



ASSOCIATED FOOD & PETROLEUM DEALERS

CELEBRATING 100 YEARS OF BUSINESS & TRADE SERVICES

FOOD & PETROLEUM REPORT

VOL. 21, NO. 2 FEBRUARY 2010

100 Year Anniversary Edition



History is only an indication of things to come . . .

Associated Food & Petroleum Dealers
30415 W. 13 Mile Road
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Taking on the Times: AFPD's Proactive Approach

Franklin D. Roosevelt said: "When you come to the end of your rope, tie a knot and hang on." That might seem like appropriate advice for many of us in these challenging economic times.

And yet, as AFPD closes out its first 100 years and begins a new century of service, I can honestly say that despite the current economic conditions, we, as an industry and an association, have done a lot more than simply tie a knot in our rope and hang on. In fact, a Warren Bennis quote (Bennis was a pioneer in the field of leadership studies) might be more appropriate in describing the attitude of your board of directors: "The manager accepts the status quo; the leader challenges it."

When AFPD realized that challenging times were on the horizon in 2008, we didn't elect to batten down the hatches and weather the storm. Instead, your board—of which I have been a part for the last 10 years—and your president, Jane Shallal, realized that some changes needed to occur to make AFPD even more valuable to its members. We focused on AFPD member benefits and grew more committed to adding a variety of new programs to save members money. We refused to accept the status quo, and all the dire predictions. Rather, we said: "How can AFPD take a leadership role in helping our members get through these tough times?" And the answer was to help you run your businesses more efficiently—thus, the programs to save you money on



**James
HOOKS**
AFPD Chairman

insurance, credit card processing, office supplies and printing, food rebates, and more were born.

As I take the reins to lead AFPD into the beginning of its next 100 years, I can honestly say that our proactive moves in 2008 have brought our industry into 2010 much stronger than we might have been otherwise. AFPD continues to work hard as an advocate for legislation that helps our industry thrive and avoid unfair restrictions. We continue to make improvements in our communication products with

our popular, weekly newsletter and a revamped magazine with better content and design. We continue to challenge the status quo in everything we do—that's how we make sure that AFPD remains viable as an organization and worthy of your membership.

I have been a retail operator for 25 years and an AFPD member for 18 of those years, and I will admit that I have never seen things in our economy as bad as they are now. Hopefully, we've seen the worst. Rest assured, AFPD will continue to commit itself to helping you cut expenses. We are proactively working through this recession—not simply waiting it out.

As your new board chairman, I hope you will feel free to contact me with any questions or concerns. I am humbled and honored to accept this leadership position, and look forward to emerging on the other end of this with all of you—efficient, secure, and ready to thrive again.

"We continue to challenge the status quo in everything we do—that's how we make sure that AFPD remains viable as an organization and worthy of your membership."

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February 12, 2010

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April 27 & 28, 2010

AFPD's 26th Annual Michigan
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AFPD works closely with the following associations:



AFPD CORNER

MICHIGAN UPDATES

- **MI Dept. of Treasury.** Met with Michigan Department of Treasury's Sales Tax Audit Division to discuss errors and selective enforcement of state audits and improving AFPD working relationship with this division to assist retailers in proper compliance with sales tax laws.
- **Michigan Petroleum Association.** Participated in meeting at Michigan Petroleum Association to discuss Michigan DEQ cleanup criteria with Qualified Cleanup Consultants, specifically addressing the proposed legislation to combine Parts 201 & 213 into a single Act.
- **MI DEQ.** Attended Michigan Cleanup and Redevelopment Program Design meeting presented by MI DEQ.
- **NAACP.** Attended NAACP Annual Meeting to accept Silver Life Membership Certificate.
- **HB 5366.** Participated in Michigan House Committee hearing to support HB 5366, which would move the Underground Storage Tank (UST) Division from the MI-DEQ to the State Fire Marshal's office, where it had been included in the past.
- **Quality Control Evaluations.** Conducted 16 Quality Control Evaluations during the months of November and December and 18 evaluations in January.
- **Food Safety Courses.** Conducted two SuperSafeMark® manager's food safety courses and administered the National Registry for Food Safety Professionals examination.
- **Michigan Recycling.** Attended a Michigan Recycling Partnership meeting detailing the current status of the rollout of reverse vending machines in Michigan border counties.
- **Food Stamps.** Attended the Michigan Department of Human Services meeting regarding issuing food stamps over an 18-day period. It is hoped that this change will take place in July of 2010.
- **TIPS.** AFPD conducted 13 TIPS responsible alcohol retailing classes.
- **Food Safety Alliance.** Hosted the MDA Food Safety Alliance meeting in Lansing.
- **Food Marketing.** Attended the Western Michigan University Food Marketing Advisory Committee meeting.
- **Liquor License Testimony.** Testified against a waiver for a SDD liquor license for Kroger on behalf of AFPD members before the Livonia City Council.

OHIO UPDATES

- **Petroleum Advisory Board.** Held AFPD Petroleum Advisory Board meeting in Toledo to address issues pertinent to motor fuel retailers in both Michigan and Ohio.
- **Marathon Petroleum.** Met with senior management of Marathon Petroleum to discuss status of the marketplace, and issues affecting our petroleum retailers in Ohio.
- **AFPD regional meeting.** Participated in Regional Meeting in Columbus, Ohio, to discuss Workers' Comp, CATax, Legislative, Credit Card Interchange, Cap & Trade, and AFPD Member Program Issues. The guest speaker was Verne Orde, the assistant chief of BUSTR from the Fire Marshal's Office.
- **OPMCA.** Met with Jennifer Rhoads, the newly appointed president of the Ohio Petroleum Marketers and Convenience Association (OPMCA), to establish lines of communication.
- **Care Works.** Met with management and staff of Care Works (CCI), our new Group Workers' Comp administrator, to discuss the factors that can best serve AFPD participating members, as well as strategy to oppose the Ohio BWC from continuing to reduce workers' comp credits that result in higher premiums for our members.
- **S1147.** Encouraged members to contact U.S. senators in Ohio and Michigan, asking them to support S. 1147, which would level the playing field for businesses selling tobacco products.
- **PCI Issues.** Participated in NACS conference call addressing the Payment Card Industries (PCI) issues and deadline dates.
- **Underground Storage Tank.** Participated in Michigan House Committee hearing to support HB 5366, which would move the Underground Storage Tank (UST) Division from the MI-DEQ to the State Fire Marshal's office, where it had been included in the past.
- **SBA.** Attended presentation by Michigan District office personnel of the U.S. Small Business Administration (SBA). The presentation acknowledged the difficulty in obtaining financing in the present economic climate, but encouraged businesses to contact the SBA to determine what loan opportunities might be available.
- **Ohio SB 213.** Sent action fax to participating Ohio group rated Workers' Compensation members urging them to support Ohio SB 213. Passage of the legislation would freeze discounts at their present level, and require an analysis of the effect of the reduction of discounts already implemented.

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Petroleum News & Views

Information of Interest to Petroleum Retailers, and Allied Trades

Analysts See Pump Prices Topping \$3/Gallon by Spring

The U.S. government and independent analysts have predicted that crude oil and natural gas prices will rise significantly through 2011, the result of a modest global economic recovery, the Bureau of National Affairs reports.

The U.S. Energy Information Administration (EIA) released an updated energy outlook (www.eia.doe.gov/emeu/stco/pub/contents.html) estimating West Texas crude oil to rise to an annual average of \$80 per barrel in 2010 and \$84 per barrel in 2011. It based its estimates assuming that the U.S. economy grows by two percent in 2010 and 2.7 percent in 2011, with the global economy growing slightly more, at 2.5 percent in 2010 and 3.7 percent in 2011.

The price of U.S. crude oil is projected to rise 29 percent in 2010 from an annual average price of \$62 per barrel in 2009.

The higher oil prices are expected to increase retail prices for regular-grade gasoline to an annual average of \$2.84 per gallon in 2010 and \$2.96 per gallon in 2011. The average 2009 price was \$2.35 per gallon. Diesel prices will increase to an average of \$2.98 per gallon in 2010 and \$3.14 per gallon in 2011.

"Pump prices are likely to pass \$3 per gallon at some point during the upcoming spring and summer," the EIA said in its forecast.

Atlas Oil Warns of Higher Biodiesel Cost

Petroleum marketer Atlas Oil Co. has warned its retail customers to expect higher biodiesel costs in 2010 unless the biodiesel blender tax credit, signed in 2004, is extended. The company is actively managing the potential loss of a \$1 per gallon subsidy by blending all of its 100 percent biodiesel supplies to B99. However, supplies are limited and Atlas advised customers to plan on higher biodiesel costs.

Under the biodiesel blender tax credit, there was approximately a one-cent per gallon discount on every 1 percent of biodiesel blended with petroleum diesel, according to Atlas Oil. If the tax credit is not extended, customers who purchased B20 (20 percent biodiesel blended with 80 percent petroleum diesel) should anticipate a 20-cent per gallon price jump in 2010 compared to 2009, the company stated.

Efforts to retroactively pass the tax credit are underway led by Senate Finance Committee Chairman Max Baucus, a Democrat from Montana, and the panel's senior Republican, Iowa Sen. Charles Grassley. "These provisions are important to our economy -- not only because they help create jobs, but also because they are used to address pressing national concerns," the senators wrote in a letter cited by Convenience Store News.

The company will remain fully engaged with biofuel supply and distribution, and will continue to seek value-added solutions for each of its customers as this issue evolves, Atlas said in a statement.

Keep Your Employees and Your Customers—With Respect

A key way to encourage people to treat us well is to give them something that we all want—respect. When people feel respected, their sense of self-worth rises, a sensation so pleasant that they become predisposed to like and trust the respect-giver. Often, they will do everything in their power to aid whomever showed them respect in hopes that they will again receive respect.

Showing respect can make employees and colleagues work harder for you, and increases the odds that employees will treat employers, fellow employees, and customers with respect.

As a bonus, showing other people respect elevates our own outlook on life—it feels good to make others feel good. Improving our mood doesn't just brighten our day. It actually makes us smarter. Our brains release dopamine when we experience positive feelings. When you "feel good," you have excited the decision-making part of your brain.

Perhaps the best part is that respect is free and limitless. We can spread it around liberally, and it doesn't cost us a cent.

Showing respect to people you work with makes good business sense, whether you are an employer or an employee. Employers who don't show respect risk losing their best workers. A recent survey found that workers who feel disrespected are three times more likely to quit. Elite employees are most likely to leave because they are best equipped to find

new jobs. People who feel respected are more likely to be loyal to their employers.

As an employer, acknowledge the efforts of others with specificity and with an audi-

ence. Saying "nice job" or "keep up the good work" is nice, but not enough. Instead, praise one or two specific things that an individual has done well to show that you are paying attention.

For greatest effect, voice your respect while other coworkers are around to hear. The person receiving the praise will feel elevated not just in your eyes, but in the eyes of everyone present.

Give voice to those who feel voiceless. Employees

tend to feel disrespected when it seems that no one listens to their ideas, suggestions, or complaints.

As an employer, solicit input and ideas from everyone in your organization.

Showing employees respect will trickle down, and employees will treat customers with respect.

Require employees to remember to treat

all customers with respect. A friendly smile and greeting goes a long way in securing a customer to become a regular. Customers remember when and where they "felt good" making a purchase, and they'll become regulars at your shop. Express a willingness to help the customer, without being overbearing. Treating a customer with respect differentiates your business from the "vanilla" operations of most of your competition. This effort costs nothing and is the intangible that solidifies your customer base. Use it.



Acknowledge the efforts of others with specificity and with an audience.

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Driving Loyalty through Mobile Marketing

Upcoming generations will turn to their mobile devices for coupons, specific product information, brand comparisons, and more.



By Jeff Weidauer

Convenience stores and brands alike are looking to maximize the shelf edge to build brand recognition and drive sales, and in this age of technology, both parties are looking to redefine how they communicate with customers.

A virtual extension of the shelf edge—and a highly complementary component of shopper marketing—is mobile technology. By making use of this nearly ubiquitous way to communicate, convenience stores now have the opportunity to turn a simple communication device into an indispensable

shopping aid that extends the shelf edge directly into the shopper's hand. Mobile applications are poised to be the future of how retailers will communicate with shoppers in a way that's most convenient for them.

While appealing to mobile-enabled shoppers is still an emerging trend, it will undoubtedly accelerate as upcoming generations turn to their mobile devices for coupons, specific product information, brand comparisons, and more. A recently published Deloitte survey confirms that 57 percent of consumers already feel they would be interested in receiving a coupon on their phone.

In fact, many shoppers do already use mobile technology as part of their shopping, and the sooner retailers begin looking for ways to incorporate this medium into their broader marketing communication plans, the sooner they will begin capturing those shoppers and reaping the benefits. Ultimately, the key to success will be integration across all platforms to deliver a consistent and relevant shopper message that encourages loyalty and results in increased revenue.

Reaching Customers Where They Focus

Some convenience stores are communicating via the Web, and while there has been a lot of focus in recent years on building an online presence, returns have been mixed. With many shopping stops driven by convenience and based on spur-of-the-moment decisions, shoppers most likely are not checking websites before such visits.

One answer to reaching these on-the-go shoppers could be a retail-

er application downloaded to an iPhone or other PDA that allows easier access to retailer information. This puts the brand promotion directly into the shopper's hand, and could contain information such as weekly specials and new items. At least one consumer package goods (CPG) company already created an application like this, but the opportunity is wide open for innovative retailers to take the lead as well.

For example, a store promotion application could work with a smart phone's GPS-like ability to know where the user of the mobile device is at any given moment and provide shoppers directions to the nearest convenience store location. In addition, an offer from that store location could be sent to the shopper to provide additional value.

This brings a retailer to the shopper before he or she is even in the store. Such mobile marketing has the possibility of being a trip changer. Perhaps the shopper is considering a stop at a large-chain grocery store, but was dreading the packed parking lot and long lines. A message to his or her mobile device could serve as a reminder that the items needed are just a block away at a convenience store or smaller, independent grocer.

Putting the Message Where it Needs to Be

The need for convenience stores to differentiate from competitors and provide a more satisfying shopping experience is greater than ever, and the logic of using existing shopping behaviors to drive awareness and sales

is undeniable. Rather than trying to teach shoppers new behaviors, marketing where the shopper focuses, such as at a mobile device, puts the message where it needs to be at the right time. Shoppers appreciate the added information and may respond to messages through increased purchases of promoted products. Shoppers have demonstrated time and again they are willing to change a habit if there is a perceived benefit.

It's been said nothing provides opportunity like a good crisis. With today's difficult economy, there has never been a better time for convenience stores to rethink how they view their customers, their stores, and the interaction between them. Discovering how to engage shoppers in meaningful ways and providing an environment that both entices and differentiates is the right path to sales.

We are getting closer and closer to one-on-one marketing in all aspects of business. Today's mobile marketing, though

still in its infancy, is a big step in that direction.

Jeff Weidauer (jweidauer@vestcom.com) is vice president of marketing for Vestcom International Inc., a provider of technological retail solutions.



How will Senator Brown's Election Impact Our Industry?

The National Association of Convenience Stores (NACS) says the upset win by Scott Brown (R) in Massachusetts to fill the Senate seat held for 46 years by Senator Edward Kennedy (D) will affect a variety of issues important to the c-store, grocer, and petroleum industries.



Scott Brown

Republicans now have a total count of 41 members in their caucus, leaving the Democrats with only 59. This number is now one short of the 60-vote "supermajority" that the Democrats

have held since the 2008 election. The "supermajority" status gave the Democrats the advantage when trying to pass legislation because they did not need to rely on Republican support. Now, Republicans can band together and filibuster proposed legislation through debate, procedural motions, and other delay tactics.

"This is a game changer for the health-care debate," NACS director of government relations Julie Fields told *CSP Daily News* in a special report. "While it's too early to say that health care reform is dead, it leaves the president and Democrats in a tough position with a tight timeline."

Before the January 19 election, health-care reform was being negotiated in closed-door House and Senate meetings. Most political experts expected that a compromise bill would come out of the talks fairly soon and make its way to the President's desk as a final bill. However, now that the Senate supermajority is broken, most political observers doubt that Democrats can pass compromise legislation in the Senate.

Fields told *CSP Daily News* that there are three alternative strategies Democratic leaders could pursue to pass health-care reform:

(1) Convince the House to pass the version of health-care reform that the Senate passed in December 2009. "This would be a tall order for Speaker Pelosi to pull off," Fields told *CSP*. "In the past four weeks, numerous House Democrats have expressed oppo-

sition to a variety of provisions in the Senate bill including, the loss of a strong public option, taxes and abortion. These members were expecting a compromise and it will be difficult to go back to their districts and explain that they voted 'yes' simply because they believe something was better than nothing," she said.

(2) Try to push through a quick vote in both the House and the Senate before Brown is sworn in. However, with Massachusetts voters sending a strong message that could be viewed as a referendum on health-care reform, it may be too risky for the Democratic party to rush a vote in an election year, added Fields.

(3) Convince a Republican senator to vote "yes" on a final package. Of course the question here is where the Democrats would find such a vote.

For now, NACS says it will continue to focus on health-care reform issues that ensure the industry's interests are represented in the national debate.



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Back in Business

Rebounding from damage related to a small fire last June, Detroit's Harbortown Market finally reopened its doors mid-January

By Carla Kalogeridis

It was a festive occasion on January 19th when Tom George and his family hosted Harbortown Market's grand re-opening following a seven-month shut down related to damage caused from a fire last June. As dignitaries, customers, neighbors, family, and friends listened to lively DJ music and toured the store (located on E. Jefferson Ave. in Detroit), it was apparent that a long ordeal had finally come to an end.

Interestingly enough, it wasn't the small fire that started with the hot water heater that caused all the damage. The fire stayed contained in one back room and was put out quickly. Rather, it was the damage from the water sprinkler system that forced the store to close its doors for months, while the George family worked with insurance agents, clean up crews, and the landlord to get the store reopened again.

"I was surprised at how long it took to get up and running again," says Tom George, who said the fire occurred on June 20, 2009.

"We were at the mercy of the processes of several, large, slow-moving organizations."

"Thousands of dollars' worth of food had to be thrown away due

to water damage," says Matthew George, the younger son of Tom and Bernie George, who along with his brother, Brian, works in the store. "It was a terrible thing to see."

But all remnants of the stress and damage were gone when Harbortown welcomed its supporters in for a sneak peek before opening to the public on January 20th. Lipari Foods, which has been supplying Harbortown Market deli, bakery, and seafood for more than 15 years, set up a beautiful display of meats, cheeses, and prepared foods for guests to sample. Similarly, Boar's Head offered a table full of gourmet treats incorporating Boar's Head products—and if you liked something in particular, they were quick to hand over the recipe, just in time for Super Bowl parties next month.

Several AFPD board members stopped by to give their congratulations and best wishes to the George family. It was a wonderful show of support for a long-time member.

"It's great to be back in Detroit," says Tom George. "We are so thankful for all of our customers who have come back."



Several AFPD board members stopped by the Harbortown Grand Re-Opening to show their support including (pictured left to right), Najib Atisha, Indian Village Market; Brian Yaldoo, Hills Fine Wine & Spirits; Tom George, Harbortown Market; Jane Shallal, AFPD president; and Ronnie Jamil, Bella Vino Fine Wine.



Lipari Foods set up several tables full of wonderful meats, cheeses, and prepared foods.



The Boar's Head ladies were a big hit with the crowd because they shared their recipes.



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How did **Debit Card Fees** Spin Out of Control?

Every day, millions of consumers swipe their debit cards and choose whether to punch in a code or sign their name. It is a pointless distinction to most consumers, since the price is the same either way. But behind the scenes, billions of dollars are at stake, reported The New York Times.

When a consumer signs a debit card receipt at a large retailer, the store pays the consumer's bank an average of 75 cents for every \$100 spent, more than twice as much as when he or she punches in a four-digit code. The difference is so large that Costco will not allow consumers to sign for debit purchases. Wal-Mart and Home Depot steer consumers to use a PIN, the debit card norm outside the United States.

Despite all this, signature debit cards dominate debit use in this country, accounting for 61 percent of all such transactions, according to the report, even though PIN debit cards are less expensive and less vulnerable to fraud.

How this came to be is largely a

result of a successful if controversial strategy initiated decades ago by Visa, the dominant payment network for credit and debit cards, said the Times. It is an approach that has benefited Visa and the nation's banks at the expense of merchants and, some argue, consumers, the report said.

Competition usually forces prices lower, but for payment networks like Visa and MasterCard, competition in the card business is more about winning over the banks that actually issue the cards than consumers who use them. Visa and MasterCard set the fees that merchants must pay the cardholder's bank. And higher fees mean higher profits for banks, even if it means that merchants shift the cost to consumers.

Visa convinced banks to embrace

signature debit—the higher-priced method of handling debit cards—and turned over the fees to banks as an incentive to issue more Visa cards. At least initially, MasterCard and other rivals promoted PIN debit instead.



As debit cards became the preferred plastic, Visa has turned its attention to PIN debit too and increased its market share even

more. And it has succeeded—not by lowering the fees that merchants pay, but often by pushing them up, making its bank customers happier. In an effort to catch up, MasterCard and other rivals eventually raised fees on debit cards too, sometimes higher than Visa, to try to woo bank customers back.

“What we witnessed was truly a

perverse form of competition,” Ronald Congemi, the former chief executive of Star Systems, one of the regional PIN-based networks that has struggled to compete with Visa, told the newspaper. “They competed on the basis of raising prices. What other industry do you know that gets away with that?”

Today, Visa has a commanding lead in signature debit in the United States, said the report, with a 73 percent share. Its share of the domestic PIN debit market is smaller but growing, at 42 percent, making Visa the biggest PIN network, according to the Times, citing The Nielson Report. Critics complain that Visa does not fight fair, and that it used its market power to force merchants to accept higher costs for debit cards. Merchants say they cannot refuse Visa cards because it would result in lower sales.

“A dollar is no longer a dollar in this country,” Mallory Duncan, senior vice president of the National Retail

Please see DEBIT FEES, page 14

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DEBIT FEES

Continued from page 12

Federation, told the paper. "It's a Visa dollar. It's only worth 99 cents because they take a piece of every one."

Visa officials say its critics are griping about debit products that have transformed the nation's payment system, adding convenience for consumers and higher sales for merchants, while cutting the hassle and expense of dealing with cash and checks.

"At times we have a perspective problem," William M. Sheedy, Visa's president for the Americas, told the paper. "Debit has become so mainstream, some of the people who have benefited have lost sight of what their business model was, what their cost structure was."

Visa officials said the costs of debit for merchants has not gone down because the cards now provide greater value than they did five or 10 years ago. The costs must not be too onerous, they say, because merchant acceptance has doubled in the last decade.

The fees are "not a cost-based calculation, but a value-based calculation," Elizabeth Buse, Visa's global head of

product, told the Times.

While Visa may be among the best-known brands in the world, how it operates is a mystery to many consumers, said the report. Visa does not distribute credit or debit cards, nor does it provide credit. Those tasks are left to the banks, which owned Visa until it went public in 2008.

Instead, Visa provides an electronic network that acts like a tollbooth, processing the transaction between mer-

chants and banks and collecting a fee that averages 5 or 6 cents every time. For the financial year ended in June, Visa handled 40 billion transactions. Banks that issue Visa cards also pay a separate licensing fee, based on payment volume. MasterCard, which is roughly half the size of Visa, uses a similar model.

Debit transactions are forecast to overtake cash purchases by 2012.

Debit transactions are forecast to

Interchange Fees Anger Merchants the Most

While there is little controversy about the fees that Visa collects, some merchants are infuriated by a separate, larger fee, called interchange, that Visa makes them pay each time a debit or credit card is swiped. The

fees, roughly one to three percent of each

purchase, are forwarded to the cardholder's bank to cover costs and promote the issuance of more Visa cards. The banks have used interchange fees as a growing profit center and to pay for cardholder perks like rewards programs. Interchange revenue has increased to \$45 billion today, from \$20 billion in 2002, driven in part by the surge in debit card use.

Some merchants say there should be no interchange fees on debit purchases, because the money comes directly out of a checking account and does not include the risks and losses associated with credit cards. Regardless, merchants say they inevitably pass on that cost to consumers; the NRF said the interchange fees cost households an average of \$427 in 2008.

The Justice Department is investigating whether rules imposed on merchants by payment networks regarding "various payment forms" are anti-competitive, a spokesperson told the Times. Several bills have been introduced in Congress seeking to give merchants more ability to negotiate interchange, which is largely unregulated.

At checkout counters, meanwhile, consumers are quietly tugged in one direction or the other, the report said. Safeway, 7-Eleven, and CVS drug stores automatically prompt consumers to do a less-costly PIN debit transaction. The banks, however, still steer consumers toward the more expensive form of signature debit. Wells Fargo and Chase are among those that offer bonus points only on debit purchases completed with a signature. (CSP Daily News, www.cspnet.com)

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Foodland Claims Finalist Spot in NGA Creative Choice Awards

The National Grocers Association (NGA) recently held the judging for its 2010 Creative Choice Awards Contest, where winners were selected in each of the 25 advertising and merchandising categories. One hundred entries were

received this year—a record number and 35 percent more than last year—reflecting NGA's diverse and robust membership base of independent retail grocery stores.

AFPD board member and current chairman, Jim Hooks of Metro Foodland, has been named a Best in Show finalist in the advertising category for his ad campaign, "When You're Hungry for Dinner."

The Creative Choice Awards Contest recognizes the best advertising and merchandising efforts in the

grocery industry. Creativity and innovation have consistently defined promotional activities in the industry, and the contest brings attention and acclaim to these fantastic events that

are largely unseen outside of the local market.

In addition to

selecting winners for each category, the judges also picked Best of Show Finalists for Advertising and Merchandising:

(1) Best of Show Advertising Finalists

- Mobile Phone - Sandwich Order" — Miss Cordelia's, Memphis, Tenn.
- "Markets Radio" — The Markets, Natchez, Mo.
- "Foodland: When You're Hungry for Dinner" — The Independent

Owners/Operators of Foodland

- "La Despedida (The Farewell)" — Mi Pueblo Food Center, San Jose, Calif.
- "Managers Gone Wild" — D'Agostino's Supermarkets Inc., Larchmont, NY

(2) Best of Show Merchandising Finalists

- "A Clean Body is a Happy Body" — Harps Food Stores, Inc., Springdale, Ariz.
- "Macey's World Record Bananas" — Macey's, Inc., Salt Lake City, Utah
- "Coborn's Castle with United Way's 'Feed Our Families'" — Coborn's, Inc., St. Cloud, Minn.
- "County Market: Campus Location Promotions/Marketing" — Niemann Foods, Inc., Quincy, Ill.

Winners of the 2010 Best of Show Award in Advertising and Merchandising will be announced at the Grocers Awards Reception, February 10, 2010, at the NGA Annual Convention at the Las Vegas Paris Hotel.



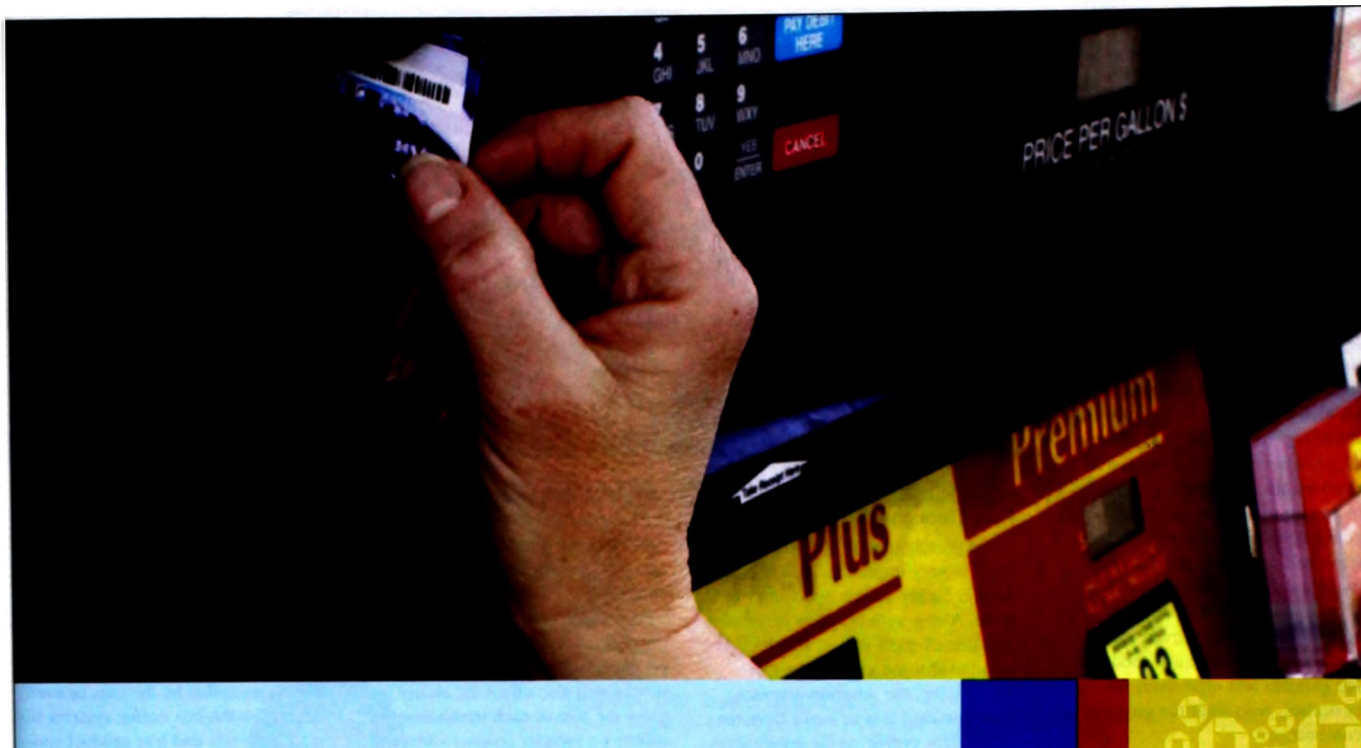
Jim Hooks of Metro Foodland is a finalist in the NGA Creative Choice Grocers Awards in the "Best of Show Advertising" category.

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Chase Paymentech, the endorsed provider for the Associated Food and Petroleum Dealers (AFPD), has designed a program that not only provides exceptional service, but actually lowers your cost of accepting payments. AFPD members currently benefit from exclusive pricing – interchange pass through plus \$0.07.*

According to Auday P. Arabo, Esq., Chief Operating Officer, AFPD, *"There is not a company that even compares to Chase Paymentech when it comes to service, price and overall satisfaction with getting the job done at the store level."*

For more information, please contact us at 866.428.4966.

* Pricing for AFPD members is proportionate to the number of members enrolled in the AFPD/Chase Paymentech exclusive program. The more AFPD members that sign up with Chase Paymentech, the more likely it is for your processing rates to decrease! Current pricing at interchange pass through plus \$0.07 per authorization. Additional fees may apply. All rates subject to change without notice.

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By Larry Miller

One of the positive changes in making convenience stores a destination is the continued upgrading of the hot beverage category. This includes the addition of iced coffee and frozen coffee beverages, as well as additional program upgrades including gourmet coffee flavors, ample selections of high-quality individual bag servings of tea, energy-infused coffees, and recyclable or enviro-friendly disposable cups with one-size fits all lids. Many operators are also offering two sizes of refillable mugs for regular customers.

In addition, today's progressive retailers also offer a variety of add-in condiments in the way of flavored non-dairy creamers, chilled fresh half-and-half, and high-quality baked goods, as well as displays of mint selections marketed as "after coffee" mints. I have even found some shops that package used coffee grounds and offer them free to customers who want the grounds for composting!

How to Boost Hot Beverage Sales

High-Visibility, Flow-Through are Key

The presentation of the coffee area itself is very important, as it is best to have it highly visible upon entry to the store. Along with program placement and line-of-sight issues, also keep in mind that the view of the menu and pricing, the program graphics, and how easy it is to move from the cups to the coffee, to the condiments

and lids while preparing that cup of refreshment are all equally important and will have a major impact on the category growth and overall profitability.

Positioning of your hot beverage program in relationship to ancillary products such as bakery and sweet snacks will also affect the ability to grow the size of each transaction, by offering a broader product variety to satisfy the different tastes and desires of all of your customers.

These items should be arranged in order. For example, the customer should flow to the opportunity to reach for a cup, serve the coffee, add condiments, dispose of trash, reach for a lid and napkin, and then be provided the opportunity to buy an "impulse" item such as mints or baked goods. This will "feel right" and also will keep the customers moving through the process and not create bottlenecks in the self-serve system that a good hot beverage program allows.

Additionally, it is always a good idea to provide a small sink for the rinsing out of mugs, especially if you employ a coffee refill program. The placement of a hot water spigot and tea assortment in the flow must also be remembered in a hot beverage offering if you hope to satisfy a majority of your customers' needs. Many customers prefer to have trash holes in-counter as compared to the

trash doors that they have to push with their hands. While each of these considerations alone may seem small and sometimes insignificant, the total of all of them makes for a powerful offer that will be well received when implemented properly.

Chilled dispensers for half-and-half and flavored creamers are popular as are having flavored syrups to make the customers experience even more unique. While all of these additions do indeed add cost to your program, if your location is conducive to high-volume, early morning traffic, your investment will be well rewarded.

Choose Equipment Thoughtfully


Understanding the importance of selecting the right equipment is also critical. There is debate in the industry regarding the best way of brewing and offering coffee to the convenience customer. Should we use glass pots and brewers, brewers and air pots, automated espresso machines that deliver custom coffee by the cup, or even the bag-in-the-box coffee systems that offer no waste and true product consistency? Volume potential, labor considerations, operator preference, space availability, competition, and customer preference should be driving these decisions. If you operate more than one store, you should also consider whether you want to build a hot beverage "brand" that you and you alone can lay claim to.

Visit your competitors to see what they currently offer. Then you must ask yourself: "Do you want to copy their successes, or do you want to try to offer points of difference to your customers?"

Remember, there are several ways to differentiate your offer, from the graphics and branding to the product selection and delivery system, and to the layout and design of the coffee area. Implement things that tell your customer you are there to satisfy his or her needs.

Larry Miller (LarryMiller@mmc-sinc.com) is president of Miller Management & Consulting Services Inc. This article first appeared in Convenience Store News and is excerpted with permission.

While each of these considerations alone may seem small and sometimes insignificant, the total of all of them makes for a powerful offer that will be well received when implemented properly.


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Powerball is Here!



M. Scott BOWEN
Michigan Lottery Commissioner

Here at the Michigan Lottery, we have been hard at work to bring Powerball to Michigan in the early months of 2010. Once available, tickets can be sold at the nearly

11,000 retailers

who sell Mega Millions tickets.

For retailers, processing Powerball wagers will be easy. You can process the wager manually from the terminal home screen or with Powerball play slips, which were shipped to retailers in mid-January. Once on sale, the Powerball button will appear on the terminal home screen. Retailers can process manual wagers by pressing the Powerball button on the home screen and completing the wager informa-

tion. To select the Power Play option, simply press the YES/NO key on the Powerball screen. Like Club Keno's "Kicker," a Power Play number of 2, 3, 4 or 5 will be drawn during each Powerball drawing. For example, if a player who has purchased the Power Play option matches the red Powerball number, normally a \$3 winner, and the Power Play number comes up as a 5x multiplier, the prize would be \$15.

Tickets for a particular drawing can be sold until 9:45 p.m. on the night of that drawing, and tickets cannot be canceled. Any ticket purchased after 9:45 p.m. will be eligible for the next drawing. Drawings are conducted at 10:59 p.m. on Wednesdays and Saturdays.

In addition to the prizes available to players, huge bonus commissions will be given to retailers for selling Powerball big-prize winners. Powerball offers exciting incentives to retailers for selling tickets worth \$1,000,000 or more. Retailers will

receive a payment of \$50,000 on valid jackpot-winning Powerball tickets, and \$5,000 on match 5 plus Power Play winning tickets purchased at their retail locations and redeemed for payment. This is on top of the regular sales and bonus commissions that are paid to Michigan Lottery retailers. Powerball means new opportunities for retailers to make money and players to win money.

We are excited to have a new and fun game for our players to enjoy and our retailers to sell. Information on all aspects of Powerball was available in the January issue of Game Line. And Michigan Lottery sales representatives are always available to answer questions.

Make Me Rich!

The second installment of the Lottery's game show Make Me Rich! will air on February 10. During the half-hour game show, more than \$3 million in prize money will be given away.

Contestants won a chance to appear in the February episode of Make Me Rich! by playing a variety of instant tickets from the Michigan Lottery, including the \$10 Million Dollar Mega Play and Holiday Riches games, and most of the current \$20 games. As with the first broadcast, the February edition of Make Me Rich! will feature a text-to-win component for the viewing audience. During the show, details on how the viewing audience can win one of five \$1,000 prizes will be announced.

Players who claimed a \$1,000 prize from Multi Millions™, Casino Royal™, \$2,000,000 Diamond Dazzler™, Lucky Game Book™, or \$2,000,000 Club™ were automatically entered into a finalist drawing if they claimed by December 9. On December 11, five lucky players were selected to appear on the game show for a chance to win \$2,000,000.

Players who claimed a \$1,000 prize from Million Dollar Mega Play™ (game no. 322) by December 9 were automatically entered into a finalist drawing and on December 11, three lucky players were selected. They will compete on the game show for a chance to win \$1,000,000.

Players who claimed a \$750 prize from Holiday Riches™ by January 4 were automatically entered into a finalist drawing. On January 6, three finalists were selected and during the game show, they will vie for \$500,000.

Thank you to our retailers, for playing such a large part in making Make Me Rich! a huge hit. Your support ensures the continued success of the show.

Aerosmith

On February 15, The Michigan Lottery's Aerosmith™ ticket for \$2 will be available to players at retailers across the state. In addition to more than \$4 million in cash prizes, a second chance drawing will be conducted to award six players (with a guest) an all-expenses paid trip to the "Ultimate Rock Party" with band members of Aerosmith at the Rock and Roll Hall of Fame and Museum in Cleveland, Ohio.

To enter, players must submit three non-winning Aerosmith™ instant tickets on the Lottery's VIP website, www.playercity.net. Entries for the contest must be received by May 24 to be eligible for the drawing, which will be conducted on May 26. At that time, six players will be randomly selected from all the entries received to win a trip for two to the Rock and Roll Hall of Fame and Museum for a private party with one or more members of Aerosmith. The prize includes transportation and hotel accommodations for the prize winner and one guest.

New Instant Tickets

In addition to the Aerosmith ticket, new instant tickets scheduled to be released in February include Doubling Red 7's™ for \$2 on February 8 and 1 Hot Number™ for \$5 on February 15. The release date for these tickets is subject to change.



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More than 98.5 cents of every dollar spent on Michigan Lottery tickets is returned to the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to retailers. In fiscal year 2009, the contribution to schools was \$724.5 million. Since its inception in 1972, the Lottery has contributed more than \$15 billion to education in Michigan. For additional information, please visit the Lottery's website at www.michigan.gov/lottery.

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Produce Traceability Initiative in Full Force by Late 2010

By Dan Flynn

In December, the U.S. Food & Drug Administration (FDA) and the U.S. Department of Agriculture (USDA) held a joint informational meeting on traceability, rolling out some research but as yet no additional mandates. Will there be another shoe dropping, or perhaps a couple of boots?

Private industry's Produce Traceability Initiative (PTI)—demanded by retailers like Wal-Mart, Safeway, and Kroger—is being implemented, and by late 2010 will require "human-readable" labels on cases of produce, which will include everything from country of origin down to the date picked from the fields.

All those outbreaks involving lettuce, tomatoes, spinach, cantaloupes and peppers just caused too much loss of consumer confidence for America's retail establishments. Big growers got the message and PTI was born.

When all those small and organic growers learned what was up,

many were certain traceability was just another conspiracy to lock them out of the wholesale market. One guy who started hearing that early was John Bailey, a land use attorney with a practice in California's Salinas Valley, the Salad Bowl of America and Ground Zero for PTI. With encroachment, water disputes, and other such "hassles" facing those who own some of America's most productive farmland, Bailey did a brisk business solving those legal problems.

Bailey was in the right place to hear from his \$1 million to \$2 million-a-year-growers--small by Salinas Valley standards--that PTI was going to be a hassle. It did not make sense to small growers that they would have to invest thousands of dollars to code and trade their produce or be locked out of the wholesale market that supplies Wal-Mart and other big retailers. So, Bailey set about designing a solution to the hassle problem, offering small growers a solution to traceability

problems for a couple hundred bucks a year plus the cost of printing and paper for labels.

He did it through Top 10 Produce LLC, which used a kind of cooperative method for creating one GS1 Data Bar coding system with the assigned numbers for its enlisted members to be totally up to snuff with PTI's requirements and deadlines.

With the dawn of 2010, Bailey also rolled out "Top 10 Fresh," a directory with reviews of locally grown produce from coast-to-coast. With almost 2,500 farms and ranches listed on "Top 10 Fresh," Bailey is on a mission to connect the grower with the consumer.

Once that happens, the day of us eating nameless, faceless fresh produce "commodities" will be over, and that should help make food safer, too.

Excerpted with permission from Dan Flynn's "Letter from the Editor: Traceability." Flynn is editor of Food Safety News.

Private industry's Produce Traceability Initiative (PTI) is being implemented, and by late 2010 will require "human-readable" labels on cases of produce, which will include everything from country of origin down to the date picked from the fields.



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Sherwood is headquartered in Detroit, Michigan and operates distribution centers totaling close to one million square feet of refrigerated warehouse space with over a million cases in stock in over 50 categories.

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Special Diamond Anniversary Edition A Century of Service

Photographs

AFPD: A Century of Service ...

AFPD: How It All Began

The Associated Food & Petroleum Dealers began in 1910 when a small group of local butcher shop owners began gathering in the back of each others' shops at the end of every month to discuss ideas of common concern. They called themselves the Detroit Retail Meat Merchants Association. This is how one of the chairmen of the association, Alex Bell, describes the humble beginnings of AFPD.

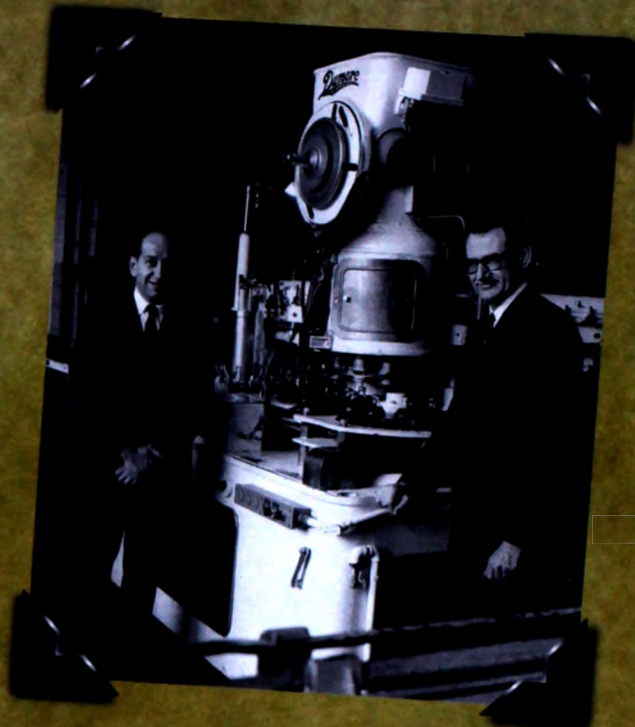
The association's goals were aimed at encouraging more efficient cooperation among food industry businesses, protecting the interest of retail meat merchants, and disseminating valuable trade information to its members to ensure their interests were protected. Eventually, the group moved into its first office and established a monthly newsletter called *The Master Butcher*, a very popular member benefit. Later renamed *The Food Dealer*, the publication has come to be known as *The Food & Petroleum Report*.



Special Diamond Anniversary Edition A Century of Service

We extend sincere congratulations to Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee. We wish you continued growth and prosperity and look forward to working together for the betterment of the industry and greater services to our communities.

*—Joseph T. Kassab, executive director,
Chaldean Federation of America*



On behalf of the Michigan Grocers Association's board of directors and staff, congratulations to the Associated Food & Petroleum Dealers in reaching 100 years of operation. It is a true accomplishment to reach this significant milestone. We appreciate AFPD's dedication to the industry. Happy 100th Anniversary! We commend you for this achievement and wish you continued success.

*—Linda M. Gobler,
president & CEO,
Michigan Grocers Association*

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"Part of the solution, not part of the problem" has been your mantra since we began our association and membership at AFPD. From all of the folks at Bellanca, Beattie & DeLisle, it has been a wonderful ride. We look with great anticipation at the decades to come.

*—James V. Bellanca, Jr.,
AFPD legal counsel, Bellanca, Beattie & DeLisle*



The Ohio Grocers Association extends our best wishes and congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee. Reaching this century milestone is truly an accomplishment. We wish you all the very best in the future and look forward to a good mutual working relationship on behalf of our common industry.

*—Tom Jackson, CAE, president and CEO,
Ohio Grocers Association*

Pathway to a Name

In 1946, the Detroit Retail Meat Merchants and the Detroit Retail Grocers Association merged to form the Associated Food Merchants of Greater Detroit. Members opted to broaden the scope of the organization and call themselves Associated Food Merchants of Greater Detroit.

Several mergers with other various area food associations between 1924 and 1952, such as the Southern Oakland County Food Dealers, the West Wayne County Food Dealers, and the North Detroit Food Dealers Association, resulted in the groups becoming the Greater Detroit Food Dealers Association. In 1960, the Associated Food Merchants of Greater Detroit then merged with the Greater Detroit Food Dealers Association, forming the Associated Food Dealers of Greater Detroit. Membership doubled as the group began offering health and workers' compensation insurance and other program benefits to their members.

In 1988, to further broaden the scope of the organization, the members adopted the statewide name of the Associated Food Dealers of Michigan.

In April 2006, AFD merged with the Great Lakes Petroleum Retailers and Allied Trades Association (GLPRATA) to result in a single association representing more than 3,900 small business locations in Michigan and Ohio. The Great Lakes Petroleum Retailers & Allied Trades Association has roots going back to 1929, when it was formed as the Service Station Dealers of Michigan (SSDM). The SSDM group merged with the Ohio Petroleum Retailers & Repair Association in 2004 to become the Great Lakes Petroleum Retailers & Allied Trades Association. (GLPRATA). It represented more than 900 gas stations and convenience stores in Michigan and Ohio.

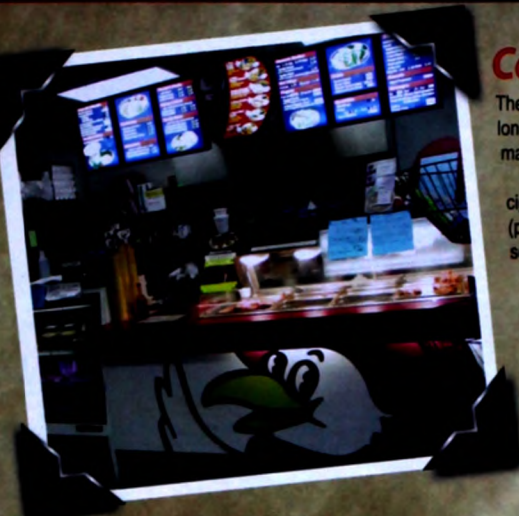
As AFD expanded into a new geographic area, it was renamed the Associated Food & Petroleum Dealers (AFPD) to align with the shift in the membership base and presence in both Michigan and Ohio.



ASSOCIATED **AFPD**
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Special Diamond Anniversary Edition A Century of Service



Convenience Stores Debut in Detroit

The early 1960s saw a noticeable trend in the emergence of "convenience stores," which were staying open longer hours than the normal supermarket—usually until 11:00 pm, seven days a week. These smaller markets offered consumers quick service and were conveniently located for easy access.

The corner service stations were transforming into convenience stores. Local service stations began to sell cigarettes, candy, ice cream, soda pop, sunglasses, salty snacks, milk, bread, and newspapers. Food service (pizza, sandwiches, hot dogs, burgers) has inched its way into the menu formerly offered by traditional food service businesses.



On behalf of the Michigan Department of Agriculture's Motor Fuels Quality Unit, I am offering my congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee. The Motor Fuels Quality Program wishes the AFPD continued success and looks forward to maintaining our cooperative working relationship with AFPD.

—Tim White, motor fuels quality field supervisor,
Michigan Department of Agriculture

The Chaldean American Chamber of Commerce and Chaldean Community Foundation salute AFPD on 100 prosperous years. Here's to another century of success!

—Martin Manna,
executive director,
Chaldean American Chamber of Commerce

We at the Petroleum Retailers & Auto Repair Association, on behalf of our board of directors and membership, offer sincere congratulations on your 100th Anniversary. We are looking forward to working with you for the next 100.

—Nancy Maricondi,
Petroleum Retailers & Auto Repair
Association

The Small Business Association of Michigan congratulates the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee. On this significant anniversary, small business owners salute your exceptional record of accomplishment. A century of service to independent food and petroleum retailers represents an outstanding record of longevity and responsiveness to members' needs. We hope your efforts and activities in your second century will continue to provide success and prosperity for your members.

—Rob Fowler, president and CEO,
Small Business Association of Michigan

The Michigan Licensed Beverage Association congratulates AFPD on 100 years of service to its members, and we look forward to 100 more working together in dedicated support of our entire industry.

—Lance Binonizemi, executive director, Michigan Licensed Beverage Association



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Congratulations, AFPD!

Special Diamond Anniversary Edition A Century of Service



AFPD and the Superstore Era

The 1970s and 1980s ushered in the era of the supercenter. AFPD's goal became to ensure that independent retailers remained competitive in this new environment. AFPD was committed to establishing a more level playing field for small and independent grocer members (which then totaled more than 2,300) to compete more effectively against the dominant chains, super centers, and supermarket chains. Understanding the specific needs of their customers and delivering what they need is the key to the long-term success of AFPD's independent retailers.

The Chaldean American Ladies of Charity congratulates AFPD on celebrating its 100th Diamond Jubilee. Your continuous commitment, support and dedication to the Chaldean community and general community is instrumental in helping to bring services and programs that benefit the less fortunate. We are proud to be your partners in your annual Turkey Drive and other services that help the community.
—Lecann Kirma, president, Chaldean American Ladies of Charity



Over the years, AFPD has witnessed many examples of independent retailers purchasing chains and converting them to independent owned store locations. Independents have acquired forsaken grocery chains' stores left behind and spent thousands of dollars to convert them into clean, impressive new businesses.



Our congratulations to the Associated Food & Petroleum Dealers on the celebration of 100 years of service. Your leadership in Southeast Michigan has made us a better community and an inspiration to Crime Stoppers of Michigan. We look forward to working together for an even brighter future.

—John W. Broad, president, Crime Stoppers of Michigan

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AFPD Advocates for Members Right from the Start

Policy and political matters have always been, and will continue to be, of pivotal importance to AFPD. In a complex legislative landscape, delivering results for independent retailer members has always been of utmost importance. AFPD, since its inception, has taken the initiative to organize and mobilize quick action on timely issues that concern or affect retailers. AFPD's political action includes educating state and federal legislative and regulatory officials on issues important to the industry. Furthermore, it advocates for political action by those officials when necessary.

The Ohio Petroleum Council extends sincere congratulations to the Associated Food & Petroleum Dealers on its 100th Anniversary of outstanding service to its member companies.

—Terry Fleming, executive director,
Ohio Petroleum Council

On behalf of Forgotten Harvest, sincere congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee.

—Your Friends at Forgotten Harvest

On behalf of the Ohio Lottery Commission, sincere congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee.

—John Martin, deputy director, Ohio Lottery Commission

ACCESS is pleased to congratulate you on the 100th anniversary of Associated Food & Petroleum Dealers. We would like to recognize you for your upstanding commitment to the community. At ACCESS we are proud of our relationship with AFPD. The resources and expertise you bring to the table in our joint efforts of community development and civil rights is valued not only by ACCESS, but also the community at large. We would like to wish you continued success for the next 100 years to come!

—Hassan Jaber, executive director, ACCESS

Sincere congratulations to the Associated Food & Petroleum Dealers and its members on your 100th Anniversary. The AFPD, its staff, and its volunteer leadership have been a consistent and trusted partner in the effort to protect and support the food and beverage industry in Michigan. We value your friendship and support, and we look forward to another 100 years of working closely with you and your members on behalf of our mutual interests.

—William E. Lobenzherz, president,
Michigan Soft Drink Association

AFPD Political Action Does the Job

Over the years, AFPD has been at the heart of some of the most successful and efficient political advocacy campaigns of the food, beverage, and petroleum industry. Here are a few of the highlights:

- In the 1960s, AFPD defended the food industry against national claims that grocers were at fault for rising food prices.
- AFPD prevailed in the battle to waive the law requiring that a retailer must be a U.S. citizen before qualifying for a liquor license.
- AFPD joined with other affected associations to reduce the base used to determine the Michigan Business Tax and obtained relief from the Ohio Commercial Activities Tax imposed on its members' businesses.
- In December 1996, legislation was passed ending 63 years of direct liquor distribution by the Michigan Liquor Control Commission (MLCC) and privatizing liquor distribution in Michigan. AFPD was instrumental in making recommendations that addressed the concerns of retailers, and the MLCC adopted nearly all of AFPD's recommendations to ensure that the final outcome was advantageous to retailers.
- In 2005, AFPD fought to constrict the sales of out-of-state wine to protect its retailer businesses here, and prevailed in this effort.
- AFPD has been part of the national coalition to pass legislation stopping the rising cost of credit card fees charged to retailers.
- AFPD advocates for legislation on both the state and federal level to prevent below-cost selling of gasoline, which severely affects independent retailers.



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On behalf of the American-Arab Chamber of Commerce, we want to congratulate the AFPD on 100 years of great service!

Special Diamond Anniversary Edition A Century of Service



The Michigan WIC Program would like to offer its sincere congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee. Thanks again and best wishes!

—Mike Perrelli, Michigan Department of Community Health, WIC Division

All the Industry News that's Fit to Print

The first issue of *The Food Dealer* (today known as the *AFPD Food & Petroleum Report*) was published in 1922. As the association has grown and merged with other organizations, it has absorbed the best of those association's publications as well, and emerged stronger each time. With the exception of the war years (1943-45), this magazine has been published monthly every year to the present time. Over the years, it has remained well-respected in the industry, a popular member benefit, and a great marketing tool for vendors looking to boost their exposure to the AFPD audience.

The most recent redesign in 2009 (shown bottom left), features a full-color cover photo, tabloid size, and glossy paper for an upgraded, professional look and feel.

We at Capitol Strategies Group express our heartfelt congratulations to AFPD for 100 years of outstanding service to the hard-working independent food and petroleum retailers in Ohio and Michigan. Our best wishes to the association and its member retailers for continued success in the years ahead.

—Vaughn Flasher and Jodi Licursi, Capitol Strategies Group



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Happy
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On behalf of the more than 2,000 companies and over 4,500 establishments of the Michigan Restaurant Association, I would like to offer our congratulations to the members and staff of the Associated Food & Petroleum Dealers on celebrating 100 hundred years of service. We congratulate you for your accomplishments over the course of the century and would like to pass along to you our wishes for another 100 hundred years. We look forward to working together for the betterment of the industry.

—Rob Gifford, president and CEO, Michigan Restaurant Association



On behalf of the Detroit Economic Growth Corporation, sincere congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Diamond Jubilee. We wish you continued success in your endeavors and look forward to working with your membership on positive investments within the City of Detroit.

—Olga Savic Stella, vice president, business development, Detroit Economic Growth Corporation



On behalf of the Michigan Department of Agriculture, congratulations to the Associated Food & Petroleum Dealers on celebrating its 100th Year Anniversary. Your continued commitment to the agriculture industry is commendable. We wish you many more years of stellar service.

—Don Koivisto, director, Michigan Department of Agriculture



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Congratulations, AFPD, on 100 years of excellent service to your members!



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Wishes AFPD another 100 years of successful service to the industry!



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Proud vendor, and member of the AFPD. Best wishes for the next 100 years!

AFPD CHAIRMEN

**Detroit
Retail Meat
Merchants
Association:**

**Associated
Food
Dealers:**



Alex Bell • 1945
Village Market



Frank Tumbarello • 1959
Frank's Party Store



Rolly Thornton • 1961-62
Sy's Supermarket



Jay Welch • 1963-64
Hollywood Supermarkets



Don LaRose • 1965-66
Food Giant Supermarkets



Michael Giacotti • 1967-68
Auburn Orchard Supermarkets



Harvey Weisberg 1969-70
Chatham Supermarkets



William Bennett • 1971
Quik-Pik Food Stores



Allen Verbrugge • 1972
Verbrugge's Supermarket



Ray Martyniak • 1973
Ray's Prime Meats



Phil Lauri • 1974
Lauri Bros. Supermarket



Louis Vescio • 1975
Vescio Supermarkets



Phil Saverino • 1976
Phil's Quality Market



Edward Acho • 1977
JA Supermarkets



Ray Shoulders • 1978
Shoulders Supermarkets



Jerry Yono • 1979-80
Detroit Food & Drug Center



Tony Munaco • 1981-82
Mt. Elliott-Charlevoix Market



Larry Joseph • 1983-84
Market Square



Jerry Yono • 1985-86
D & L Market



Tom Simaan • 1987
Armour Food Market



Sam Yono • 1988-89
Tel-Kaif Market



Amir S. Al-Naimi • 1990-91
Metro-Politan, Inc.



Frank Arcori • 1992-93
Vegas Food Centers



Nabby Yono • 1994-95
Orchard Food Center



Mark Karmo • 1996-97
Royal Food Center



Bill Viviano • 1998-99
House of Prime



Sam Dallo • 2000-01
In 'N Out Foods



Terry Farida • 2002-03
Value Center Markets



Ronnie Jamil • 2004-05
Mug & Jug



Fred Dally • 2006-07
Medicine Chest



Chris Zebari • 2008-09
New Hudson Foods



James Hooks • 2010
Metro Foodland

Not pictured:
Walter Woods
1960

OHIO PETROLEUM CHAIRMEN



Walt Stein • 1966-69
Clintonville SOHIO
Service Center



Tracy Stanton • 1974-80
Tracy's Shell Service



Jack Bope • 1988-93
Bope's Shell Service



Ron Milburn • 1984-95
Northland Shell Car

Not Pictured:

Jerry Wolfinger
1970-72

Jerry Innes
1973-74

Denny Smith
1974

Harvey Hatfield
1987-91
Hatfield BP

Don Kuchta
1992-93
Kutche Brothers
Sunoco



Dave Pickney
1994-97



Dave Freitag • 1994-98
Freitag's BP



Pat LaVecchia • 1998-03
Pat's Auto Service



Maurice Helou • 2003-04
Cligo of Lyndhurst

MICHIGAN PETROLEUM CHAIRMEN



Joe Grish • 1972
Joe Grish Servicenter



George Schumacher • 1986-87
Colonial Standard



Dennis Pellicci
1988-89



Norm Fisher • 1996-91
Eastland Shell



Mick Kildee • 1992-93
Kildee's Service



Dennis Skidorski • 1994-96
Maple-Miller Shell



Ed Weglarz • 1998-00
Hunter and Oak Amoco



Rich Bratschi • 2000-02
Lake Lansing Mobil



Dennis Skidorski • 2003-05
Maple-Miller Shell

Not Pictured:

Raymond Martin
1929

Russ Wilson
1945-47

A. Edward Jenkins
1947

Douglas Lang
1973-75

Thanks to all for your leadership!

Special Diamond Anniversary Edition A Century of Service



AFPD Nourishes its Communities

AFPD's Annual Turkey Drive originated in 1976 with the efforts of a single retailer member. Now in its 25th year, AFPD is supported by 40-50 volunteer companies which help to distribute turkeys to more than 30 charity groups. In 2009, AFPD retailers contributed more than \$26,000 to purchase 2,600 hundred turkeys just before Thanksgiving.

Scholarship Program

In 1972, the AFPD Annual Scholarship Program was created to provide financial scholarship assistance to the sons and daughters of persons employed in the food industry or students enrolled in a college based food distribution program. The AFPD Foundation expanded the program to include the employees and family members of AFPD member businesses, their customers, and youth who are in need. The program today awards \$1,500 grants annually in all fields of study. Since its inception, members' generous donations have permitted the AFPD Foundation to distribute more than \$350,000 to scholars. Scholarships are funded through AFPD supplier, wholesaler and retailer members.

Several years ago, the Pepsi Bottling Group (PBG) generously donated \$500,000 to further the education of AFPD scholars. The AFPD Foundation hosts the annual Joseph D. Sarafa Scholarship Luncheon, in honor of the contributions of AFPD's former long-serving president, Joseph Sarafa, under whose administration and inspiration the AFPD Foundation was created.



Congratulations to the Associated Food & Petroleum Dealers for 100 years of service to its members! It has been a privilege to be associated with this fine organization, and I look forward to continuing to work with AFPD.

—Glenn D. Waggoner, Esq.,
attorney,
Pepple & Waggoner Ltd.



AFPD Golf Outings: 'Fore' the Scholars

For 34 years, AFPD has hosted Golf Outings in Michigan and Ohio to bring together retailers and suppliers from both states for a day of relaxation and enjoyment. These successful networking events help strengthen business relationships in the industry. Portions of the sponsorship proceeds help to enhance the AFPD Foundation Scholarship program.



The partners and employees of Karoub Associates congratulate AFPD on 100 years of service to the retail food and petroleum industry. We truly appreciate the long relationship between AFPD and Karoub Associates, and look forward to continuing our partnership as AFPD enters the next century of service to your members and the citizens of Michigan.

—Karoub Associates



Special Diamond Anniversary Edition A Century of Service

Where People Buy from People

In the interest of promoting education among its members, AFPD organized a Trade Show in 1984, Michigan's first industry exposition and the largest of its kind in Michigan. The two-day event was held at Cobo Hall in Detroit.

AFPD's expertise in the trade show arena spans over 26 years with production of three successful and well-attended trade shows in Michigan and Ohio. These trade shows are a great opportunity for entrepreneurs to showcase their products or services to their target markets. AFPD trade shows have withstood the test of time because they create an environment where "people buy from people."

Congratulations to AFPD as it marks its 100th Anniversary! The Michigan Food Policy Council appreciates our partnership and looks forward to many more years of collaborative work together.

—Kirsten G. Simmons,
executive director,
Michigan Food Policy Council



Congratulations to the Associated Food & Petroleum Dealers on your 100th anniversary! Since the Michigan Lottery was established in 1972, we have been a proud partner with the AFPD, which represents 80 percent of our retailer base. We thank you for your support and look forward to continuing our successful partnership for many years to come.

—Scott Bowen,
commissioner, Michigan Lottery



The Food Marketing Institute congratulates the Associated Food & Petroleum Dealers on celebrating its Diamond Jubilee. A full century of service to your members is a proud accomplishment. We look forward to continue working together to promote the well-being of our industry and customers.

—Bill Manterio,
Food Marketing Institute

Special Diamond Anniversary Edition A Century of Service

AFPD Trade Dinner: Largest Food Industry Gala in the Midwest

At its popular Trade Dinners, AFPD attracts more than 1,000 industry leaders, making it one of the largest food industry functions in the Midwest. In its 94th year, the Trade Dinner has established a strong reputation as a first-rate gala, providing business men and women the chance to make connections with like-minded individuals in the trade. The prestigious black-tie function raises the profile of AFPD as a first-class industry leader and helps members develop relationships with other leading industry professionals that will assist in their success.



I extend my congratulations to the Associated Food & Petroleum Dealers on its 100th Year Anniversary and commend you on your service, leadership, and commitment to the community. Your contribution to the success of over 3,900 retailers in Michigan and Ohio is extraordinary and truly indicative of your commitment to this region. Your engaging so many rich heritages has instilled a spirit of inclusiveness and collaboration that is remarkable, and which is invaluable to the men and women of the Detroit Police Department in strengthening our bond with the citizenry.

—Warren C. Evans, chief of police, Detroit Police Department



Congratulations on 100 years of exemplary service as the voice for the food, beverage and petroleum industries. I am proud to have been part of the rich history of this organization. On behalf of the Blues, I wish AFPD and all of its member businesses another 100 years of success.

—Daniel J. Loepf, president & CEO, Blue Cross Blue Shield of Michigan



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Congratulations, AFPD for providing your members with 100 years of excellence!

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2010—and the Work Goes On

In 2010, Associated Food & Petroleum Dealers represents 3,900 members who employ 55,000 people. Today's AFPD membership represents not only independent food, beverage, and petroleum retailers, but also all segments of the food distribution industry, including wholesaling, manufacturing, and related service companies.

As AFPD nears the completion of its first century, the association will continue to preserve and protect the existence and success of the independent retailer. While much has been accomplished, AFPD's work is not done. Staring down the worst economic crisis this country has seen in decades has not been easy. And yet, AFPD's leadership continues to provide hope, commitment, and the tools for future successes.

Jane Shallal, president and CEO of AFPD since 2006 and the first woman president of the organization, says, "We are grateful to the thousands of stores, companies, organizations, agencies and individuals that have been part of AFPD during its past 100 years, and look forward to the next century of AFPD success."



JANE SHALLAL
President & CEO
AFPD

AFPD
100
YEARS
1910 - 2010



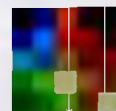
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At Altria, we believe that part of being a leader is contributing to the development of those around you.

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The people of the Altria family of companies thank Associated Food & Petroleum Dealers for their dedication and commitment to our families, neighbors and friends.

To learn more, please visit altria.com



Altria

The Gift of Game Cards

Even though the holiday shopping season is over, 7-Eleven Inc. may have found a new reason to celebrate—gift cards. Not just any gift cards; the got-to-have gift card option this year is the prepaid gaming card, according to the company.

These are used to enhance players' experience in Massively Multi-player Online Games, or MMOGs, a popular activity with hundreds of millions around the world. And 7-Eleven stores have expanded their selection, the company said.

Prepaid gaming cards doubled in sales over the past year, so much so that the number of titles available in 7-Eleven stores also doubled to respond to the surge of MMOG players.

Social gaming has exploded in the virtual world with millions of online players challenging themselves and each other

in games like World of Warcraft, MapleStory, and Runescape. Some experts estimate more than 250 million people worldwide are active social gamers.

These online games have gotten a boost from the growing use of social networking sites such as Facebook, MySpace and Twitter. Many of the new social games are situational rather than "shooter" varieties and cast a wider net for players, drawing in more casual gamers of all ages and backgrounds. And because new titles are being added daily, game-card purchasers can check publishers' websites to see games where they can apply their prepaid funds.

Prepaid gaming cards allow kids and teens to purchase virtual currency or points without having to ask for mom or dad's credit or debit card. But it's not just kids who are playing the games. "You might be surprised at how many adults are playing social or casual games," Haynes said. "You may be getting beat by someone's grandma from across the country. Many of the games truly have universal appeal."

Game card prices at 7-Eleven stores range from \$5 to \$50.

(CSP Daily News, cspnet.com)



C-stores Capitalize on Foodservice Opportunities

C-stores have long had a leg up on quick-service restaurants in the beverage category with their extensive selection of bottled and canned drinks, as well as discount-priced jumbo fountain beverages. Now, the segment is branching into better hot food offerings in an attempt to boost traffic.

For example, in October, 7-Eleven announced the beginning of its national rollout of a new hot food menu. While the store has offered self-service hot food heated in microwaves for years, the new menu features quick heat-to-order offerings prepared by staff. The company sees it as an opportunity to compete in the on-the-go foodservice market.

"We recognize there is a big appetite for hot foods, and (that) we could deliver it with great convenience and value," said company spokeswoman Margaret Chabris. "It's a natural extension of our existing foodservice program."

New equipment allows c-stores to offer head-on-demand products, like toasted sandwiches. A new TurboChef combi-oven that uses radiant, convection and microwave cooking, can cook foods 12 times faster than a conventional oven. A whole pizza can be heated in 90 seconds, and a plate of chicken wings in under three minutes.

Tim Howell, senior manager and c-store foodservice program lead at foodservice industry consultants Technomic Inc., sees 7-Eleven's new offerings as part of a growing trend among c-stores. In coming years, c-stores will be increasing their floor space dedicated to foodservice as they attempt to replace gross margin on tobacco and gas, he said. Like 7-Eleven, they will likely increase

their private label offerings in order to differentiate themselves.

For instance, c-store chain amp'm, a division of BP America Inc., has an extensive foodservice menu, including chilled, grilled and baked items. The idea is that if consumers go into a c-store and purchase coffee, they are more likely to grab a hot breakfast sandwich than stop at McDonald's for an Egg McMuffin later. A

recent study by Ritter Associates found that 22 percent of consumers get their coffee to-go at c-stores. The stores also will likely win on price point, with most of their offerings averaging \$1 less

than quick-service restaurants.

Even so, Darren Tristano, executive vice president at Technomic, said c-store foodservice programs will first have a number of challenges to overcome. First, consumers will have to overcome their distrust of hot foods prepared by c-store employees, many of whom are doing other jobs besides preparing and handling food. "They're not seen as a foodservice operator," he said. "As a result, (consumers tend to not) trust the freshness, the quality, and the food safety aspect of what these stores are producing."

One way c-stores could overcome that distrust is to brand their foodservice. Once consumers see a dedicated staff member handling the food, their trust level likely will rise.

—Christa Hoyland, editor, QSRweb.com.



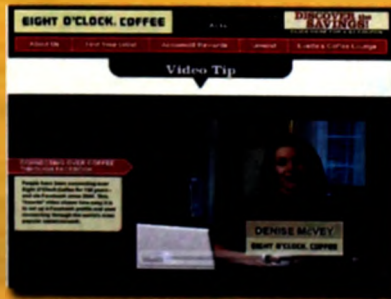
Eight O'Clock Coffee Offers Consumers a Facebook "How-To" Video

The Eight O'Clock Coffee Co. is supporting its heavy emphasis on social media by helping Facebook novices learn the ropes via a step-by-step video primer on the brand's website, www.eightoclock.com, reported MediaPost's Marketing Daily. The video, "Connecting Over Coffee Through Facebook," shows users how to create a profile, search for friends and family, and make the best use of the site's features.

"We believe that connecting over Facebook is similar to connecting

over coffee," Alisa Jacoby, senior brand manager for Eight O'Clock, told Marketing Daily.

"Coffee and computers go hand in hand—these days, people have their mug in one hand and their



mouse in the other."

The Facebook how-to video idea emerged from online chatter among brand fans mentioning that they have friends who they wished

were on Facebook, so that they could

easily stay in touch, said the report.

The brand is spreading the word about the video via its Facebook fan page, Twitter tweets, mentions by bloggers and news media, and resulting word of mouth, the report said. Posted in mid-December, the video is generating positive press and feedback from brand fans who are reporting that they or their friends have become Facebook users with the tool's assistance, Jacoby told Marketing Daily.

(CSP Daily News, cspnet.com)

Game Promotions Bring Customers to Your Door

Breaking news from the Ohio Lottery: Powerball may be coming to Ohio. As of this publication's deadline, we are about to ask our commissioners to consider the new game. If we receive all necessary approvals and go through all the required steps, Ohio could see Powerball this spring.

The Ohio Lottery expects to have an active year ahead. What does that

mean for you? Our vision is to offer you attractive, affordable lottery game products that provide customer value and enjoyment. In the upcoming months, look for a number of key game promotions to bring customers to your doors.

When you succeed, we all do, creating winning experiences and positive brand awareness that helps the Ohio

Lottery raise money for the Lottery Profits Education Fund and builds traffic to your stores.

You're a key player in all this.

Winners

You know them and have them in your stores each and every day. The Ohio Lottery plans to capture that in an exciting Winners campaign begin-

ning the first quarter of the year. With more than a million winners of all types each and every week, you can help us find and share these great stories.



Kathleen BURKE
Ohio Lottery Commissioner

Red Ball

The popular Red Ball promotion thanking Pick 3 customers is coming back Feb. 5. At the same time, we have two new EZPLAY games set for release for customers who like the quick play of an instant game without the scratch. Let customers know about these fun opportunities to look forward to soon.

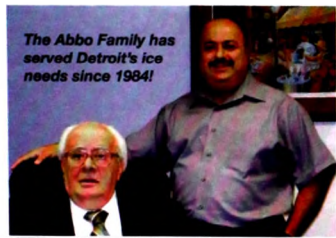
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Kathleen B. Burke
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Kraft to Debut 20 New Cooking-at-Home Products in 2010

Kraft, the world's second-largest food company, is betting that consumers will continue to eat at home by introducing 20 new products, many of them designed to help consumers re-create restaurant experiences at home.

"Many of our new items reflect consumers' interests in bold flavors, especially those that are Italian-inspired or have a Mexican flair," John Li, director of Kraft's Culinary Center, said in a statement. "The increasing desire for bolder flavors is not limited to a single age group. Everyone is asking for more adventurous taste experiences."

Many of the new items, such as Lunchables sandwiches with whole-grain bread and 100 percent white-meat chicken, put the brand in head-to-head competition with Subway. The company is also ramping up the flavor on its cheeses and adding items such as sea-salt nuts, triple ginger cookies, and antioxidant mixes.

**Because Michigan
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Will Consumer Concerns Keep Electric Cars on the Sideline?

Enthusiasts and environmentalists have hailed the advent of electric cars as the future of automobiles, and many in the auto industry are predicting big things in 2010 for electric vehi-

cles. But concerns about recharging, among other things, might keep the vehicle of the future from catching on with mainstream consumers, The Washington Post reports.

Whether consumers will purchase and drive the new fleet of electric cars is a question that no one knows has the answer to. And with only 734 public charging stations in the United

States — most in California — finding a place to plug in is seen as one of the biggest issues facing electric vehicles. Even with a full charge, electric vehicles can travel less than half the miles a gasoline-powered car can go with a full tank of gas, and charging the battery can take hours, with few places to plug in besides the driver's home. (NACS Daily, www.nacsonline.com)

Use of Antibiotics in Agriculture is a Growing Problem

Last year, 70 percent of the antibiotics used in the U.S. — 28 million pounds — were used in animals headed for the family dinner table. The Associated Press recently reported that the rise in the use of antibiotics is causing killer diseases like malaria, tuberculosis, staph, and HIV to appear in new and more deadly forms.

In fact, in 2009, the World Health Organization named antibiotic resistance one of the leading threats to human health. The FDA has indicated that unless new legislation is passed, its approval of antibiotic use in animals dating to 1951 can only be withdrawn through a drug-by-drug process that could take years. Lobbyists for agribusiness and pharmaceutical companies, arguing that drugs keep animals healthy and meat costs low because they make the animals grow faster, have defeated a series of proposed limits on antibiotic use.

Nestlé Announces Eco-Shape® Bottle

Nestlé Waters North America, Inc. continues its plastic reduction efforts with a new, lighter bottle available across its entire packaged beverage portfolio. The introduction helps Nestlé Waters exceed its goal for plastic reduction, or lightweighting, in its half-liter, single-serve bottles by an additional 15 percent by 2010, as outlined in the company's 2008 Corporate Citizenship Report. An updated version of the 2007 Eco-Shape bottle, among the first branded half-liter bottles in the beverage industry to be lightweighted, this next-generation bottle is Nestlé Waters' lightest half-liter bottle yet, weighing 9.3 grams on average. Since its launch in April 2007, the company's first-generation Eco-Shape bottle is credited with reducing Nestlé Waters' carbon emission equivalents by more than 356,000 tons — that's like removing 78,000 cars from the road.



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Support for Fuel Tax Hikes Picks up Steam

Four major trade associations—NACS, NATSO, PMAA, and SIGMA—are willing to consider pushing Congress for a small fuel tax hike as a way to prop up the sagging highway trust fund. The current plan is to draft a letter to tax-writing committees in the House and Senate that would support modest tax increases—but only if lawmakers would guarantee that the additional funds would be used solely to maintain and improve roads.

The next step would be for the trade associations to consult their members about whether they should add their names to such a letter. The idea was first discussed in outline by marketer groups NACS, NATSO, PMAA and SIGMA in November, and took firmer shape at another meeting soon after. Representatives from consumer and user organizations, including AAA, the Highway Users Federation and truck drivers, were also present and backed the basic premise. A representative from the American Petroleum Institute says the refiner group has taken no position on the issue as of yet.

Marketer groups see a tax hike as more palatable than other proposals to rescue the failing Highway Trust Fund. Rep. James Oberstar, D-Minn., chairman of the Transportation and Infrastructure Committee, has already indicated that an increase is on the table, although insiders say it is unlikely to occur this year. NATSO has historically supported fuel tax increases as a means to raise revenue, as opposed to tolling and commercializing rest areas.

A 2002 NATSO Foundation study showed that roads with tolls or commercialization have 50 percent fewer businesses. "Fuel retailers who have heavily invested in prime interstate locations have a huge stake in this issue," says NATSO VP Holly Alfano. "The consensus at the meeting was that if we support a modest tax increase, we would do so only if the money is actually going to roads as opposed to other projects, and if all users pay. That means some kind of long range plan to bring alternative fuels and electric vehicles into the mix at a comparable tax rate."

PMAA will take the issue to its executive committee in February, says the group's president, Dan Gilligan. PMAA may be comfortable with a 10 cents/gallon tax increase, but only if Uncle Sam does not require states

to kick in additional funds of their own to qualify for the new money. Many states use federal matching fund requirements as an excuse to raise their own fuel taxes, he notes.

The Highway Trust Fund has all but run out of money. It had a balance of \$6.1 billion in December, but officials say it needs around \$96 billion

to maintain and improve the nation's roads. Tied up in the health care debate, Congress failed to reauthorize the current highway law last year, instead extending it through February. That law, passed in 2005, provided \$286 billion over four years. The House Transportation Committee has proposed a \$450-\$500 billion bill over

six years, but the Senate Environment and Public Works Committee has produced no specific plan to date.

Funding options being floated include raising federal fuel taxes—the last time they went up was in 1993. The National Surface Transportation Infrastructure Financing Commission,

Please see FUEL TAX, page 44

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Good Ergonomics: A Key to Reducing Injury

According to the Occupational Health & Safety Administration (OSHA), poor job design has resulted in more than \$20 billion in direct workers' compensation cost. Furthermore, the National Institute of Occupational Safety & Health (NIOSH) estimates that musculoskeletal disorders affect several million workers each year with costs exceeding \$100 billion.

Annually, back injuries cost \$60 billion to American companies and more than one-million workers suffer back injuries. Although the total number of ergonomic injuries is declining, the costs continue to escalate. Depending on the severity of a particular injury, workers' compensation costs (medical, lost-time benefits, disability ratings, and potential litigation) could total

\$100,000 or more per injury.

Good ergonomics includes restructuring or changing workplace conditions to make a job or process easier, thereby reducing stressors that cause musculoskeletal disorders. In the area of materials handling and storing, ergonomic principles may require controls such as reducing the size or weight of the objects lifted, installing

a mechanical lifting aid, or changing the height of the pallet or shelf.

Ergonomic-related back injuries are one of the main concerns in any manual material handling tasks. These back injuries may occur from improper lifting or overexertion and poor working postures. Although no approach completely eliminates back injuries resulting from lifting materials, a substantial number of these back injuries can be prevented by implementing an effective ergonomics program and by training employees in appropriate lifting techniques.

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FUEL TAX

Continued from page 43

a federal agency, suggested initial increases of 10 cents/gallon for gas and 15 cents/gallon for diesel, which would generate about \$20 billion/year. According to the Financing Commission, an additional 25-37 cents/gallon in tax revenue is needed to cover the shortfall to maintain roads; some 36-38 cents/gallon would be needed to improve highways.

Fuel taxes generated just \$34.9 billion in fiscal year 2009. The existing 18.4 cents/gallon tax on gasoline produces roughly \$1.39 billion for every 1 cent/gallon in tax, while the 24.4 cents/gallon tax on diesel fuel yields \$0.43 billion, according to a recent Government Accountability Office report.

Among the most popular proposals is the introduction of tolls. Pennsylvania, for example, wants to establish a toll on I-80, and in Indiana, a private firm is paying the state \$3.8 billion for the right to manage the toll road for 75 years. Eventually, fees based on vehicle miles traveled (VMT) are expected to replace fuel taxes as vehicles become more fuel-efficient. The Financing Commission says a fee of 2.43 cents/mile traveled would be needed to raise \$200 billion/yr – that would be approximately 48 cents/gallon in today's tax terms. There are still many issues unresolved, however. Among them: How to fund the technology changes that would be needed to implement such a system, and how the fees would be collected. (Reprinted with permission from Oil Express)



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5 Ways to Maximize Your Chances for a Small Business Loan

By Trent Hamm

As we all know, there are many situations for businesses that can really only be handled with a business loan. You need to upgrade your work-space. You need more equipment. You need more people to handle all of the orders. In those cases, business loans

really can help.

Every business is different, and every business has different loan needs. However, there are still some universal principles that any businessperson can follow to greatly improve their chances of getting the business loan they need to create a thriving enterprise.

1. Be presentable. One of the biggest questions that a banker will have when they discuss a business loan with you is whether or not they can trust you. Don't give them the opportunity to doubt your trustworthiness due to something you can easily control: your appearance. Put yourself in the shoes of that banker. That person is going to

sit down, look at you, and start drawing conclusions that will help shape their recommendation. Don't hand them reasons to draw negative conclusions. Dress cleanly and crisply. Look the banker in the eye when you speak and shake his or her hand firmly.

2. Know why you're there. You need to absolutely, unequivocally know why you're there and what you're asking for. Why do you need this money? How much money do you need? How will you repay it? What can you offer for security on this money? If you can't answer those questions without any hesitation, you need to step back and look at your situation again. If they ask why you need the money and you give your answer, what will you say if they state "why" again? Know why you need the amount you requested. Know the reason for your repayment ideas.

3. Bring the documentation. You'll likely have guidelines for the documentation you need to provide. Follow it to the letter—and go beyond it. If they want three years of statements, have five on hand for them, and ask if they would like to see them. Have documentation to support every answer and statement you might produce. Make it look professional. Don't just slap a notebook on the table with lots of jottings. If you need help to make it look good, get that help. Presentable materials makes it look like you have your act together and that will work strongly in your favor.

4. Don't hide the problems. If there are problems with your case, you're better off being up front about them than hiding them. If they begin to dig into your records and find something problematic that you've avoided or glossed over, they'll wonder what other problems you might be hiding. Instead, open your own door to the future by being up front about your challenges. A solid, open, honest business seems more trustworthy than a "perfect" business that just had a big flaw uncovered.

5. Don't be scared. Don't look at this as an opportunity to fail. The worst case scenario is that you wind up where you are right now. When you're seeking a loan to improve your business, the only place to go is up.

Trent Hamm is the creator of TheSimpleDollar.com, a popular blog on personal finance, career, and personal development topics.

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A Farewell Letter from AFPD's Outgoing Board Chairman

I cannot believe how quickly two years can go by. Really, it does not seem like that long ago that Fred Dally passed the chairman's gavel over to me in 2008. What a ride it has been!

It has been an honor and a privilege to serve you and our fine association for these past two years. I want to assure you that as I close out our first century as an association, Jim Hooks, a dear friend and associate, is ready to take us into our second century as a very capable chairman. Congratulations, Jim! I am sure that you will serve us with the integrity and well-aimed guidance for which we have come to know you.

Since my early days in this business and all through my career in different capacities, I always felt that my career would be complete if I became chairman of AFPD. When it happened two years ago, I believe that I underestimated what this office really means.

The great recession had firmly taken hold of this country, the financial markets have collapsed, huge companies in our area went into bankruptcy, and jobs were lost in staggering numbers. This has had an incredible effect on how we do business in the Midwest. A lesser industry of businesses would have been crushed—but not us. We are blessed to be in an industry and an association where we believe in a better day and where we have the tenacity to hang on until its arrival.

At the end of 2008, things were at their most grim. Changes needed to be made and made quickly. With membership in

decline and financials dropping, your president, Jane Shallal, with the guidance of your board of directors, took the association into its 100th year by making major changes in the way we do business.

The addition of Chief Operating Officer Auday Arabo and a complete restructure of the resources we had, along with new pro-

grams and services, have begun to pay huge dividends. AFPD saw its first membership growth (nearly 10 percent) in years and our new programs and services added to the bottom line of our members. At no time in the past have our members depended on our leadership as much as they have these past two years.

I want to personally thank the board, Jane, Auday, and the AFPD staff for the hard work that they have put in. Without the tenacity that we have shown, nothing like what we've seen recently would have been

possible.

One hundred years after a group of meat cutters got together to share ideas, we have grown into the "Voice of the Food, Beverage and Petroleum Industries." We have weathered change, challenges, and at times, situations that have made it difficult to do business. I am happy to say that we continue to stand as one. Our strength will always be in our numbers.

As I head off to my Emeritus position on the board, I will continue to stay involved in various capacities and will still be as visible in our stores as ever. This organization is and always will be a part of my life. I thank you for your support and wish all of you health, prosperity, and the grace to deal with what our next 100 years brings.



Chris ZEBARI
Outgoing AFPD Chairman



U.S. Convenience Store Count Holds Fairly Steady

The number of U.S. convenience stores fell 0.2 percent over the past year and stands at 144,541 as of December 31, 2009, according to the NACS/Nielsen TDLinx 2010 Convenience Industry Store Count.

This is the second straight year the count has declined and only the fourth time in the last 15 years that the industry's store count has declined. The industry count reached a high of 146,294 stores two years ago. "The decline is driven by fluctuating gas prices and many retailers, especially single convenience store owners, not being able to keep up with the expense and operating at a profit," said Todd Hale, senior vice president of Consumer & Shopper Insights, Nielsen. "Consumer purchases with payments by credit cards—and the associated interchange fees paid to the card companies by retailers—have been a real problem for the industry and for single-store owners."

Despite the two-year decline, the convenience retailing industry has shown remarkable growth over the last three decades. In 1979 there were only 57,700 convenience stores in the United States. "That our numbers largely held firm in a miserable economic climate and the dismal lending environment is a testament to our overall industry's strength and offer," said NACS Vice Chairman of Research Greg Parker, CEO of The Parker Companies in Savannah, Ga.

ATC at Retail Taken Off the Regulatory Table

The National Conference on Weights and Measures (NCWM) put to rest the issue of retail automatic temperature compensation (ATC) and the debate over the retail sale of "hot" fuel.

Last summer, weights and measures officials voted to withdraw proposed changes to rules governing the method of sale of petroleum at retail. Those proposed changes would have either mandated all retailers sell temperature adjusted gallons or authorized states to permit retailers to do so.

However, the Specifications and Tolerances Committee, which establishes the protocols for implementing and testing such regulations, retained its proposed ATC provisions as informational, leaving them open for further discussion.

At the NCWM Interim Annual Meeting last month, weights and measures officials voted to officially withdraw the proposals under the jurisdiction of the Specifications and Tolerances Committee. In addition, the board of directors also voted to dissolve a special task force formed to evaluate ATC issues and develop recommendations for regulatory changes.

These new developments effectively close the door on regulatory action by NCWM on the issue of retail motor fuel temperature compensation. If the issue of ATC is to be reconsidered by the NCWM in the future, it will have to start from the beginning with a recommendation from one of the regional associations. (NACS Daily, www.nacsonline.com)

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