipe at a store's service desk."

Why should this idea click now? According to latest NPD Group research, people said they plan to spend less on groceries over the next six months, particularly households that bring in less than \$35,000 annually. These consumers will use coupons for foods and beverages; stock up when items are on sale; seek sale prices in circulars; trade down from costlier brands; and seek coupons online.

Lempert points out that Toys "R" Us is accepting cash or credit payments in just such a program and is paying



3 percent interest, according to a New York Times report. "Given the type of economy that we're in, we wanted to give them as much time as possible to start planning for their budgets," Greg Ahearn, senior vice president for marketing and e-commerce for the toy chain, told the paper.

The Lempert Report believes this planning tool could effectively tie in with the many savings strategies shoppers continue to deploy when buying foods and beverages. If this idea works for the holidays, perhaps it could be extended to Easter 2011 and other occasions throughout the year, Lempert adds. ■■■

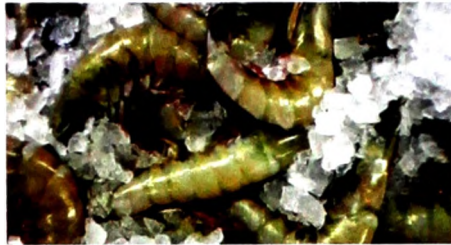


# Dispelling Gulf Seafood Myths

by Phil Lempert

Just as Americans are getting the message that a diet rich in seafood will add to healthier lives, it appears that the media is undermining the messages with their own "fish tales" of unsafe seafood from the impact of the BP oil spill on the fisheries in the Gulf of Mexico. Reports from major news agencies including CNN are stating that 40 percent of fish harvested in the continental 48 states comes from the Gulf of Mexico, where the spill occurred. The truth is that only 2 percent of the seafood that Americans consume comes from the Gulf, according to National Fisheries Institute (NFI) spokesman Gavin Gibbons, and only 17 percent of the seafood Americans eat is domestic.

According to new data from a continuing survey conducted by the University of Minnesota, Americans are very concerned about the oil spill's potential impact on the safety of Gulf seafood. When asked how the oil spill will affect their consumption of seafood, 44 percent report some impact, with 44 percent of that group saying they will only eat seafood that they know does



not come from the Gulf of Mexico, and another 31 percent saying they will eat less seafood regardless of where it comes from. Supermarkets are on the front-line in the battle against this misinformation because consumers are relying on service staff to explain to them what's really going on, and stores have a responsibility to get the information correct.

Seafood from the Gulf of Mexico is safe and healthy because the waters where the oil is are closed to fishing, and officials have tested thousands of samples from the rest of the Gulf and found no contamination. In fact, officials are testing more of it than they ever have at any time and haven't had to reject a single fish for contamination.

"Education is a big part of this for retail," Gibbons told Supermarket Guru. "It's important to have the right message and the confidence to tell people that the

seafood that is coming out of the Gulf is safe and healthy."

Also, since our stores stock seafood from all over the globe, be vigilant and check pricing on a regular basis to ensure that species imported from areas far from the Gulf, which have not been impacted by the oil spill, are not just trying to take unfair advantage of your store and the shopper.

Gulf fishermen have been hit hard by first Katrina and now this disaster and one way to help support them and ensure the future of this industry is to continue to promote and stock Gulf seafood as long as the current status does not change.

Post links on your website and in your circulars to the National Fisheries Institute [www.aboutseafood.com](http://www.aboutseafood.com), Seafood Watch [www.SeafoodWatch.org](http://www.SeafoodWatch.org), FishWatch [www.nmfs.noaa.gov/fishwatch/](http://www.nmfs.noaa.gov/fishwatch/), the Food & Drug Administration [www.fda.gov](http://www.fda.gov), Florida Seafood [www.FL-Seafood.com](http://www.FL-Seafood.com), or Louisiana seafood promotion board's new website, [www.louisianaseafoodnews.com](http://www.louisianaseafoodnews.com). —*The Lempert Report*: [www.supermarketguru.com](http://www.supermarketguru.com) ■■■■

## PumpTop TV

PumpTop TV has new deployment partnerships with 10 gas and service stations throughout Detroit. PumpTop TV, a digital network located at-the-pump, offers a rich content experience spanning the latest in entertainment, health and wellness, travel, the environment, fashion and more.

The PumpTop TV network features geographic localization capabilities that allow content providers to reach Detroit consumers on a more targeted level. The arrival



of PumpTop TV in the Detroit market provides local gas station owners with a dramatic new lure to attract customers to their locations.

The PumpTop TV network is part of a nationwide affiliate network between PumpTop TV and Outcast that provides advertisers a combined audience reach of more than 20 million motorists each month. PumpTop TV currently appears on more than 12,600 screens at stations and convenience stores throughout the United States. ■■■■

## New Products

### Uncle Ray's Potato Chips: Three New Flavors

Uncle Ray's has a long tradition of using the finest ingredients to create bold, unique flavors. Its newest flavors—salt and pepper, green onion, and jalapeno—build on that tradition and help establish Uncle Ray's Potato Chips as a company of choice for great flavors. Uncle Ray's dedication to high-quality ingredients has helped the company spread across the United States, Ontario, and the Caribbean. ■■■■







**James V.  
BELLANCA, Jr.**  
*AFPD Legal Counsel*

## Express Your Opinion on the Death Tax

**T**he Federal Estate Tax or "Death Tax" as it is often called, has been a source of controversy for many years. Most Americans, however, don't know much about its origin, how it works, or the pros and cons to its permanent elimination.

The Tax Act was created in 1916 as a means to stop the growing concentration of wealth in fewer American families. It has undergone many changes over the years. Prior to the tax reform in President George W. Bush's first year, it provided that a single-person estate exceeding \$675,000 was subject to the tax. However, an estate going to a surviving spouse was not initially taxed. When the surviving spouse died, with some estate planning and through the application of exemptions at that time, a married couple's estate could be shielded from the tax unless it exceeded \$1.35 million. That exemption was increased to \$2 million by 2006.

The system imposed a graduated tax on estates which exceeded these limits. It begins at 37 percent of the estate and increased to a maximum of 55 percent for estates over \$3 million. It was said then that it only affected approximately 2 percent of the population.

In President Bush's first term he successfully passed an amendment to the death tax, which had been vetoed by President Bill Clinton in his last year in office. Under President Bush's plan, the tax minimum decreased from \$2 million to \$0 in the year 2010. So as it stands today,

as you read this article, there is no federal estate tax.

So, what is the issue? Well, the issue is that unless this bill is otherwise reviewed by the Congress before the end of the year, the death tax limitation will go from unlimited to again approximately \$675,000.

Several bills have been pending in Congress that would raise the limit from \$675,000 to somewhere between \$3 and \$5 million, but politics as usual has interfered with Congress doing what is right and addressing the problem.

Many people believe that some time after the November election and before the end of the year, a bill will be rushed through Congress establishing a sensible compromise between the advocates for no tax and those who advocate some tax on the wealthy. With the uncertainty of our budget deficit, however, it may be that Congress, in its ultimate wisdom (no pun intended), will allow the law to revert to what can become very punitive to people who have accumulated a little bit of wealth during their lifetime, in spite of sales taxes, income taxes, and capital gains taxes, only to see more than 50 percent of their estate turned over to the federal government.

You will get a chance in the coming months to express your opinion. Whatever it is, express it. It is the American way. Get involved and let Congress know how you feel about this issue. Whether you favor the tax or not, it is part of the American spirit to become involved. ■■■■

*James V. Bellanca, Jr. is a partner with Bellanca, Beattie & DeLisle, P.C. He has been AFPD's general counsel for 28 years.*



**Special Thanks to 2010 Diamond  
Anniversary Year Sponsors**



# New 1099 Rules Cumbersome for Retailers

With the recent passing by Congress of new rules related to form 1099 and what types of payments (and to whom) must now be included, business people across the country are asking: What does this mean to me?

The new rules, called the Patient Protection and Affordable Care Act (PPACA), expand the tax-related information reporting requirements for all businesses. The new requirements apply to payments made to most vendors after December 31, 2011.

## Summary

Under current tax law, a business taxpayer making payments to a service provider (the "payee" in IRS language) aggregating \$600 or more for services in the course of a trade or business in a year is required to send an information return to the IRS (and to the service provider-payee) setting forth the amount, as well as name and address of the recipient of the payment (generally on Form 1099).

Under the law, the business taxpayer is not required to issue a Form 1099 to a corporation that provides services to it. The new law makes two changes. The first is to require businesses to issue the Forms 1099 to corporations as well as all persons in a trade or business. The second is to expand significantly the scope by requiring the issuance for payments made to "property" providers as well as service providers. The \$600 payment threshold remains intact. So basically, businesses will be issuing a Form 1099 to most of their vendors. The \$600 or more in payments is now for "rent, salaries, wages, amounts in consideration for property, premiums, annuities, compensations, remunerations, emoluments, gross receipts or other

fixed or determinable gains, profits and income..." The business taxpayer that issues the Form 1099 must first obtain the Taxpayer Identification Number (TIN) of the service/property provider-payee. If the service/property provider-payee does not provide the TIN to the business taxpayer, the business taxpayer

(\$100,000 for small businesses).

The definition of small business for this purpose is average annual gross receipts of \$5 million or less for the three most recent tax years (or for the period a business has been in existence, if shorter) ending before the calendar year in which the information returns were due.



## Analysis

The new law adds the phrase "amounts in consideration of property" as payments made to a provider that must be reported, but the law does not define the term "property." From discussions with the proponents prior to passage, it is understood to mean everything, including the goods a business purchases for resale. Among the vendors that many small businesses might not think of as vendors are airlines,

rental car companies, restaurants, hotels, and so forth.

## Outlook

The new rules related to Form 1099 is now the law. It's likely that the IRS will issue regulations that might fill in some of the blanks. It's possible that there will be some sort of exception for large national retailers or regular/repeat transactions – meaning that you won't have to report your monthly shopping sprees at Staples via a form 1099.

Meanwhile, the IRS will hold public hearings in 2011 on the regulations and give individuals and businesses a chance to make their voices heard. The IRS also takes public comment via U.S. mail and email.

AFPD will continue to work with other associations whose members are affected by this time-consuming legislation. Together we will point out the time and paperwork required to comply with this new law, and the adverse effect upon small business. ■■■■

must "backup" or withhold from the payments at a 28 percent rate.

## Penalties

The Form 1099 is sent to the payee and to the IRS on or before January 31 of the year following the calendar year in which payments are made. There are penalties if the business taxpayer fails to file the information return. Penalties include:

- *\$15 per information return* if you correctly file within 30 days (by March 30 if the due date is February 28); maximum penalty \$75,000 per year (\$25,000 for small businesses, defined below).
- *\$30 per information return* if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$150,000 per year (\$50,000 for small businesses).
- *\$50 per information return* if you file after August 1 or you do not file required information returns; maximum penalty \$250,000 per year





**Kim A.  
RHEAD**

*Partner, Karoub Associates*

## Support Those Who Support Small Business

**B**y the time you read this, the August primary elections will be behind us and the successful candidates will be turning their attention toward November and the general election. Every election is important, and despite the alarming number of people who fail to take advantage of their right to vote, every vote is important.

When I was a member of the Michigan House of Representatives, I served with a woman who won her election by one vote. There have been a number of other legislators elected to office by razor thin margins. Even if there were never any close elections, people should always take the time to vote. It is a right that many in the world forfeit their lives to achieve.

In addition, people also have the obligation to enter the polls as informed voters, and it is more important than ever that voters cast educated votes when they enter the polling booth. Gone are the days when we could simply vote straight ticket, or vote for someone based upon what we saw in an ad, or even based upon what we were told by our employer or union official.

The problems in Michigan are great, and we must all do our part to help our state claw its way back from the brink of financial ruin. One strategy is to do as much as we can to spend our money locally. The best place to purchase something is from someone who purchases items from you. It is almost impossible these days to "Buy American" because the definition of what is actually "American made" has become so difficult to define. But that is not true with buying locally. We all know the businesses in our local communities, and we need to double our efforts to support those businesses.

Another way is by making smart decisions when we

cast our votes. It is difficult to find out exactly where a candidate stands on most issues. Candidates would rather you make your decision based upon slick ad campaigns or 30-second sound bites. One good way to gain knowledge about a candidate is to go to groups that support issues that are important to you. Almost every major interest from the environment to guns to gay rights and beyond has a group that tracks its issues and evaluates candidates based upon their positions on these issues.

Small business owners have a number of sources available that review political candidates based upon their positions on issues that affect business owners. Your AFPD Association is a good place to start. On a state level, the Michigan State Chamber of Commerce does a very complete candidate review. The same is true for groups like the Small Business Association or the National Federation of Independent Businesses.

As job providers continue to pack up and leave the state, we have to stay and move forward. The auto industry has been very good to Michigan, and it will continue to be an important part of our economy, but it will be only one part. We must expand our agricultural industry; the same is true for service industries like insurance and finance.

The final area of possible economic expansion is small business. Over the years we have lost sight of the fact that the majority of jobs created in Michigan have always been generated by small business. Support those small businesses, and make sure you vote. And when you do, take time to identify and support candidates who place a value on supporting our small businesses. ■■■

*—Kim Rhead is partner with Karoub Associates, the lobbyist firm that represents the interests of AFPD and its members in Michigan.*

**Over the years we have lost sight of the fact that the majority of jobs created in Michigan have always been generated by small business.**





**Jody  
LICURSI**

*Vice President—Capitol Strategies Group*

## 2010 Election Spotlight

**D**uring the summer months while the Ohio General Assembly is on break, we would like to introduce you to key legislative candidates for the 2010 election. In this month's *Bottom Line*, we focus on Republican candidates for the Ohio House of Representatives.

In 2008, a Democratic majority (53-46) was elected to the Ohio House of Representatives for the first time in more than a decade. This election year, there will be a heated battle between Republicans and Democrats for control of the Ohio House of Representatives. If you have questions or would like additional information on any of the candidates, please contact AFPD's Ron Milburn at [rlmlcm@yahoo.com](mailto:rlmlcm@yahoo.com).



**MATT CARLE** is challenging first-term incumbent Rep. Nancy Garland (D-New Albany) for the 20th Ohio House District. Carle works as director of development and community relations for the Ohio College Access Network and as a real estate development and zoning lawyer.

"The contribution that small businesses make to Ohio's economy is enormous and, if elected, every ounce of my energy will be directed on building a stronger economy and better business climate by streamlining government and eliminating burdensome regulations and taxes that drive jobs out of our state," Carle told AFPD.



**MIKE DUFFEY** is the Republican candidate for the 21st Ohio House District, a seat currently held by Rep. Kevin Bacon (R-Minerva Park), who is running for the Ohio Senate. Duffey is a twice-elected member of Worthington City Council, where he implemented a balanced budget, reduced spending, created a "rainy day" fund, and hired a full time-economic development professional.

"Ohio cannot tax its way to prosperity," Duffey said. "We need to rethink state government and let Ohio's entrepreneurs, including AFPD's members, help drive economic growth and prosperity again. But the only way that is going to happen is if we all get involved in the political process – and I mean today, not tomorrow."

**MIKE HENNE** is running for the 36th House District, currently occupied by Rep. Seth Morgan, who chose not to run for re-election. This is Henne's first campaign for public office. More than 20 years ago, Henne joined his family busi-



ness, Boord-Henne Insurance Agency, which he currently owns with his brother. In his campaign for the Ohio House, Henne promotes running the government more like a business through cutting waste and overspending, reevaluating Ohio's tax structure to attract business, and enhancing economic development to stimulate growth in the Dayton area.



**CLIFF ROSENBERGER** is the Republican candidate for the 86th Ohio House District, which is currently held by Rep. Dave Daniels (R-Greenfield), who is running in the Ohio Senate. This will be the first time Rosenberger will be on the ballot. Rosenberger is a U.S. Air Force veteran assigned to the 113th fighter wing of the Air

National Guard. He is active in his community, helping to develop a village planning commission for Clarksville and leading the movement to establish a Clinton County Veterans' Memorial in Wilmington.

"Small businesses are the backbone of not only our state, but our country," said Rosenberger. "We need to make Ohio's business climate more competitive and increase the quality of life here so that our small businesses have the opportunity to thrive."



**BOB PETERSON** is challenging incumbent Raymond Allen "Ray" Pryor. "With approximately 11.3 percent of our community unemployed, it is time for a change from the anti-business, anti-growth status quo," he says.

"If I receive the honor to serve as the voice of the 85th Ohio House District, it will be my top priority to bring jobs and businesses back to the region. With Ohioans suffering the most difficult economy in decades, we need state leaders whose priorities align with those they represent, who are able to make difficult decisions, who are willing to roll up their sleeves and bring economic prosperity back to Ohio." ■■■■

*Jody Licursi is vice president of Capitol Strategies Group, the lobbyist firm that represents the interests of AFPD members in Ohio.*



# Best Practices for Card Data Tokenization

Visa Inc. has announced global industry best practices for tokenization to promote safer merchant payment environments. The tokenization best practices are the latest in a series of guidance to help merchants reduce or eliminate sensitive card data from payment systems and simplify data security and compliance efforts.

Tokenization is the process through which a credit or debit card's 16-digit primary account number (PAN) is replaced by proxy numbers. Merchants and processors that use tokens in accordance with best practices are able to limit PAN storage, significantly reducing the risk that sensitive cardholder data may be stolen by data thieves. Visa has provided a type of single-use token for many years; transaction IDs are provided in place of card numbers for every transaction processed by VisaNet, so merchants may use it for settlement and other ancillary processes with the support of their processors. The best practices also address multi-use tokens, which can be used for more complicated purposes such as fraud management, recurring or subscription payments, and merchant loyalty programs.

"Where properly implemented, tokenization may help simplify a merchant's payment card environment," says Eduardo Perez, head of global payment system security, Visa Inc. "However, we know from working with the industry and from forensics investigations, that there are some common implementation pitfalls that have contributed to data compromises. For example, entities have failed to monitor for malfunctions, anomalies and suspicious activity, allowing an intruder to manipulate the tokenization system undetected.

The best practices are part of Visa's broader effort to help merchants and the industry better manage security and compliance. By reducing the amount of vulnerable information that needs to be protected, Visa says merchants can simplify their payment systems and improve payment security.

In October 2009, Visa published the Visa Best Practices for Data Field Encryption for protecting cardholder information and limiting the clear-text availability of cardholder data and sensitive authentication data. As part of these best practices, Visa recommended that entities consider using tokens (such as

a transaction ID or a surrogate value) to replace the PAN for use in payment-related business purposes other than payment acceptance.

Visa has also provided best practices for PAN storage and truncation, including the use of tokens in lieu of full card numbers. Visa's Best Practices for Tokenization, Data Field Encryption, and PAN Storage and Truncation may be found online at [www.visa.com/cisp](http://www.visa.com/cisp).

Particularly valuable for card-not-present and recurring payment applications, tokenization also retains the merchant's ability to perform marketing and fraud analysis while getting card number data off the merchant's systems and easing some of their Payment Card Industry Data Security Standards obligations," says George Peabody, director, emerging technologies at Mercator Advisory Group.

Visa's tokenization best practices provides guidance on areas in which poor execution has been a problem in the past, including proper generation of tokens and the management of historical

data. The best practices highlight four key components of effective tokenization:

1. *Token generation*—defines the process for how a token is generated.
2. *Token mapping*—defines the process for associating a token to its original PAN value.
3. *Card data vault*—defines the central repository of cardholder data used by the token mapping process.
4. *Cryptographic key management*—defines the process for how cryptographic keys are managed and used to protect cardholder and account data.

Perez also notes that other sensitive authentication data such as full contents of the magnetic strip, CVV2, PIN, and PIN block should never be stored after the authorization for any reason. "Tokenization is intended as a complement to rather than a replacement for the Payment Card Industry Data Security Standard," he says. "While tokenization and encryption solutions can streamline a merchant's environment, strong security layers are required to protect against data compromise." ■■■■



## Healthy Steps to Safety

More Americans die from medical mistakes than from motor vehicle accidents, breast cancer, or AIDS. For example:

- A hospitalized patient on a salt-free diet is given high-salt meals.
- A pharmacist misinterprets a doctor's handwriting and gives a patient the wrong medication.
- A surgeon operates on the left leg instead of the right.

Errors in medication, surgery, diagnosis, diagnostic equipment, and lab reports all can lead to patient death. So, how can you prevent errors from happening in your care?

Research shows that patients who ask questions and become involved in their own health care tend to get the most satisfying results. Follow these steps, and you'll be less likely to become a victim of medical error:

1. Be an active member of your own health care team. Take part in every decision that has to do with your health.
2. Make sure you tell your doctor every medication you are taking (including over-the-counter medications) so your doctor will not prescribe anything that interacts with your present medications.
3. If you are having surgery, make sure that you, your doctor, and your surgeon are clear on exactly what will be done.
4. Speak up if you have questions or concerns. You have the right to question anyone involved in your care.
5. Know that more is not always better. Just because a test or treatment is recommended doesn't mean it is necessary. Find out why your doctor asked for it.

Are you nervous to ask your health provider questions? Don't be. Your medical team wants to know when you have questions or concerns about tests, procedures, medicines, and surgeries. ■■■■



Every **journey**  
begins with  
a *single step.*

Take **yours** with  
**healthyblueoutcomes.**

Healthy futures. Ultimate rewards.

Ready to **lead** your employees  
to a **healthier future?**

For more information on  
**Healthy Blue Outcomes,**  
contact your  
trade association.

Your Association Exclusively Endorses

**Blue Cross  
Blue Shield  
Blue Care Network  
of Michigan**

Nonprofit corporations and independent licensees  
of the Blue Cross and Blue Shield Association

[bcbsm.com](http://bcbsm.com) [MiBCN.com](http://MiBCN.com)

**[bcbsm.com/outcomes](http://bcbsm.com/outcomes)**

102571SPMK



# SUPPORT THESE AFD SUPPLIER MEMBERS

## ASSOCIATIONS/CHAMBER OF COMMERCE

AMR - Association Management Resources (734) 971-0000  
Chaldean American Chamber of Commerce (248) 538-3700

## ATM

American Communications of Ohio (614) 855-7790  
ATM of America (248) 932-5400  
Elite Bank Card ATM's (248) 594-3322

## BAKERIES

Great Lakes Baking Co (313) 865-6360  
Interstate Brands/Wonder Bread/Hostess (248) 588-3954  
Michigan Baking Co - Hearth Oven Bakers (313) 875-7246

## BANKING & INVESTING

**AFPD Lincoln Financial Group Advisors.. (248) 948-5124**  
Bank of Michigan (248) 865-1300  
Huntington Bank (248) 626-3970  
Paramount Bank (248) 538-8600  
Peoples State Bank (248) 548-2900

## BEER DISTRIBUTORS

Eastown Distributors (313) 867-6900  
Great Lakes Beverage (313) 865-3900  
Tri County Beverage (313) 584-7100

## BOOKKEEPING/ACCOUNTING CPA

Alkamano & Associates (248) 865-8500  
Garmo & Co P C (248) 672-4105  
Lis, McEvilly & Associates (734) 266 8120  
Maroon/EK Williams & Co (614) 837-7928  
Shimoun, Yaldo & Associates, P C (248) 851-7900  
UHY-US (248) 355-1040  
Walton Business Management Solutions (248) 320-2545

## BUSINESS COMMUNICATIONS

**AFPD Comcast (248) 343-9348**  
Clear Rate Communications (248) 556-4537

## CHECK CASHING SYSTEMS

Secure Check Cashing (248) 548-3020

## CHICKEN SUPPLIERS

Knspey Krunchy Chicken (248) 821-1721  
Taylor Freezer (734) 525-2535

## CHIPS, SNACKS & CANDY

**AFPD Frito-Lay, Inc. 1-800-359-5914**  
Better Made Snack Foods (313) 925-4774  
Detroit Popcorn Company (313) 835-3600  
Kar's Nut Products Company (248) 588-1903  
Motown Snacks (Lays Cape Cod Tostitos Archway Steals Doritos) (313) 931-3205  
Snyder's of Hanover (734) 326-5971  
Uncle Ray's Potato Chips 1-800-800-3286

## COFFEE DISTRIBUTOR

**AFPD New England Coffee Co (717) 733-4036**

## CONSTRUCTION & BUILDING

Advanced Commercial Roofing (Allan Saroki) 1-800-543-8881  
Avedian Development (248) 766-2543  
DKI Demolition & General Construction (248) 538-9910  
LDT Engineering LLC (616) 638-2147

## CONSULTING & MARKETING

Flynn Environmental, Inc (330) 499-1000  
Our Town (248) 623-3298

## CREDIT CARD PROCESSING

**AFPD Chase Paymentech 1-866-428-4966**  
Merchant Processing 1-866-366-3300

## C-STORE & TOBACCO DISTRIBUTORS

**AFPD Liberty USA (412) 461-2700**  
Bull Dog Wholesale 1-877-666-3226  
H T Hackney-Grand Rapids 1-800-874-5550  
United Custom Distribution (248) 356-7300

## DISPLAYS, KIOSKS & FIXTURES

Detroit Store Fixtures (313) 341-3255  
Rainbow Hi Tech (313) 794-7355

## EGG SUPPLIER

Linwood Egg Company (248) 524-9550

## ENERGY, LIGHTING & UTILITIES

DTE Energy 1-800-477-4747  
Energy Sciences (248) 792-9287  
US Energy Engineers (248) 683-7355

## FOOD EQUIPMENT & MACHINERY

Culinary Products (989) 754-2457

## FOOD RESCUE

Forgotten Harvest (248) 967-1500  
Gleaners Community Food Bank (313) 923-3535

## FRANCHISING OPPORTUNITIES

Tubby's Sub Shops, Inc. 1-800-497-6640

## GASOLINE WHOLESALE

Central Ohio Petroleum Marketers (614) 889-1860  
Certified Oil (614) 421-7500  
Gilligan Oil Co. of Columbus, Inc 1-800-355-9342  
PAP Oil Company (934) 667-1166  
Superior Petroleum Equipment (614) 539-1200

## GREETING CARDS

**AFPD Leanin' Tree 1-800-556-7819 ext 4112**

## GROCERY WHOLESALE & DISTRIBUTORS

Affiliated Foods Midwest (262) 654-6311  
Burnette Foods, Inc. (231) 264-8111  
Capital Sales Company (248) 542-4400  
Cateraid, Inc (517) 546-8217  
Central Wholesale Food & Beverage (313) 834-8800  
D&B Grocers Wholesale (734) 513-1715  
Fun Energy Foods (269) 934-7000  
General Wholesale (248) 355-0000  
George Enterprises, Inc (248) 851-8800  
Great North Foods (989) 356-2200  
HKJ, Inc. - Wholesale Grocery (248) 930-3300  
Jerusalem Foods (313) 846-1700  
Nash Finch (989) 746-0800  
Spartan Stores, Inc (616) 878-2200  
SUPERVALU (937) 374-7000  
Universal Wholesale (248) 559-7700

## ICE CREAM SUPPLIERS

**AFPD Nestle/Edy's Grand Ice Cream 1-800-328-3397 ext 1400**  
**AFPD Prairie Farms Ice Cream Program (Large Farms) 1-800-399-6970 ext 200**

## ICE PRODUCTS

Arctic Glacier, Inc 1-800-327-2000  
Home City Ice 1-800-759-4411  
U S. Ice Corp (313) 862-3300

## INSURANCE SERVICES

**AFPD North Pointe Insurance 1-800-229-6742**  
**AFPD BCBS of Michigan 1-800-666-6233**  
**AFPD CareWorks 1-800-837-3200 ext 7100**  
**AFPD Cox Specialty Markets (North Pointe) (Underground Storage Tank Insurance) 1-800-648-0000**  
Benchmark Financial Ltd (248) 642-0000  
Bencivenga Insurance (Agent John Bencivenga) (248) 931-1000  
Community Care Associates (313) 961-3000  
Danno Insurance Agency (248) 649-1700  
Farm Bureau/Jason Schoeberlein (517) 522-3000  
Frank McBnde Jr Inc (586) 445-2000  
Gadaletto Ramsby & Assoc 1-800-263-3000  
GLP Insurance Services (248) 848-0000  
Great Northern Insurance Agency (248) 856-0000  
Hedman Anglin Bara & Associates Agency (614) 488-7300  
Merem Insurance Services (248) 921-1000  
Paul Jaboro (East West Insurance Group) (586) 291-0000  
Rocky Husaynu & Associates (248) 851-2200  
USTI (440) 247-3000

**AFPD indicates supplier program that has been endorsed by AFD.**

**\* Indicates supplier only available in Michigan**

**\*\* Indicates supplier only available in Ohio**

# SUPPORT THESE AFD SUPPLIER MEMBERS

## INVENTORY SERVICES

PICS Inventory	1-888-303-8482
Target Inventory	(586) 718-4695

## LEGAL SERVICES

<b>AFPD</b> *Bellanca, Beattie, DeLisle	(313) 882-1100
<b>AFPD</b> **Pepple & Waggoner, Ltd.	(216) 520-0088
Denha & Associates	(248) 265-4100
Jappaya Law, PC	(248) 626-6800
Kecskes, Gadd & Silver, PC	(734) 354-8600
Mekani, Orow, Mekani Shallah & Hinds P.C.	(248) 223-9830
The Liquor Lawyers	(248) 433-1200

## LOTTERY

GTech Corporation	(517) 272-3302
Michigan Lottery	(517) 335-5648
Ohio Lottery	1-800-589-6446

## MAGAZINE & TRADE PUBLICATION

Chaldean News	(248) 932-3100
Chaldean Times	(248) 865-2890
Detroit Free Press	(313) 222-6400
Detroit News	(313) 222-2000
KB News	(586) 978-7986
Michigan Chronicle	(313) 963-5522
Suburban News/Magazines	(248) 945-4900
USA Today	(248) 926-0200

## MEAT & DELI DISTRIBUTORS

A to Z Portion Control Meats	(419) 358-2926
C. Roy & Sons	(810) 387-3975
Dairy Fresh Foods	(313) 295-6300
Dearborn Sausage	(313) 475-0048
Lipari Foods	(586) 447-3500
Piquette Market	(313) 875-5531
Sherwood Foods Distributors	(313) 659-7300
Weeks Food Corp.	(586) 727-3535
Wolverine Packing Company	(313) 259-7500

## MILK, DAIRY & CHEESE PRODUCTS

<b>AFPD</b> *Prairie Farms Dairy Co.	(248) 399-6300
<b>AFPD</b> **Dairymens	(216) 214-7342
<b>AFPD</b> *H. Meyer Dairy	(513) 948-8811
<b>AFPD</b> **Modern Foods	(606) 255-6045
Country Fresh/Melody Farms	1-800-748-0480

## MISCELLANEOUS

7 Brothers Dish LLC	(248) 747-3474
Hollywood Sunglasses	1-888-478-6932

## MONEY ORDERS/MONEY TRANSFER/ BILL PAYMENT

<b>AFPD</b> MoneyGram International	MI (517) 292-1434 OH (614) 878-7172
IPP of America	(973) 830-1918

## OFFICE SUPPLIES

<b>AFPD</b> Staples	1-800-693-9900 ext. 584
---------------------	-------------------------

## PAYROLL PROCESSING

<b>AFPD</b> ADP - Automatic Data Processing	1-877-634-1434
---	----------------

## PHONE/CELLULAR/PHONE CARDS

<b>AFPD</b> Sprint Communications	(248) 943-3998
Communications Warehouse	1-888-549-2355

## PIZZA SUPPLIERS

Dough & Spice	(586) 756-6100
Hunt Brothers Pizza	(615) 259-2629

## PRINTING, PUBLISHING & SIGNAGE

International Outdoor	(248) 489-8989
Michigan Logos	(517) 337-2267
Wall Kempinski Graphics	(586) 775-7528

## PRODUCE DISTRIBUTORS

Heeren Brothers Produce	(616) 452-2101
Tom Macen & Son, Inc.	(313) 568-0557

## PROPANE

AmenGas Propane	(231) 924-8495
-----------------	----------------

## REAL ESTATE

American Business Brokers	(614) 419-5678
Judeh & Associates (Assessor)	(313) 277-7989
Kuzana Enterprises (Property Management)	(248) 210-8229
Lighthouse Real Estate	(248) 210-8229
Signature Associates - Angela Arcon	(248) 359-3838

## REVERSE VENDING MACHINES/RECYCLING

Kansmacker	(517) 374-8807
TOMRA Michigan	1-800-610-4866

## SECURITY, SURVEILLANCE & MORE

<b>AFPD</b> MIST Innovations	(313) 974-6786
Brink's, Inc.	(313) 496-3556
Central Alarm Signal	(313) 864-8900

## SHELF TAGS

JAYD Tags	(248) 730-2403
-----------	----------------

## SODA POP, WATER, JUICES & OTHER BEVERAGES

<b>AFPD</b> *Intrastate Distributors (Arizona program)	(313) 892-3000
<b>AFPD</b> *Pepsi Program	1-888-560-2616
7UP Bottling Group	(313) 937-3500
Absopure Water Co	1-800-334-1064
Anzona Beverages	(313) 541-8961
Beverage Plus	(702) 586-0249
Coca-Cola Bottlers of MI	Auburn Hills (248) 373-2653 Belleville (734) 397-2700 Metro Detroit (313) 868-2008 Port Huron (810) 982-8501
Coca-Cola Bottling - Cleveland	(216) 690-2653
Faygo Beverages, Inc.	(313) 925-1600
Garden Food Distributors	(313) 584-2800
Grandad's Sweet Tea	(313) 320-4446
Pepsi Beverages Company	Detroit 1-800-368-9945 Howell 1-800-878-8239 Pontiac (248) 334-3512
United Brands Company	(619) 461-5220

## TOBACCO COMPANIES & PRODUCTS

Altna Client Services	(513) 831-5510
Capitol Cigars	(248) 255-8747
Nat Sherman	(201) 735-9000
R J Reynolds	(336) 741-0727
Snappy Cigs (electronic cigarettes)	(248) 747-5130

## WASTE DISPOSAL & RECYCLING

<b>AFPD</b> National Management Systems	(586) 771-0700
Smart Way Recycling	(248) 789-7190
WasteONE	(810) 624-9993

## WINE & SPIRITS COMPANIES

Beam Global	(248) 471-2280
Diageo	1-800-462-6504

## WINE & SPIRITS DISTRIBUTORS

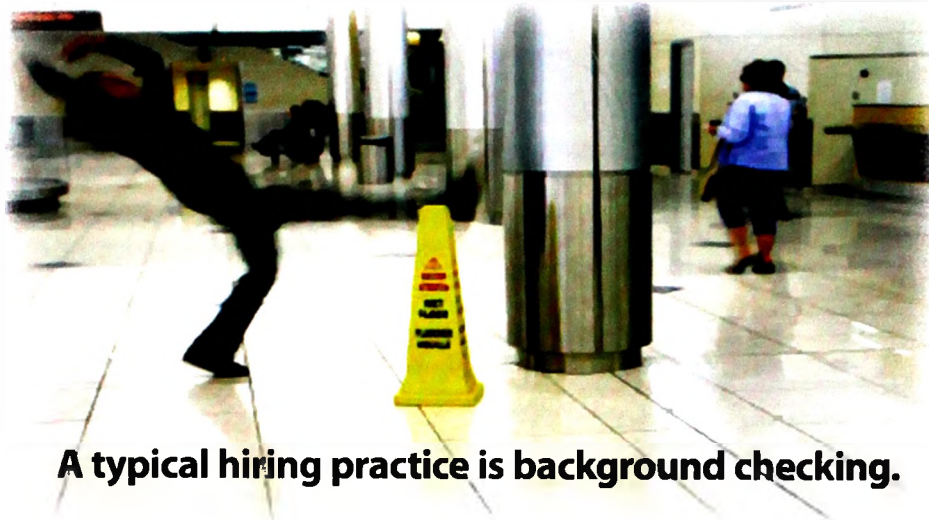
Brown-Forman Beverage Company	(248) 393-1340
Galaxy Wine	(734) 425-2990
Great Lakes Wine & Spirits	(313) 867-0521
National Wine & Spirits	1-888-697-6424 1-888-642-4697

**AFPD** indicates supplier program that has been endorsed by AFPD.

\* Indicates supplier only available in Michigan

\*\* Indicates supplier only available in Ohio





**A typical hiring practice is background checking.**

## Suggestions for Hiring Safe Workers

Many employers fear hiring new employees who are "high risk" for on-the-job injuries, especially those who have sustained previous injuries on or off the job. Having a comprehensive hiring process that addresses worker safety can help alleviate some of those fears. Appropriate questions on the job application, during the interview process, and at the time of the job offer can meet this goal.

Due to Affirmative Action and Equal Employment Opportunity legislation, most hiring managers know that there is a list of questions that cannot be asked of a job applicant relating to their physical abilities, such as: Do you have any disabilities? Have you had any recent or past illnesses or operations? What was the date of your last physical exam? How is your family's health?

Instead it is wise and more appropriate to ask something like this: "Based on the description of this position, can you demonstrate or describe how you would perform the following job related functions?" (This is acceptable only when the interviewer has thoroughly described the position through a job description and essential job functions.) Or, "Do you understand that any offer of employment is conditional based on the results of a pre-employment exam or drug test?" If you do not have a pre-employment

drug screen policy, consider the fact that about 74.3 percent of current, admitted drug users are employed and that 38-50 percent of all work-related accidents are drug or alcohol related.

Creating the right questions for the job interview can also be a useful tool for candidate selection. This is where the hiring manager can get a picture of the applicant's views of on-the-job safe work practices. Always avoid questions that result in "yes" or "no" answers, and ask questions such as the following: Who is responsible for your safety on the job? If you were to compare safety and quality, which would you consider to be more important and why? If your supervisor asked you to do something that you felt had potential to injure yourself or others, what would you do? Have you ever seen a co-worker performing an unsafe act? If so, how did you react? There is a wide spectrum of possible answers to these questions, and it can be very insightful to how your applicant will perform on the job.

A typical hiring practice is background checking. Many employers choose to recover a job applicant's workers' compensation claims history report. Although it is not illegal to obtain this information with the applicant's permission, it is illegal to make a hiring decision based on the results of that report. ■■■

**AFPD**

1910 **100** 2010

September 21 & 22

### **AFPD's 12th Annual Holiday Food & Beverage Trade Show**

Rock Financial Showplace  
46100 Grand River Ave., Novi, MI 48220  
Contact: Lauren Kopitz—800-666-6233

November 19th

### **30th annual AFPD Foundation Michigan Turkey Drive**

—and—

### **1st annual AFPD Foundation Ohio Turkey Drive**

Contact: Tamar Lutz—800-666-6233  
for both Turkey Drives

#### **Statement of Ownership**

The *AFPD Bottom Line* (USPS: 82970; ISSN 0894-3567) is published monthly by ARION Media Services for the Associated Food and Petroleum Dealers (AFPD) at 30415 W. 13 Mile, Farmington Hills, MI 48334. Material contained within the *AFPD Bottom Line* report may not be reproduced without written permission from AFPD. Periodical Postage paid at Farmington Hills, MI and additional offices. The opinions expressed in this magazine are not necessarily those of ARION or AFPD, its Board of Directors, staff members or consultants. Bylined articles reflect the opinions of the writer.

**POSTMASTER:** Send address changes to AFPD, 30415 W. 13 Mile, Farmington Hills, MI 48334.

**ADVERTISERS:** For information on advertising rates and deadlines, contact Derek Dickow, AFPD, 30415 W. 13 Mile, Farmington Hills, MI 48334, (800) 666-6233.

AFPD works closely with these associations:

**IFDA**  
INTERNATIONAL FOODSERVICE DISTRIBUTION ASSOCIATION

**101**  
FOOD SERVICE  
TO GO FOR

**GTA**

**FIAE**  
FOOD INDUSTRY ASSOCIATION EXECUTIVES

**AFPD**

**FM**

**NACS**  
National Association of Convenience Stores

**NCA**



- AWNINGS
- BANNERS
- NEON SIGNS
- POLE SIGNS
- CHANNEL LETTERS
- MONUMENT SIGNS
- VEHICLE GRAPHICS
- LED READER BOARDS
- DIGITAL GRAPHICS
- SAVE MONEY HIRE YOUR OWN INSTALLERS

*For all your sign needs!*

**I Signs**  
& Designs Inc.

\$75 PER HOUR SERVICE CALLS

Tel: 586-759-5706 / Fax: 586-759-5724  
11177 E 8 Mile Road Warren, MI 48089  
[www.isignsmich.com](http://www.isignsmich.com)



# When it comes to retailer solutions, we're the complete package.



In addition to distributing more than 40,000 private label and national brand products — all competitively priced — we provide almost 100 different services. You might consider us your one stop shop for everything you need to stay competitive and profitable — including advertising, store development and consumer insights to name a few. For more information on how Spartan Stores can help your business, call Jim Gohsman at 616-878-8088 or visit us at [www.spartanstores.com](http://www.spartanstores.com) to find your complete solution.

