



ASSOCIATED FOOD & PETROLEUM DEALERS

CELEBRATING 100 YEARS OF BUSINESS & TRADE SERVICES

# FOOD & PETROLEUM REPORT

VOL. 21, NO. 1 JANUARY 2010

## AFPD's Diamond Jubilee



## A Century of Service

Associated Food & Petroleum Dealers  
30415 W. 13 Mile Road  
Farmington Hills, MI 48334  
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# President's MESSAGE

# Happy 100th Birthday, AFPD!



**Jane SHALLAL**  
AFPD President/CEO

100 years! The year 2010 is a very exciting one for AFPD and its board of directors as we celebrate the 100th anniversary of the forming of AFPD, or as it was called in 1910, Detroit Retail Meat Merchants.

It is such a testament to the power, vision, and commitment of our founders that AFPD has endured and prospered through a century. At its core, service is the bedrock of our association. It was true in 1910; it is true today. We will honor this anniversary, celebrate our achievements, and resolve to build on the legacy of our founders by strengthening our commitment to service.

This anniversary year provides AFPD with an opportunity to celebrate its history and its place in the community. AFPD has become one of the premier associations in the Midwest supporting independent retailers. As we mark this grand milestone, I salute the generations of retailers who have worked in this industry—they are our greatest achievement and have played such an important role in our development and success. I also thank our communities, government, industry, and stakeholders for all of their support. Together, we have helped make AFPD an association of which our founders would be so very proud.

Please join us as we celebrate this year. During 2010, AFPD is organizing an exciting Diamond Jubilee Celebration, momentous trade shows, historic publications, and projects, and I encourage all to visit the website and events and to discover the many collections and services, and celebrate our history. Through the acquisition of invaluable formed collections, AFPD—in a special partnership with the Detroit Historical Society—will gather a

collection of records and artifacts that reflect the evolution of our association, and we will showcase them at a special centennial exhibit in February.

As we celebrate our past 100 years, it is more important than ever to look to our future. It is important to strengthen our commitments to work together in partnership to develop a plan for AFPD's future

and ensure that our businesses remain in the community, thrive, and prosper. Let's keep the ball rolling to preserve what we already have and make it even better.

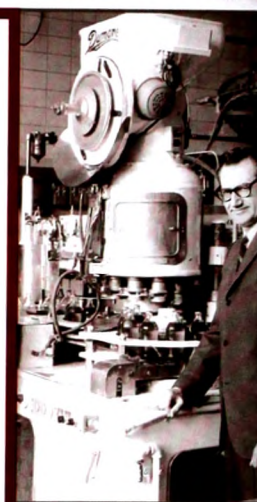
I'm proud to lead this wonderful organization as it commemorates its 100th anniversary. I'm also humbled in knowing that the strides we make today will strengthen AFPD in our second century of service and excellence. Thank you for your support of AFPD.



**"I salute the generations of retailers who have worked in this industry—they are our greatest achievement and have played such an important role in our development and success."**

**—Jane Shallal, AFPD President/CEO**





**A Picnic Favorite  
for Over 100 Years**



## CALL FOR INDUSTRY ARTIFACTS



**ASSOCIATED FOOD & PETROLEUM DEALERS**

*Associated Food & Petroleum Dealers in partnership with the Detroit Historical Society presents AFPD Centennial Exhibit*

In commemoration of our 100th Year, the AFPD and Detroit Historical Society are putting together a centennial exhibition. We value our relationship with you and are very excited to be celebrating our 100 year anniversary, as you have been with us throughout these years.

The AFPD is calling on industry colleagues who have historical materials and memorabilia relating to the food, beverage and petroleum industry from 1910 to the present for the purpose of display in this centennial exhibition which will be shown at the AFPD 100th Anniversary Trade Dinner on Friday, February 12, 2010 at Rock Financial Diamond Center.

We are endeavoring to include items such as **letters, photographs, films, artifacts, memorabilia and other special pieces** relating to the food, beverage and petroleum industries in this collection. This collection will seek to display industry history in one place. You can help round out the exhibit by considering showing your artifacts. All retailers, manufacturers and suppliers are encouraged to participate in this special exhibition and we welcome your participation.

Security of the artifacts on display is a top concern for AFPD and protection of items is assured before, during and after the exhibition.

If you wish to showcase your product or memorabilia, please contact Jane Shallal or Lauren Kopitz at (800) 666-6233 or visit [www.AFPDonline.org](http://www.AFPDonline.org).



## Calendar

# AFPD 100

AFPD's

*100 Year Anniversary  
Trade Dinner & Ball  
"Diamond Jubilee"*

Rock Financial Diamond Center  
46100 Grand River Ave., Novi, MI  
Call Auday Arabo (800) 666-6233

### April 14, 2010

AFPD's 4th Annual Ohio  
Food & Petroleum Trade Show  
I-X Center  
One I-X Center Dr., Cleveland, OH  
Call Lauren Kopitz—800-666-6233

### April 27 & 28, 2010

AFPD's 26th Annual Michigan  
Food & Petroleum Trade Show  
Rock Financial Showplace  
46100 Grand River Ave., Novi, MI  
Call Lauren Kopitz—800-666-6233

### Statement of Ownership

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AFPD works closely with the following associations:



## AFPD CORNER

### MICHIGAN UPDATES

- **U.S. Senate Bill 1147.** Encouraged AFPD members to contact U.S. senators in both states asking them to support U.S. Senate Bill 1147. If enacted, the bill will level the playing field for all businesses selling tobacco products and curb the illegal smuggling and sale of tobacco.
- **SBA financing sources.** Attended presentation by Michigan District office personnel of the US 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. Watch for more news about this issue.
- **Sales tax audits.** Met with officials from the Michigan Department of Treasury Sales Tax Division concerning the nature of sales tax audits against retailers. Discussed problems and issues relating to investigations, penalties, disputes concerning determinations, and findings.
- **NACS conference call.** Participated in NACS conference call addressing the payment card industry's issues and deadline dates. NACS will keep us informed of developments.
- **MI DEQ.** Attended the Michigan Cleanup and Redevelopment Program Design meeting presented by Michigan DEQ.
- **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 and 213 into a single act.
- **HB 5366.** Participated in Michigan House Committee hearing to support HB 5366, which would move the Underground Storage Tank Division from the Michigan DEQ to the State Fire Marshal's office, where it had been included in the past.
- **Michigan Recycling Partnership.** Attended a Michigan Recycling Partnership meeting detailing the current status of the rollout of reverse vending machines in Michigan border counties.
- **Human Services.** Attended the Michigan Department of Human Services meeting regarding AFPD's request to reconsider food stamp distribution. Discussed issuing food stamps over an 18-day period. This change is expected to take place in July of 2010.

- **Liquor license.** Successfully testified on behalf of AFPD members against a waiver for a SDD liquor license for Kroger before the Livonia City Planning Commission.
- **Training.** Conducted 15 quality control evaluations during the months of November and December. Conducted a SuperSafeMark® manager's food safety course and administered the National Registry for Food Safety Professionals examination. AFPD conducted 10 TIPS responsible alcohol retailing classes.

### OHIO UPDATES

- **HB 137 liquor sales.** Monitoring legislation referring to the claimed blighting effect of convenience store businesses. It is argued by some local advocates that convenience store business leads to litter, graffiti, loitering, drug dealing, vandalism, and even murder. The public safety committees have held public briefings to address permit renewals, objection process, and enforcement of existing laws. AFPD has been objecting to any limitations placed on convenience stores.
- **Petroleum retailers.** Met with senior management of Marathon Petroleum to discuss status of the marketplace, and issues affecting our petroleum retailers in Ohio.
- **Workers' comp.** Changes on BWC Payroll Report and Premium Calculations will be mailed out from BWC around the first of the year. Ohio employers could be looking at a 70 percent increase in premiums. BWC has developed a payment plan to help Ohio employers. They caution Ohio employers not to be late with their filing and payment, which will result in lapsed coverage.
- **New workers' comp administrator.** Met with Care Works (CCI), AFPD's new group workers' comp administrator, to discuss the factors that can best serve AFPD participating members, as well as a strategy to oppose the Ohio BWC from continuing to reduce workers' comp credits resulting in higher premiums for AFPD members.
- **Senate Bill 213.** AFPD supports Ohio Senate Bill 213, which will freeze the maximum credit at its present rate and allow it to remain in effect for two years. AFPD has made available to its members information on Senate Bill 213 and asked that members fax this to their state legislators asking them to vote yes on this legislation.
- **Ohio lottery.** AFPD has been selected by the Ohio Lottery to serve on a new Ohio Lottery Business Council. Meetings will start early spring.



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Dublin, OH 43017

# Petroleum News & Views

Information of Interest to Petroleum Retailers, and Allied Trades

## Oil Execs say Cap-and-Trade Won't Safeguard the Environment

About 78 percent of fossil fuel industry executives say that the proposed cap-and-trade legislation for carbon emissions will be ineffective in safeguarding the environment, according to the 2010 Energy Outlook Survey from BDO Seidman LLP.

The survey of 100 chief financial officers at U.S. oil and gas exploration and production firms also found that 48 percent think wind energy will best contribute to the world's future energy needs, followed by biofuels (23 percent), solar (16 percent) and hydroelectric (10 percent).

About 41 percent expect renewable energy to comprise less than 5 percent of the U.S. energy sector in five years. One quarter of respondents said renewables would comprise 5-8 percent of the energy sector, and 15 percent said that renewables would comprise 9-12 percent of the energy sector.

More than a third (34 percent) of oil executives said that they expect world demand for liquid hydrocarbons to peak in five to ten years. When asked the same question last year, just 25 percent gave that response.

As an indication of the political and economic environment, the survey found that 57 percent of executives report delaying or terminating an oil or gas project during 2009, up from 26 percent in 2008.

More than three-quarters (76 percent) of the CFOs said that the federal economic stimulus was not beneficial to the energy industry. About 20 percent said the stimulus was "only slightly" or "somewhat" beneficial.

## Retailers Not Happy as Big Oil Dumps Stations

A recent Wall Street Journal report states that major petroleum refiners have been under the gun recently over the sale of company-owned gasoline stations. Some retailers have filed complaints with companies like BP, ExxonMobil and Royal Dutch Shell because Big Oil has been shedding retail outlets. The refiners say the properties are being sold because the stations are a low-profit business.

Many small-business retailers are concerned about staying in business as a result of this latest trend. With a refiner-owned or leased station, dealers received allowances and fuel price rebates. However, a distributor-owner might charge a station more for fuel, putting the retailer in a tough spot because of its contract to sell only a certain brand of fuel.

BP has sold more than 550 stations in New York, New Jersey, California, and Arizona. Recently, 20 New Jersey BP dealers filed a lawsuit to stop the oil company from severing its business arrangement.

Single retailers say it can be difficult to purchase an individual station because refiners find "there are less headaches" in working with a company interested in purchasing a group of stations. Ralph Bombardiere, executive director of the New York State Association of Service Stations and Repair Shops, told the Wall Street Journal.

This past summer, New Jersey passed legislation that would let retailers have "first right of refusal" when their stations were for sale by a Big Oil company.

*(Excerpted from NACS Daily News)*

## The Cost of Non-Involvement

A number of AFPD members have that membership renewal statement mixed in with other papers on their desk and have yet to address the issue of renewing their membership.

For those of you still determining the worth of your AFPD membership, let me share these important thoughts with you.

One of the worst possible presumptions you can make—assuming that you have interests in issues before the state or federal legislature—is that someone else is effectively representing your issues to legislators. A close corollary to this is the assumption that it's all right for you to not get involved with the legislative process because those who hold opposing views probably aren't involved either. Add either or both of these assumptions to a lack of

understanding of how legislators make decisions, and you have a good recipe for legislative disaster.

Legislators understand involvement above most other concepts. The

people they see or hear from most often have the greatest impact; be one of them, and success may be yours—slack off and you're likely to fail. Legislators need and appreciate

lobbyists for what they can do, but legislators know that lobbyists have limitations. You cannot expect legislators to know all the facts on all the issues. Even good lawmakers simply must hear from the industry members, the people in the trenches. Those who have opinions on issues continually barrage legislators. If your opponents are among them and you aren't, you lose.

AFPD monitors legislative issues affecting our members at the state and federal level. We can then inform our members about the details of proposed legislation, and help them establish

contact with the appropriate legislators to support or oppose the bills. We need your continued financial

support to keep you informed completely and in a timely manner. Help us help you get the message across to our legislators, and renew your membership with AFPD, today.



**One of the worst possible presumptions you can make is that someone else is effectively representing your issues to legislators.**

*Wishing you and your business a prosperous 2010!*



# THE NEW LOOK OF *Refreshment.*



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# States take **Beer** run at **Taxes**

By Melissa Preddy

In 1966, "That Girl" and "The Monkees" debuted on TV, gasoline cost 32 cents a gallon, the Dow Jones industrial average closed at 785, and Michigan's beer excise tax was 2 cents a can.

Forty-three years later, reality shows have supplanted sitcoms, a gallon of gas is about \$2.70, the Dow is clawing back above 10,000, and Michigan's beer excise tax is 2 cents a can.

Contrast that to the rapid acceleration of the state's cigarette tax, which at \$2 a pack currently is the ninth-highest among the 50 states. Michigan boosted that tax from 50 cents to 75 cents in 1994, making it the then-steepest cigarette tax in the United States. It was hiked to \$1.25 in 2002 and to \$2 in 2004.

And while not a "sin tax" target like tobacco and booze, gasoline is another common household purchase that the state has chosen to tax rather steeply compared to other states. Currently, Michigan levies 30.9 cents per gallon, the 13th-highest rate in the nation.

Analysts and activists, frustrated by Michigan's billion-dollar budget crisis and its toll on a wide range of public services, say a boost to the beer levy is a long-overdue and relatively painless way to restore millions of dollars a year to state coffers.

"Less than a nickel a beer would pay for a lot of the cuts to programs that would've helped kids," said Jack Kresnak, head of the non-profit Michigan's Children think tank in Lansing. Earlier this year, his Detroit Free Press editorial proposing the tax hike was met with tepid response by legislators across the state.

The alcohol industry has fended off any and all efforts to raise the beer tax for more than four decades. They

contend that the wholesale trade in beer, wine and spirits already is paying its fair share to the state — about \$200 million a year in Michigan — if you count federal and state sales taxes and local property taxes along with the excise levy. Wholesalers account for about 5,100 jobs with an average wage and benefit package nearing \$50,000, according to the state trade group.

The beer business alone, including the retail channels, contributes 37,000 jobs and pumps about \$2 billion a year to Michigan's economy, according to 2008 figures published by The Beer Institute, a national trade group. As is, they say, 40 percent of the cost of a bottle or canned brew is made up of taxes.

And "it is important to bear in mind that Michigan has the highest state beer tax in the Great Lakes region," notes Mike Lashbrook, president of the Michigan Beer and Wine Wholesalers Association. "Around 41 percent of a glass of beer in Michigan is made up of taxes, including federal and state taxes, taxes on ingredients and labor, and licensing fees. Beer



and wine are also the only beverages in Michigan subject to a 6-percent sales tax.

"The fairest way to look at Michigan's beer tax is to look at the entire tax picture and recognize that Michigan is at a considerable disadvantage in relation to other states," he continues. "Our tax is 300 percent higher than in Wisconsin. It is also much higher than in Indiana and Ohio." Sharon Parks isn't buying it.

"Raising the beer tax should be a no-brainer," said Parks, chief executive of the non-profit Michigan League for Human Services. The League has championed tripling the tax from 2 cents to 6 cents per 12-ounce serving, which it figures would raise about \$90 million a year for the state.

Right now, Michigan's 20-cent-per-gallon beer excise tax is 28th highest among U.S. states, along with California, Texas, and Connecticut. Among the lower 48 states, Alabama is highest at \$1.05 a gallon, according to the Center for Science in the Public Interest (CPSI), while Wyoming's excise tax is a mere 2 cents per gallon.

In Michigan, "it is an existing tax that hasn't kept up with inflation," said Parks. "There is no easier thing the legislature could do. But the lawmakers are

afraid that people will scream bloody murder."

Michigan ranks eighth in the nation in beer shipments, with more than 6.5 million barrels distributed here in 2008, according to Beer Institute statistics. According to historical accounts from the state Liquor Control Commission, the \$1.25 per barrel beer excise tax established in 1933 was hiked to \$6.30 per 31-gallon barrel in 1966, and that rate remains in effect today.

At 20 cents a gallon, Michigan is above the national median of 18.5 cents a gallon, but below the average of 27.8 cents, which includes high-tax states like Alaska (\$1.07), Alabama (\$1.05), and Hawaii (93 cents), according to a July 2009 report from the CSPI.

According to the state's legislative database, no bills to boost the beer tax have been introduced in at least the past decade.

Do the math and existing excise taxes equate to a little less than 2 cents of excise tax per 12-ounce serving. The Michigan League for Human Services says that adjusted for inflation, the tax accounts for 2 percent of the cost of an average brew, compared to 10 percent of the cost when the rate was set in 1966. This failure to keep up with price inflation has eroded the purchasing power of the excise tax by 84 percent, the League says. It wants to triple the tax to 6 cents a serving and figures that extra quarter consumers would pay per six pack would raise about \$90 million more a year statewide.

"People don't realize we are literally talking about pennies here," said Parks. "It's not a lot when you are talking about a billion-dollar problem, but \$90 million is \$90 million."



Sam Hesano, the owner of Discount Beverage in Canton, has been selling alcoholic beverages in Metro Detroit for 37 years. He dreads the effect of a tax hike on what he says already is a 10-percent profit margin – or less if patrons pay with credit cards.

"People aren't going to stop drinking," said Hesano, whose warehouse-style store specializes in a wide selection to draw patrons from miles away. "But they will trade down to cheaper brands. They can get Schlitz anywhere – and if the taxes go up, with my margins I can't offer much more to get them in the door. It is going to kill niche retailers like me."

Nationally, the industry still bemoans the 1990 federal excise tax hike, which along with taxing luxury goods like yachts and sports cars, doubled the levy on beer from \$9 to \$18 a barrel. The industry claims that change cost the country 31,000 jobs and sales of 4.3 million barrels of beer.

Since then, booze tax increases seldom have been successful, and despite the proliferation of bottled beverages, energy drinks to iced coffees to simple H<sub>2</sub>O are turning out to be the proverbial third rail when it comes to legislative action.

A 2004 proposal by Gov. Jennifer M. Granholm to raise the state excise tax on distilled spirits by 11 percent was defeated; her current proposed 1-cent-per-serving tax on bottled water is vigorously opposed by producers and the International Bottled Water Association.

This year, New Jersey raised alcohol taxes by 25 percent – excluding beer. A hotly debated plan in Oregon to raise the beer tax by 1,900 percent – from less than a penny per serving to 15 cents – went down in flames earlier in 2009 after vehement opposition by brewers, distributors, and even an anti-hike Facebook page.

In Wisconsin, state Rep. Terese Berceau has sponsored a bill to boost that state's levy from \$2 a barrel to \$10 a barrel, or 2.4 cents per serving. Citing high rates of substance abuse and drunk driving, Berceau says her proposal aims at paying for more



**"Around 41 percent of a glass of beer in Michigan is made up of taxes, including federal and state taxes, taxes on ingredients and labor, and licensing fees."**

**—Mike Lashbrook, Michigan Beer & Wine Wholesalers Association**

treatment and prevention by raising revenue from \$9.7 million a year to nearly \$50 million. Similar attempts in the past have failed, and Wisconsin pundits forecast little hope for this push.

In Minnesota, rumblings this year of a proposed hike have galvanized grass-roots anti-tax petitions and other protests.

The only state in 2009 to successfully enact a beer tax increase was New York, which in May raised its beer taxes from 11 cents to 14 cents a gallon. Along with a similar boost to wine taxes, the change is expected to garner an extra \$14 million a year for the state. It's too soon to tell if the higher taxes have affected consumption, officials said.

Why is beer so untouchable?

Industry boosters say the product already bears a large tax burden and that hikes would be regressive, unfairly hitting the blue-collar, lower-

income demographic it claims as its market. Higher taxes also would cripple small businesses and entrepreneurs running burgeoning craft breweries and affiliated restaurants, lobbyists say.

"The track record for beer tax hikes passing is pretty low," said Jeff Becker, a Michigan native and current head of the National Beer and Wine Wholesalers Association. "There is this perception among some (community activists) that there is a big pot of money out there and you can just take it. It sounds like an easy fix but we try to remind (proponents), you're not taxing a beer company, you're taxing a beer consumer. And that's the wrong group to tax, especially in this economy. And legislators recognize this."

Legislators also receive a lot of largesse from the alcoholic beverage industry, says Parks of the Michigan League. "At some point, that has to become part of the discussion," she

said.

Others agree. "Beer and wine wholesalers are probably the most well-funded lobby in the state," said Doug Drake, group manager and senior policy consultant with the Lansing-based research firm Public Policy Associates. But political consideration is not the only impediment to higher beer taxes, he said. For one thing, even the increase proposed by human services advocates would remain a drop in the bucket to the state's budget woes.

"It's a Joe Six-pack, third-rail kind of issue and relatively speaking a small piece of a solution to a really big problem," Drake said. "If I were a politician, I'd figure, 'If I'm going to get beat up, it might as well be for something big.'"

The bigger problem, Drake said, is that Michigan has a tax structure with built-in limitations. It doesn't keep up with inflation and even lucrative taxes like those on cigarettes are designed to self-destruct as higher levies prompt more people to quit using the product.

Rather than an abrupt jump in beer and other excise taxes, Drake suggests abandoning the per-unit tax structure in favor of a value-based tax would make more sense.

"You could start it off in a revenue-neutral fashion," he said, meaning the new tax would be the same out of pocket for consumers as the old method. "But if it's connected to value, it naturally would grow over time. You build in growth."

As with the service tax debate and other tax reform issues, that is the bigger question, Drake said. "Do you build a tax system that will grow to keep pace with the economy, or don't you?"

For 43 years, Michigan has said no to that question – at least as far as beer taxes are concerned.

*The Center for Michigan (www.thecenterformichigan.net) is a non-profit "think-and-do tank" founded in early 2006 to assist Michigan through its current period of economic trouble and to lay the foundation of informed hope for a better future in Michigan.*



## Former Supervalu Exec Named NGA President and CEO

Mike Jackson, former president and COO of Minneapolis-based Supervalu, has been selected as the National Grocer's Association's (NGA) new president and CEO, a position he will formally assume March 1, 2010. The trade association's longtime leader, Tom Zaucha, will retire June 30. During the leadership transition, Zaucha will serve as president emeritus and will provide counsel to the organization on strategic public policy initiatives, membership development, and critical business relationships.

"Mike possesses the industry knowledge, professional experience, leadership skills and passion to lead NGA to the next level of excellence in representing and serving the independent retailer and wholesaler," said Chris Coborn, NGA's chairman, and president and CEO of the supermarket organization, Coborn's, Inc. Having spent the majority of his career working directly with independent operators, Jackson "fervently believes in the unique role that we play in serving the consumer and is passionately committed to our future," Coborn added, noting the future potential to take "the independent sector in the food industry to the next level."



**Mike Jackson**

As Supervalu president and COO, Jackson was responsible for implementing the company's strategic vision, as well as for overseeing the Retail East operations of Acme Markets, Farm Fresh, Shaw's, Shopper's and Save-A-Lot. Prior to joining Supervalu, Jackson was a store manager for Red Owl Foods. He began his Supervalu career in 1979 as a retail counselor at the company's Green Bay division, and during his 30-year tenure, held a number of positions throughout the retailer/distributor in both supply chain services and retail operations.

Leslie Sarasin, president and CEO of FMI, congratulated Jackson on his appointment. "Given his impressive industry background and expertise, [Jackson] will be a tremendous asset to association representation for the industry. I look forward to working with Mike to continue to enhance the ways our associations work together to advance the issues, interests and concerns of our great industry that serves Americans and provides for families in cities and towns across the country," she said.



## Underused Drilling Practices Could Avoid Pollution

By Abraham Lustgarten

As environmental concerns threaten to derail natural gas drilling projects across the country, the energy industry has developed innovative ways to make it easier to exploit the nation's reserves without polluting air and drinking water.

Energy companies have figured out how to drill wells with fewer toxic chemicals, enclose wastewater so it can't contaminate streams and groundwater, and sharply curb emissions from everything from truck traffic to leaky gas well valves. Some of their techniques also make good business sense because they boost productivity and ultimately save the industry money -- \$10,000 per well in some cases.

Yet these environmental safeguards are used only intermittently in the 32 states (Ohio ranks number six) where natural gas is drilled. The energy industry is exempted from many federal environmental laws, so regulation of this growing industry is left almost entirely to the states, which often recommend, but seldom mandate the use of these techniques. In one Wyoming gas field, for instance, drillers have taken steps to curb emissions, while 100 miles away in the same state, they have not.

The debate over the safety of natural gas drilling has intensified in the past year, even as the nation increasingly turns to cleaner-burning natural gas as an alternative to oil and coal. In Congress, one group of politicians is writing a climate bill that would encourage the use of more natural gas, while another group is pushing a bill that would put a key part

of the process under federal regulation and force the disclosure of chemicals used in the drilling process. Neither bill addresses the question of how to encourage energy companies to use techniques that

lower the risks of environmental damage.

"Sometimes environmental considerations aren't the same as the public considerations, and many times the economic considerations don't fit," said David Burnett, an associate research scientist at Texas A&M University's Global Petroleum Research



Institute and a founder of Environmentally Friendly Drilling, a government and industry-funded program that identifies best practices and encourages their use. "There could be better management practices used. We have to find a balance."

Michael Freeman, an attorney at the environmental group Earthjustice, says there is no escaping some damage from drilling. But if the best available precautions were routinely followed, environmental harm could be minimized and the industry may face less resistance from the public as it taps the vast new gas deposits that have been discovered in recent years.

"It would certainly address a lot of people's concerns," Freeman said. "But the government agencies that regulate the oil and gas industry need to be aggressive about making them clean up their act."

*Abraham Lustgarten writes for ProPublica, an independent, non-profit newsroom that produces investigative journalism in the public interest.*

## Chevron Withdrawing from Ohio and Some Other States

Chevron is withdrawing its motor fuels operations in some areas of the eastern United States, including Delaware, Indiana, Kentucky, North Carolina, New Jersey, Maryland, Ohio, Pennsylvania, South Carolina, Virginia, West Virginia, Washington, D.C., and parts of Tennessee.

Approximately 1,100 independently owned and operated retail stations will be rebranded. The company expects all of the stations to continue operating under other brands and will assist retailers with the transition. Chevron should complete the market exits by mid-year 2010.

The stations account for about eight percent of Chevron's total U.S. sales volume, the company said. The fuel markets in these states are well served and should not be affected by Chevron's withdrawal, it added.

Chevron will continue supplying more than 5,000 Chevron and Texaco branded stations in the eastern United States, and it plans to grow its retail presence in other areas of the U.S. marketplace, said the company.







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# Manage Your Electric Bill By Managing Voltage

By Greg Wiegand

If you are like most people, the extent of your knowledge about electricity is you either have it or you don't. When you don't have electricity the voltage is zero. When you have it, the voltage averages around 120 volts. However, in between those two extremes are imperceptible differences in voltage that affect your electricity bill.

This is not common knowledge, and if you ask your local utility representative they will most likely tell you it does not make any difference. It's not that they are trying to mislead you; it's just that they don't have any way of controlling the voltage to individual customers, so they won't pay any attention to it as long as it's within their allowable range. In the U.S., the allowable voltage delivery range is 114 V to 126 V, and voltage rises and falls on a daily cycle. For most customers, the average voltage is between 120 and 121 volts, and customers close to the substation will have a higher average voltage than those at the end of line. This is the physics of how electricity works.

For example, if you had two identical stores—one near the utility substation (high voltage) and one at the end of a feeder line (low voltage)—the energy charges for the store near the substation would typically be between 6 percent and 10 percent higher than the other store, even if it's an identical business.

Considering electricity is usually the second highest expense for a convenience store operation, voltage represents a variable expense that should be managed. Therefore, managing your voltage will save you money.

Consider these questions:

- (1) Why does this happen? Without getting too technical, it basically boils down to the fact that losses in electrical devices are largely proportional to the voltage. As an electrical appliance converts electricity into light or some form of work, a percentage of the total energy is lost in the conversion process causing the device to heat up. Higher voltage increases these conversion losses, which is converted into waste heat, increasing your bill.
- (2) Why is extra heat a problem? The primary issue is that the additional heat decreases the life of your equipment. A rule of thumb in engineering is that whenever you raise the operating temperature of an electrical device 10 degrees C, you cut the lifetime of that equipment in half. Small motors common to convenience stores will typically increase their operating temperature by 8 degrees C when the voltage increases from 114 to 126V. The higher the voltage, the higher the maintenance costs. Secondly, in the summer the extra wasted heat increases your air conditioning load. In the winter it may appear to



be beneficial; however, other forms of space heating are more cost effective than resistive electric heat, and they don't reduce the operating life of your equipment.

(3) How can voltage be managed? There are new kinds of high efficient buck/boost voltage regulators, which offer unique qualities making them perfect for this application. These voltage regulators are not power factor correction devices. They are high efficiency, precision voltage regulators. For 120 V systems, the ideal voltage is 114 V as long as the voltage is dynamically regulated and held precisely at 114 V. The standard for utility voltage delivery in North America is anywhere between 114 V to 126 V.

Many electricians will tell you that 114 V is too low because they know the utility voltage changes significantly throughout the day. If your utility voltage averages 114 V, that means sometimes the voltage would be higher and sometimes it would be too low, which will damage your equipment. However, this is a distinctly different situation than having dynamically regulated voltage held constant at 114 V.

- (4) What else happens when you regulate utility voltage? Regulating the incoming voltage reduces three-phase voltage imbalance, one of the leading causes of three-phase motor overheating and failure. Managing each phase independently optimizes a motor's efficiency and extends its usable life. Voltage regulation also provides transient protection, which protects internal loads from quick high voltage spikes. Another advantage is process control. Voltage sensitive equipment, such as slushy dispensers, will put out a consistent product because the voltage is not fluctuating throughout the day.
- (5) If this is a good idea, why isn't it common practice? Obviously voltage regulators have been around a long time in one form or another. Most voltage regulation technologies lose 3 percent to 6 percent of the energy that goes through them, making them impractical for this application. Other voltage regulation technologies are efficient; however, they distort the voltage sine wave. This is not good for your equipment or the utility.

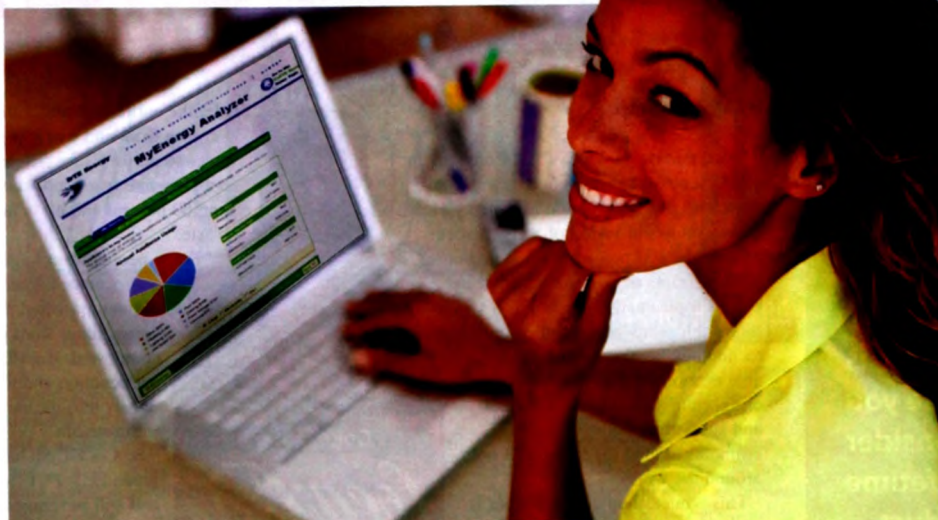
Advances in technology and optimization of the design have produced voltage regulators, which can average a loss of less than 1 percent. Not only are the new regulators efficient, they have fast response, high accuracy and no voltage distortion. They are ideally suited for improving power quality and the electrical efficiency of convenience stores and lowering their overall utility usage.

*Greg Wiegand is a founder of MicroPlanet, a provider of advanced energy conservation technology used in residential, commercial, and industrial environments.*



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Producing a renewable, recyclable bottle is hard because you have to consider the entire lifetime of the product—where it comes from and where it goes, as well as its cost and performance. Right now, most PET bottles come from petrochemicals and more than 60 percent end up in landfills, a literal waste.

# Coca-Cola's Quest for the Perfect Bottle

By Marc Gunther

Since joining the Coca-Cola Company in 1997, Scott Vitters has gone to work most days with one question on his mind: "How do we get to our vision of a 100 percent renewable, 100 percent recyclable bottle?"

It's a simple question, with anything but a simple answer -- getting to a renewable, zero-waste bottle requires technology breakthroughs, favorable economics that will drive recycling, changes in human behavior and supporting policy from governments around the country, if not around the world.

This winter, though, Coca-Cola is taking a meaningful step toward its goal with the introduction of what it calls a PlantBottle—a bottle made of PET plastic, 30 percent of which is sourced from Brazilian sugar cane and molasses.

That puts Coke on the road to 100 percent renewable. PET, meanwhile, is 100 percent recyclable -- although actual recycling rates are far lower.

"It's incredibly exciting for us to be able to see a route forward to zero waste," says Vitters, who is head of global sustainable packaging for Coca-Cola.

Most Coke products, remember, are made by independent bottlers, while recycling systems are run mostly by private companies and shaped by a mishmash of state and local government rules. So Vitters' work is mostly about persuading people to change.

While other beverage companies have labored for years to lower the environmental impact of their packages, Coca-Cola has done more than most. The company light-weighted its bottles, built the world's largest bottle-to-bottle PET recycling plant in South Carolina with bottler Coca-Cola Enterprises, and invested in RecycleBank, an innovative startup that rewards consumers who recycle more of their household trash.

Producing a renewable, recyclable bottle is hard because you have to con-

sider the entire lifetime of the product -- where it comes from and where it goes, as well as its cost and performance. Right now, most PET bottles come from petrochemicals and more than 60 percent end up in landfills, a literal waste.

Some people want to get away from PET. Packaging made from a material called PLA (and marketed under the trade name Ingeo) comes from plants and it can be composted. But PLA bottles don't hold carbonation and they can't be blended easily into the existing plastic recycling stream.

So Coca-Cola has been trying to green PET. PET "works for sparkling and still beverages," Vitters says. "It's extremely efficient. And we've built a whole infrastructure for PET over the years."

The company's scientists have figured out how to make monoethylene glycol, which makes up 30 percent of PET, from sugar cane and other plants. Now they are trying to find economical ways to make terephthalic acid, which makes up the other 70 percent of PET, from plant material as well. "We see the potential of a carbon neutral bottle," Vitters says.

Of course, it's a long way from here to there. Right now, Coca-Cola uses raw materials from Brazil to make bottles that will first be introduced in Denmark (for the Copenhagen climate talks), Vancouver (for the 2010 Winter Olympics) and select U.S. markets including Seattle, San Francisco, and Los Angeles. You can see the marketing gurus at work. Future launches are expected in Brazil, Japan, and Mexico.

Eventually, Coca-Cola would like to use nonfood, plant-based waste, such as wood chips or wheat stalks, to produce recyclable PET bottles.

My takeaway: Coca-Cola's packaging work is impressive. As the world's largest beverage company, Coke has impact. Others will follow.

Marc Gunther is a senior writer for GreenBiz.com and maintains a blog at [MarcGunther.com](http://MarcGunther.com). Printed with permission from GreenBiz.com.



The shape of the Coke® bottle has always been iconic. Today's version is no exception.



# New Research Defines C-Store Shoppers by Type

There are four key shoppers in the convenience store space, according to a qualitative research study by Seattle-based ad agency Cole & Weber United — Mr. Jones, the Neighbor, the Last Minute and the Thrillseeker. The study delves into the c-store environment to develop a consumer segmentation model for c-store consumers based on need-states and purchase-triggers.

- **Mr. Jones:** A regular c-store shopper, this person knows what they want and the store is just a means to an end.
- **The Neighbor:** The c-store serves as a part of this person's daily routine; they know the clerk by first name and often have something to converse about.
- **The Last Minute:** Rarely enters the c-store unless there is a direct need.
- **The Thrillseeker:** In search of an experience; they walk into the store



Mr. Jones



The Neighbor



The Last Minute



The Thrill Seeker

"How marketers apply these findings is key," said Britt Peterson, partner and director of business development at Cole & Weber United. "Whether it's matching a product's packaging style to its intended consumer, focusing on in-store POP or rethinking a pricepoint based on customer type, there are a variety of effective channels for penetrating this unique and profitable environment."

without a clear defined idea of what they are looking for, but they know they want something.

"Each consumer type corresponds to a distinct marketing challenge," said Mike Doherty, president of Cole & Weber United. "For example, how do we encourage exploration within 'the Last-Minute' segment? How can we help 'the Neighbor' change their consideration set? The c-store environment is a complex world in which consumers make seemingly split-second decisions based on a wide range of stimuli.

Our goal was to define this consumer and the various touchpoints in order to better reach them."

Both explicit touchpoints (pump signage, in-store POP, specials, pricing, packaging) and tacit touchpoints (clerk's product knowledge, word of mouth, supply, opinion of other customers, element of surprise) were observed and analyzed to uncover the decision-making process and to help marketers figure out the best way to reach this socially and racially diverse target.

The study consisted of four distinct information-gathering approaches: ethnographic audits (videography), consumer interviews, employee/manager interviews and DIY/working behind the counter. The study was conducted in August 2009 over nine days in three geographically diverse cities: Cedar Rapids/Iowa City, Iowa, Henderson, Nevada, and Seattle. (CSP Daily News, [www.cspnet.com](http://www.cspnet.com))

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# Powerball is Coming to Michigan



**M. Scott BOWEN**  
Michigan Lottery Commissioner

**A**n agreement between the Mega Millions participating states and the Multi-State Lottery Association (MUSL) means Powerball is on its way to Michigan. Tickets will

be on sale soon at the nearly 11,000 retailers who now sell Mega Millions tickets. The agreement also opens the door for many Powerball states to sell Mega Millions tickets from lotteries from across the United States, and the U.S. Virgin Islands will be able to offer their players both jackpot games via their respective retailers. This arrangement should be beneficial to all parties involved, as it will provide more options for players.

While Mega Millions and Powerball are both multi-state games, there are some differences. Powerball highlights include:

- Jackpots start at a guaranteed \$20 million.
- Nine ways to win cash prizes.
- Drawings are conducted at 10:59 p.m. on Wednesdays and Saturdays.
- Cost is only \$1 per wager.
- Jackpot increases as Powerball sales increase.
- Power Play option allows non-jackpot winnings to be multiplied.

Players will pick five numbers from one to 59, and one red Powerball number from one to 39. Like other Michigan Lottery games, there is the option to choose your numbers or request the computer to generate "easy pick" numbers. Players will be able to purchase Powerball tickets for up to 60 consecutive drawings and play up to 10 panels per wager. For an additional \$1 per play, players will be able to select a multiplier that provides for a chance to increase their winnings on lower-tier prizes, up to five times the original amount.

Like Club Keno's "Kicker", a Power Play number of two, three, four,

or five 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 five-time multiplier, the prize would be \$15.

\$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

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 #322) by December 9 were automatically entered into a finalist drawing and on December 11. Three lucky players were selected to 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.

By having tickets available for players to purchase and promoting second-chance drawings, you, our retailers, have played a large part in making Make Me Rich! a huge success. Thank you for your support and we look forward to a successful second installment of the show.



Powerball features nine different ways to win:

- Matching just the red Powerball wins \$3;
- One white ball plus the red Powerball wins \$4;
- Two white balls plus the red Powerball wins \$7;
- Three white balls wins \$7;
- Three white balls plus the red Powerball wins \$100;
- Four white balls wins \$100;
- Four white balls plus the red Powerball wins \$10,000;
- Five white balls wins \$200,000;
- Five white balls plus the red Powerball wins the jackpot prize.

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 will be available in the January issue of Game Line and will be provided by your lottery sales representative as well.

## Make Me Rich!

The second installment of the lottery's game show, Make Me Rich! is scheduled to air on February 10. During the half-hour show, more than

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

## New Instant Tickets

New instant tickets released on January 4 include 2 For the Money™ for \$1, Cashout™ for \$2, Lucky Wild Time™ for \$2, and For the Love of Money™ for \$5. Tickets schedule to be released on January 25 include That's How I Roll™ for \$1, Blast of Cash™, Chees™ and 5 Times Cashword™ all for \$2. The release date for these tickets is subject to change.

*Over 95 cents of every dollar spent on Lottery tickets is returned to the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to retailers. In fiscal year 2009, the contribution to schools was over \$715 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](http://www.michigan.gov/lottery).*





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# Back-to-Basics *Leads* 2010 Food Trends

By Karlene Lukovitz

Back-to-basics—meaning a focus on buying quality, basic ingredients, and building a menu from there—leads the Food Channel's list of top food trends for 2010.

This version of back-to-basics "isn't about retro, or comfort food, or even cost—it's about determining the essentials and stocking your pantry accordingly," say the channel's food gurus.

In fact, in addition to more of the eating-at-home trend, they predict a shift away from convenience foods and toward real, from-scratch cooking, "now that we have more time than money, and more food knowledge and concerns."

Grocery stores will continue to see growth in private label and a revival of emphasis on the in-store butcher, as well as upgraded delis and fresh take-out sections, say the trend-watchers. Bulk buys will continue, but frequent—even daily—purchases of fresh meal ingredients will become more common as a means of making meals special and minimizing waste. Using social media, apps, and online sources to get real-time tips on where the best grocery deals are and to score coupons will become more prevalent. Other trends:

- **Redefining "ethnic"** ("American, The New Ethnic"). American food is made up of a growing number of ethnic staples and favorites. We're also adding individual dashes of creativity as we share these favorites and learn to cook them at home.
- **Food vetting.** Food sourcing issues ranging from fair trade to mercury-free fish will grow in importance.
- **Mainstreaming sustainability.** Growing numbers of

Americans will continue to adopt sustainable practices out of a desire to make a difference, including eating locally sourced, seasonal foods and buying products with sustainable or biodegradable packaging. Food manufacturers will continue to expand sustainable operational and packaging practices.

- **Food with benefits.** "Functional" foods with added nutrients or health/beauty benefits claims will continue to proliferate, as will gluten- and allergy-free foods. Nutritional labeling will get sorted out.
- **The "new" foodie.** Today's foodies are less obsessed with snob appeal and more interested in fun experimentation, such as combining exotic or expensive ingredients with everyday items like hamburgers or mac-and-cheese.
- **Bartering for consumables.** With community-supported agriculture (CSAs) as well as farmers' markets and roadside stands in vogue, the next step is using our new online communication capabilities to make connections (even with strangers) for swaps that include food. These analysts predict more trading of skills/time for food, and vice versa ("think a box of tomatoes in exchange for babysitting"), as well as more home-made food as gifts.
- **Personalizing and individual portions to express individuality.** The parallel trend to collectives and communal eating is individualism, reflected both in practices like making cheese at home and in the growing number of individual-size foods (cupcakes, pizzas, etc.). Individual portions also enable cooks and restaurants to let people choose their own ingredients and express their personalities.

*Karlene Lukovitz is a staff writer for MediaPost Publications ([www.mediapost.com/publications](http://www.mediapost.com/publications)). Reprinted with permission.*





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## Senators Push Bill to Ban BPA from Kids' Food Items

Spurred by a *Consumer Reports* study that found bisphenol A (BPA) in items labeled as BPA-free, two U.S. senators have announced new legislation that would ban BPA from food and drink containers meant for infants and children.

The BPA-Free Kids Act would prohibit manufacturing and selling BPA-containing food and beverage products aimed at kids age three and under, including baby bottles, sippy cups, dishes, utensils, and other containers.

Plastics and container manufacturers would have to comply with mandatory testing and certification to ensure their products do not contain BPA. Companies could face civil and criminal penalties for violating the legislation.

The bill would provide \$5 million per year to the National Institute of Environmental Health Sciences for five years to begin a research project studying the health effects of BPA on all age groups and pregnant women. Much of the concern with BPA has been its effects on children, infants and fetuses, since it's at those stages when a person would be most vulnerable to BPA's negative effects.

Studies have linked BPA to cancer, reproductive problems like infertility and miscarriages, obesity, prostate problems, and, just recently, intestinal problems.

(GreenBiz.com.)

## Preparing to Apply for an SBA Loan

Small Business Administration (SBA) loans are government-guaranteed loans intended to help small business—that may not qualify for credit from traditional sources—get the funds they need. SBA loans are much easier to qualify for and have more flexible terms than conventional business loans. However, some business owners assume that because SBA loans are more accessible, they do not look at the owner's credit history or financial record. In reality, credit scores still matter a great deal when it comes to SBA loans.

SBA loans have relaxed qualification requirements in several ways. First, the SBA permits higher loan-to-value ratios—you may be able to borrow up to 90 percent of your financing needs with an SBA loan. Secondly, your lender will consider your business' projected income rather than your historical cash flows alone. Business owners and entrepreneurs can use SBA loans to renovate property, purchase machinery or equipment, borrow working capital, or fund the purchase of a new business.

Before we address the relevance of credit to SBA loans, it's important to first discuss the relationship between personal credit and business credit. Some business owners believe these credit scores are two different things and have no impact on each other whatsoever.

Though the scores do evaluate two different things, they are inextricably related. When you start a business, your business' credit is built on your personal credit. You have not yet established a credit history for your business, so lenders will instead use your personal credit to determine your borrowing options. For this reason, the SBA recommends that entrepreneurs make sure their credit scores are up to par before they begin their business venture or apply for business credit.

The eligibility requirements listed on the SBA's site do not specify good credit as a prerequisite, but it is implied in some of their qualification requirements. Similarly, SBA loans are issued by private lenders, not the government, and private lenders will always investigate your credit history before issuing you a loan. Here is a list of what the SBA seeks in a loan application:

- Repayment ability. The SBA wants evidence that the cash flow of the business will be sufficient to repay the loan.
- Good character. The SBA lists this as an important consideration on its website. Usually, good character as it relates to one's finances is measured by the FICO credit score.
- Collateral. Securing the loan with a piece of property may improve your chances of qualifying.
- Owner's equity contribution. The SBA expects business owners to put forth as much of their personal funds as possible.

Contact your local SBA District Office to determine how the Small Business Administration might be a financing source for your business:

Michigan District Office: 313-226-6075; [www.sbs.gov/mi](http://www.sbs.gov/mi)

Cleveland District Office: 216-522-4180; [www.sba.gov/oh](http://www.sba.gov/oh)

Columbus District Office: 614-469-6860; [www.sba.gov/oh](http://www.sba.gov/oh)

## API says Climate Proposals Could Drive up Fuel Prices

Last month's United Nations climate talks have resulted in an agreement championed by President Barack Obama, said Reuters. The Copenhagen Accord is a nonbinding deal for combating global warming led by the United States, China, India, Brazil and South Africa that sets a target of limiting global warming to a maximum two-degree Celsius rise over pre-industrial times and promises \$100 billion in annual aid for developing nations. The plan does not specify greenhouse gas cuts needed to achieve the goal.

The American Petroleum Institute (API), commenting on Obama's earlier remarks at the meeting, said that the proposals being discussed would drive up fuel prices by shifting U.S. refining capacity abroad and increasing reliance on foreign supplies of gasoline and diesel.

U.N. talks are meant to be agreed on by unanimity. Under a compromise to avoid collapse, the deal would list the countries that were in favor of the deal and those against.

Following December's conference in Denmark, President Barack Obama said, "Today, we've made a meaningful and unprecedented breakthrough.... For the first time in history, all major economies have come together to accept their responsibility to take action to confront the threat of climate change."

In his formal remarks earlier in the day, Obama said, "As the world's largest economy and as the world's second largest emitter, America bears our responsibility to address climate change, and we intend to meet that responsibility. That's why we've renewed our leadership within international climate change negotiations. That's why we've worked with other nations to phase out fossil fuel subsidies. That's why we've taken bold

action at home—by making historic investments in renewable energy; by putting our people to work increasing efficiency in our homes and buildings; and by pursuing comprehensive legislation to transform to a clean energy economy."

Commenting on Obama's speech, API president and CEO Jack Gerard said, "We agree with President Obama on the importance of addressing global climate change; however, Congress's leading proposals could destroy millions of jobs, drive up fuel prices, and, by shifting much of our refining capacity abroad (along with refinery greenhouse gas emissions), substantially increase our reliance on foreign supplies of gasoline, diesel and other petroleum fuels. Worse, the president's own EPA is poised to issue an expansive regimen of climate regulations that could cripple business growth and job creation, dimming employment hopes for 15 million now out-of-work Americans."

He added, "Often overlooked is the U.S. oil and natural gas industry's leading role developing green technology. Between 2000 and 2008, the industry invested more than \$58 billion in greenhouse gas mitigation projects, more than either the federal government or the rest of the private sector combined. These investments will pay off in emission reductions as they already have in new jobs."

Gerard concluded, "Public support for government climate change proposals has waned. It's time for all stakeholders to come together to craft a fair, efficient, market-based climate change strategy that minimizes the burden on consumers and jobs."

(Excerpted with permission. CSP Daily News)

**Between 2000 and 2008, the industry invested more than \$58 billion in greenhouse gas mitigation projects, more than either the federal government or the rest of the private sector combined.**



## New Games for a New Year

In this tight economy, the Ohio Lottery is one of only 14 U.S. lotteries that increased sales from the previous year, and one of only five lotteries securing sales increases of four percent or more, according to industry statistics compiled by La

Fleur's Magazine.

In fiscal year 2009, Ohio Lottery retailers sold \$2,417.7 million in lottery games. As a result, the Ohio Lottery was able to provide \$702.3 million to the Lottery Profits Education Fund. This was the fourth highest yearly transfer in state history. Moreover, retailers benefited by earning \$150.1 million in bonuses and commissions, up 4.3

percent from the previous year. We at the Ohio Lottery tip our hats to those who stand out as top sellers in a market full of loyal, hardworking retailers.

### Exciting New Games

The Ohio Lottery is pleased to introduce two new EZPLAY games in early February: the \$2 Lucky Bet and the \$3 Pharaoh's Gold.

The \$2 Lucky Bet offers the chance to win up to \$20,000, and the \$3 Pharaoh's Gold boasts a grand prize of \$30,000. With all our new EZPLAY games, there's something for just about everyone. Also, be on the lookout for our Pick 3 Red Ball promotion, due out late February. It's a "thank you" to our loyal players and something we're quite excited about.

Best wishes for a safe and prosperous winter season.

*Kathleen Burke is director of The Ohio Lottery.*



**Kathleen BURKE**  
Ohio Lottery Commissioner

### Another reason to be an AFPD Member:

The AFPD Annual Trade Dinner provides an opportunity for the industry's movers and shakers to let their hair down and socialize with each other. Since this is the AFPD's 100th Anniversary, the festivities will be memorable!

**ASSOCIATED AFPD**  
**FOOD & PETROLEUM DEALERS**

## AFPD Member Exclusive!

# CHASE <sup>TM</sup> Paymentech AFPD Credit Card Processing Program

- Interchange Pass through (Cost price for interchange depending on the credit card used) plus 7 cents authorization fee per transaction is all you pay!
- **NO OTHER FEES!**  
(No statement fee, No monthly fee, No batch fee, etc.)
- If we do not meet or beat your current credit card processing agreement, you will receive a ONE YEAR FREE AFPD Membership!  
(subject to compatibility with your current POS System)
- Free analysis of your current statement.
- The more AFPD retailers sign up for this program, the lower the transaction fee will go. Our goal is to reach 5 Cents authorization fee per transaction within one year.
- Those that sign up today will have their transactions fee lowered every time the AFPD rate goes down automatically!
- Free credit card processing supplies, such as the free thermal paper, etc.
- Chase Paymentech will even pay for the shipping freight cost of your processing supplies!

To sign up for this program today,  
**Call Jim Olson from Chase Paymentech at  
1-866-428-4966**

and let him know you are an AFPD Member Or FAX him your  
credit card processing statement to  
**1-866-428-4971 (fax).**

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

# Prepare Now for Potential Equipment Breakdowns

By Jeffrey Watt

Would \$60,000 in spoiled food and lost business put a major dent in your store's profits? For most convenience store owners, the answer is clearly yes. It happened at one store when compressors on multiple refrigerator and freezer display cases broke down. It took weeks to find replacement parts and make repairs.

By that time, the store saw \$41,500 in lost business income, in addition to more than \$18,000 in equipment damage. Like many convenience stores, the location had no backup equipment and little additional cold storage space. The owner did have equipment breakdown insurance, which paid \$60,000 for the loss.

For convenience stores to protect their business, they need to protect the equipment. An important part of that protection is equipment breakdown insurance. The heart of your businesses—the equipment, machinery and systems that power the store—is vulnerable to mechanical breakdown, electrical arcing, power surges, centrifugal force and other risks.

A common misconception is that property insurance will cover the breakdown of convenience store equipment. In fact, most policies don't cover equipment breakdowns. A specialized coverage, equipment breakdown insurance can pay for equipment damage, lost income, and other expenses resulting from a breakdown. It's designed to cover the unique causes of equipment breakdown, including mechanical accidents, short circuits, electrical arcing, motor burnout and operator error, which accounts for roughly 35 percent of all breakdowns.

## What Should Your Policy Cover?

What should a comprehensive equipment breakdown policy cover?

It should encompass a store's major systems and equipment, including:

- **Refrigeration equipment.**

Refrigeration is the mainstay of any convenience store. Typically, it has no temperature alarms, no standby equipment, and no standby storage space. If it fails, the losses can be overwhelming. In one case, the Freon line of a central compressor broke as a result of vibrations, causing the compressor to fail. The result: \$24,120 worth of spoiled ice cream.

- **Air conditioning.** These systems contain a variety of expensive parts. A compressor alone can cost thousands of dollars to replace. When compressor rods broke in one store, the total loss was \$43,000, including \$29,000 for equipment repair and an additional \$14,000 for rental equipment to keep the business open.

- **Security systems.** These systems are vulnerable to power surges and other electrical fluctuations. Since every store depends heavily on its security and surveillance systems, they must be maintained and

restored quickly when they go down.

- **Electrical systems.** With their myriad interconnected parts—panels, transformers, and switchgear—electrical systems are vulnerable to wide-ranging breakdowns. All it takes is a loose connection, moisture, or even a little dust or dirt, and the whole system is at risk.

- **Electronic retail equipment.** Electronic cash registers, barcode readers, computerized inventory software, automatic credit card and credit-checking devices can be damaged by power surges, electrical problems and other disruptions. When a power surge came through one store's data lines (only the electrical and communications lines had surge suppressors), the total loss exceeded \$30,000.

- **Boilers.** Many stores use a boiler for heat or hot water. It's critical to get boilers up and running as quickly as possible. Most jurisdictions require periodic inspections of boilers and pressure vessels. Your equipment breakdown insurance policy should include

jurisdictional inspections when required by law.

## What Costs are Covered?

When equipment breaks down, the losses typically extend far beyond the cost of repairs. A store's policy should offer coverage of reimbursement for:

- Physical damage, including the cost to repair or replace damaged equipment.
- Spoilage that results from refrigeration or other breakdowns.
- Business income loss caused by an extended equipment outage and prolonged interruption.
- Extra expenses that are necessary to sustain normal operations, such as rental equipment needed to keep the store open during repairs.
- Service interruption, which extends income coverage to pay for interruptions due to loss of electricity, water, gas and other services caused by equipment breakdown.

Convenience store owners and managers should look for insurers with deep familiarity with their equipment. This will enable them to speed repairs as well as provide important preventative and maintenance information. The insurer should be knowledgeable about modern technology. Conventional boiler and machinery policies may not be sufficiently broad.

Further, look for an insurer with claim service backed by access to an extensive network of repair firms and parts suppliers. Losses can mount quickly and customers will find other businesses to meet their needs. It's critical that your insurer not only reimburse you for your losses but play an active role in restoring systems and equipment.

*Jeffrey P. Watt is senior vice president for treaty division with The Hartford Steam Boiler (HSB) Inspection and Insurance Co.*





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Staples is here and ready to make life easier for AFPD. Just push the button.

Being a member of the Associated Food and Petroleum Dealers, means you have the buying power of many. Through a Staples Advantage account on the AFPD program, you will save on average 15-20% off the standard retail price on the items you need every day. Click [here](#) to register if you are not signed up yet.

It is important to note that the benefit of this program is only realized through Staples Advantage. You will not receive the same program benefits through direct mail ordering or through retail store purchases not linked to your business account.

Here are some additional benefits to this program:

- Significant, automatic and consistent savings
- Consolidated billing
- World-class customer service and dedicated account management
- Easy online ordering system built just for business use
- More than 30,000 items available, most for next-business day delivery

Complete Vendor Consolidation: Breakroom, Custom Print, Digital Copy Services, Promotional Products, Technology Solutions, Furniture Solutions, Health & Wellness and Emergency Preparedness



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Not sure if you are registered or have questions? for more information about the Staples® program, contact Dan Behrendt at [DanBehrendt@staples.com](mailto:DanBehrendt@staples.com) or via Telephone: 800-693-9900, ext. 584

## New Definition of Taxable Food May Create Retailer Confusion

If you buy a donut and are handed a napkin, the donut is taxable; if you buy a donut and get a sheet of waxed paper, the donut is not taxable, according to a new revenue bulletin issued by the Department of Treasury that goes into greater detail on what defines prepared foods and which of those are subject to the state's sales tax.

Bulletin 2009-8 replaces RAB 2002-20 and provides more detailed examples of what constitutes taxable foods, though it may end up creating some confusion for some retailers.

Essentially, the definition says heated food, food involving two or more ingredients mixed together, or food provided with an eating utensil (defined as including, but not limited to, fork, spoon, knife, cups, plates and napkins, but not including boxes or containers or serving sheets, such as waxed papers) is taxable.

So, the bulletin says, fried chicken sold hot would be taxable. Fried chicken that was cooled and sold cold would not be taxable. Frozen pizza sold with napkins, plates and forks would be taxable, but frozen pizza that a purchaser then heats up in a microwave oven provided by the retailer is not taxable.

The donut example of what would and would not be taxable is provided by the bulletin, which also says that a box of donuts would not be taxable.

The bulletin also re-emphasizes that bottled water is not taxable, and neither are bottled or canned soft drinks (though soft drinks sold at a fountain in a cup are taxable). Food sold in vending machines is not taxable, unless the food is kept heated.

Finally, the bulletin says that fruit and vegetable plants are not taxable, while ornamental plants and seeds are. In other words, a blueberry plant and carrot seeds would not be subject to the sales tax, while an azalea and zinnia seeds would be taxable.



## U.S. Agencies Want to Ban Certain Kid Food Ads

Under a proposal released by a working group from several U.S. agencies, companies would be prohibited from advertising to children foods that contain unhealthy amounts of sugar, salt, and trans fats, Reuters reports.

The working group, comprised of members from the Food and Drug Administration, Federal Trade Commission, U.S. Department of Agriculture, and Centers for Disease Control issued proposed standards for food marketing to children up to age 17. The proposal would ban the promotion to children of foods that have more than one gram of saturated fat per serving, 13 grams of added sugar, 200 milligrams of sodium, or 0 trans fats, which they defined as more than half a gram per normal serving.

"We need to start doing a better job of regulating the types of ads our children see," said Kathleen Sebelius, secretary of Health and Human Services.

Some companies have recently reformulated their kid-favorite foods to incorporate healthier guidelines. Kellogg and General Mills said that they would reduce the amount of sugar in some foods that they advertised to children.

Dan Jaffe, executive vice president for government relations at the Association of National Advertisers, said that advertisers were not responsible for the growing obesity rates among children, and that any advertising restrictions could infringe on the First Amendment.

(NACS Daily News)



## Pepsi Breaks 23-Year Streak as Super Bowl Advertiser

After 23 years of participating in Super Bowl advertising, Pepsi's says ads for its drink products won't appear in the 2010 Super Bowl on CBS. Instead, the company will spend those ad dollars on a new online marketing program. Pepsi was one of the biggest advertisers in the 2009 game and has advertised every year since 1987. The company spent approximately \$33 million in 2009 Super Bowl advertising on products like Pepsi, Gatorade, and Cheetos, according to TNS Media Intelligence. About \$15 million of the ad dollars were spent on Pepsi alone. Ad time for the 2009 NFL championship game cost about \$3 million for 30 seconds. CBS said it has sold about 90 percent of the 2010 game's commercial time.

Among the new marketing focuses for Pepsi is the "Pepsi Refresh Project," which will pay at least \$20 million for projects people create to "refresh" communities. People can begin submitting their projects to the website on Jan. 13, 2010, such as helping feed the needy or teaching children to read. Consumers can vote starting Feb. 1 to determine which projects receive money.

## Bakery Cafes Grow 12 Percent

Bakery cafes have emerged as one of the most profitable segments in the foodservice industry, according to a new Technomic report.

According to the new study, the 2009 Technomic Top 25 Bakery Cafe Chains Restaurant Report, system-wide sales for the bakery-café industry grew 12 percent in 2008 to \$4.5 billion, led by Panera Bread, Einstein Bros. Bagels and Au Bon Pain, with \$2.6 billion, \$393 million and \$307 million respectively.

"The consumer trade-down from full-service to limited-service formats that solidified through 2008 and into 2009 allowed fast-casual bakery cafes to truly shine," said Darren Tristano, executive vice president at Technomic. "The appeal of moderately priced, high-quality menu offerings served in contemporary ambience, as well as consumer perception of value for this format, has more than likely strengthened over the past year."



Among the trends, products, and findings the report mentions for the foodservice industry:

- Health and nutrition—focus on lighter fare and small bites menus.
- Expansion of breakfast offerings.
- Revamped catering programs.
- Focus on the value equation.
- Stores cropping up in nontraditional sites and urban locations such as airports, college campuses, military bases, medical centers and hotels.
- Use of Facebook, Twitter, and other social media sites to promote new and limited-time offerings.

Other interesting statistics in the Technomic report: Bakery cafe chains' units expanded by 6.6 percent to 3,107 locations. Paradise Bakery & Cafe was the sales growth leader at 30.7 percent. Le Pain Quotidien was the leader in store count growth rate at 29.6 percent.



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## AFPD/Nestle Ice Cream Program

- AFPD Member Stores that qualify as Independent Supermarkets will receive a 2% quarterly rebate on all Nestle Net Ice Cream Sales when they dedicate 50% of their ice cream space to Nestle Ice Cream brands.
- All other AFPD Member Stores (Gas Stations, Convenience Stores, Liquor Stores, etc.) will receive a 9% quarterly rebate on all Nestle Net Ice Cream Sales if their store sells Nestle Ice Cream brands Exclusively.
- All other AFPD Member Stores (Gas Stations, Convenience Stores, Liquor Stores, etc) will receive a 2% quarterly rebate on all Nestle Net Ice Cream Sales if their store sells Nestle Ice Cream brands and other competing ice cream products.
- All rebates will be paid out through the AFPD office once a quarter.
- All freezer equipment and helpful point of sale fixtures for this program are FREE! (Subject to Pre-Quailification by Edy's Sales Representative, quarterly sales to be evaluated.)

To sign up for this program today, call Mike Pecoraro from Nestle at 1-800-328-3397 ext. 14001

*Make sure you tell him you are an AFPD member!*

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

**When inadequate amounts of fresh outdoor air are brought into a building, carbon dioxide concentrations may increase.**



## Pay Attention to Indoor Air Quality

Indoor Air Quality (IAQ) investigations often begin with the measurement of temperature, relative humidity, and carbon dioxide to identify a potential source of the symptoms. For example, when inadequate amounts of fresh outdoor air are brought into a building, carbon dioxide concentrations may increase. When carbon dioxide concentrations increase, your employees and customers may become drowsy, get headaches, or function at lower activity levels. The carbon dioxide is not the cause, but is an indicator that there may be other low levels of pollutants present.

The National Institute for Occupational Safety and Health (NIOSH) reports that poor ventilation is an important factor in many sick building cases. Building ventilation involves bringing in outdoor air, conditioning, and mixing the outdoor air with some portion of indoor air, distributing this mixed air throughout the building, and exhausting some portion of the indoor air outside. When one of these steps is inadequate or interrupted, the quality of indoor air may deteriorate.

Some of the areas that retailers should address include the following:

- HVAC system operation and maintenance. Regular maintenance and inspections are critical.
- Record keeping. Document IAQ complaints and the steps taken to remedy each complaint.
- Pollution control. Identify indoor pollution sources such as chemical usage, blueprint copiers, kitchens, and break rooms.
- Occupant activities. Eliminate practices which may restrict air movement.
- Store/building maintenance activities. Increase ventilation rates during painting, renovation, and pesticides use.
- Energy conservation. Temperature setbacks and percentage of fresh air entering the system can significantly impact air quality.



*For help on establishing safe IAQ practices at your store, contact Frank Gates at (800) 777-4283*



## AFPD Foundation to Offer Michigan Scholarship Program

The AFPD Foundation, in cooperation with Pepsi Bottling Group, proudly announces its Michigan Academic Scholarship Program for employees, their children, and customers of Michigan member companies of the Associated Food & Petroleum Dealers. At least 23 scholarships will be awarded, with each scholarship worth \$1,500 for the 2010-11 college year.

A selection committee, which has no connection with AFPD, will evaluate the applications and select the winners by May 1st. Checks will be distributed to winning students during the AFPD Foundation Annual Joseph D. Sarafa Scholarship Luncheon on August 3, 2010.

Michigan member companies have been mailed a poster to hang in their business. All applications will be taken online at [www.AFPDonline.org](http://www.AFPDonline.org) from January 1 to March 31, 2010. Should you need more posters or tearsheets, please call (800) 666-6233.














## Greeting Card Program



# LEANIN' TREE®

-  Make 50% Profit Margin! Customize your space!
-  AFPD Members will receive a **5% discount off wholesale on all orders!**
-  All displays will be discounted. (Typical cost for a fixture ranges from \$5 to \$40 depending on the display.)
-  Inline (4 foot linear) displays and a number of spinner display options are available.
-  AFPD Members will receive free shipping on their initial order.
-  AFPD Members will receive 90 day billing on initial order (with credit approval) and a Net 30 on reorders.
-  AFPD Members will be able to participate in our return program that will allow AFPD Members to get full wholesale credit for damaged and/or slow-selling cards with every reorder.
-  AFPD Members can place reorders via the Leanin'Tree Inside Sales department or with through a local Field Representative.
-  Local field representatives are here to serve you throughout the Midwest. They are more than happy to fully service your location!

To sign up for this program today, Call Steffani Hafner from Leanin' Tree at 1-800-556-7819 ext. 4183. ***Be sure to let her know you are an AFPD Member!***

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

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## ASSOCIATIONS/CHAMBER OF COMMERCE

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

## ATM

American Communications of Ohio ..... (614) 855-7790  
ATM of America ..... (248) 932-5400

## BAKERIES

Great Lakes Baking Co. .... (313) 865-6360  
Interstate Brands/Wonder Bread/Hostess ..... (248) 588-3954

## BANKING

Huntington Bank ..... (248) 626-3970  
Paramount Bank ..... (248) 538-8600  
Peoples State Bank ..... (248) 548-2900

## BEER COMPANIES

Anheuser-Busch Co. .... (314) 577-2000  
MillerCoors ..... (847) 264-3800

## BEER DISTRIBUTORS

Eastown Distributors ..... (313) 867-6900  
Great Lakes Beverage ..... (313) 865-3900  
Pettipren, Inc. .... (586) 468-1402

## BOOKKEEPING/ACCOUNTING CPA

Alkamano & Associates ..... (248) 865-8500  
Just-In-Time CFO Solutions ..... (734) 730-4737  
Lis, McEvilly & Associates ..... (734) 266-8120  
Maroon/EK Williams & Co. .... (614) 837-7928  
Shimoun, Yaldo & Associates, P.C. .... (248) 851-7900  
UHY-US ..... (248) 355-1040

## CAR WASH EQUIPMENT

Car Wash Technologies ..... (724) 742-9000

## CHECK CASHING SYSTEMS

Secure Check Cashing ..... (248) 548-3020

## CHICKEN SUPPLIERS

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

## CHIPS, SNACKS & CANDY

**AFPD Frito-Lay, Inc. .... 1-800-359-5914**  
Better Made Snack Foods ..... (313) 925-4774  
Detroit Popcorn Company ..... (313) 835-3600  
Energy Club ..... (586) 246-4969  
Kar's Nut Products Company ..... (248) 588-1903  
Motown Snacks (Jays, Cape Cod) ..... (313) 931-3205  
Snyder's of Hanover ..... (734) 326-5971  
Uncle Ray's Potato Chips ..... 1-800-800-3286

## COFFEE DISTRIBUTOR

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## CONSTRUCTION & BUILDING

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## CONSULTING

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Flynn Environmental, Inc. .... (330) 499-1000

## CREDIT CARD PROCESSING

**AFPD Chase Paymentech ..... 1-866-428-4966**

## DISPLAYS & KIOSKS

DVDNow Kiosks ..... 1-877-849-4272

## EGG SUPPLIER

Linwood Egg Company ..... (248) 524-9550

## ENERGY, LIGHTING & UTILITIES

DTE Energy ..... 1-800-477-4747  
National Resource Management ..... (781) 828-8877

## FOOD EQUIPMENT & MACHINERY

Culinary Products ..... (989) 754-2457

## FOOD RESCUE

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Gleaners Community Food Bank ..... (313) 923-3535

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Oscar W. Larson Co. .... (248) 620-0070  
Superior Petroleum Equipment ..... (614) 539-1200

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Gilligan Oil Co. of Columbus, Inc. .... 1-800-355-9342  
PAP Oil Company ..... (934) 667-1166  
Ullman Oil, Inc. .... (440) 543-5195

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**AFPD Leanin' Tree. .... 1-800-556-7819 ext. 4183**

## GROCERY & TOBACCO DISTRIBUTORS

**AFPD \*\*Liberty USA ..... (412) 461-2700**  
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H.T. Hackney-Grand Rapids ..... 1-800-874-5550  
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Cateraid, Inc. .... (517) 546-8217  
D&B Grocers Wholesale ..... (734) 513-1715  
George Enterprises, Inc. .... (248) 851-6990  
Great North Foods ..... (989) 356-2281  
HKJ, Inc. - Wholesale Grocery ..... (248) 930-3201  
Jerusalem Foods ..... (313) 846-1701  
MGL Select ..... (734) 524-0100  
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Spartan Stores, Inc. .... (616) 878-2248  
SUPERVALU ..... (937) 374-7609

## ICE CREAM SUPPLIERS

**AFPD Nestle/Edy's Grand Ice Cream ..... 1-800-328-3397 ext. 14001**  
Frosty Products ..... (734) 454-0900  
Pars Ice Cream Co. .... (313) 291-7277

## ICE PRODUCTS

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Home City Ice ..... 1-800-759-4411  
U.S. Ice Corp ..... (313) 862-3344

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**AFPD North Pointe Insurance ..... 1-800-229-6742**  
**AFPD \*BCBS of Michigan. .... 1-800-666-6233**  
**AFPD \*\*CareWorks Consultants ..... (614) 210-5491**  
**AFPD \*\*Cox Specialty Markets (North Pointe) . 1-800-648-0357**  
**Underground Storage Tank Insurance**  
Advanced Insurance Marketers ..... (517) 694-0723  
Agent/Farm Bureau Insurance ..... (614) 793-7770  
CBIZ Benefits & Insurance Services ..... (614) 793-7770  
CIA Financial Group ..... (586) 799-6000  
Danno Insurance Agency ..... (517) 552-3200  
Frank McBride Jr., Inc. .... (586) 445-2300  
Gadaletto, Ramsby & Assoc. .... 1-800-263-3784  
Great Northern Insurance Agency ..... (248) 856-9000  
Hedman Anglin Bara & Associates Agency ..... (614) 486-7300  
Merem Insurance Services ..... (248) 921-1929  
Paul Jaboro (East West Insurance Group) ..... (586) 291-6022  
Rocky Husaynu & Associates ..... (248) 851-2227  
Underwriters Group, Inc. .... (248) 855-2600  
UST/Lyndall Associates, Inc. .... (440) 247-3750

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

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

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



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PICS Inventory	1-888-303-8482
Retail Inventory Services, Ltd.	(651) 631-9081

## LEGAL SERVICES

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Bellanca, Beatrice, DeLisle	(313) 882-1100
Kecskes, Gadd & Silver, PC	(734) 354-8600
Mekani, Orow, Mekani, Shallal, Hakim & Hinds P C	(248) 223-9830
Pepple & Waggoner, Ltd.	(216) 520-0088

## LOTTERY

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

## MAGAZINE & TRADE PUBLICATION

Chaldean News	(248) 932-3100
Chaldean Times	(248) 865-2890
Detroit Free Press	(313) 222-6400
Detroit News	(313) 222-2000
KB News	(586) 978-7986
Michigan Chronicle	(313) 963-5522
Suburban News—Southfield	(248) 945-4900

## MEAT & DELI DISTRIBUTORS

C. Roy & Sons	(810) 387-3975
Dearborn Sausage	(313) 475-0048
Lupan Foods	(586) 447-3500
Piquette Market	(313) 875-5531
Sherwood Foods Distributors	(313) 659-7300
US Foodservice	(248) 735-1229
Weeks Food Corp	(586) 727-3535
Wolverine Packing Company	(313) 259-7500

## MILK, DAIRY & CHEESE PRODUCTS

<b>AFD</b> *Prairie Farms Dairy Co.	(248) 399-6300
<b>AFD</b> **Dairymens	(216) 214-7342
<b>AFD</b> **H. Meyer Dairy	(513) 948-8811
<b>AFD</b> **Modern Foods	(606) 255-6045
Country Fresh/Melody Farms	1-800-748-0480
Vemdale Products	(313) 834-4190

## MISCELLANEOUS

7 Brothers Dash LLC	(248) 747-3474
Bellanca Brothers, LLC	(313) 882-1100
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## MONEY ORDERS/MONEY TRANSFER/BILL PAYMENT

<b>AFD</b> MoneyGram International	Michigan (517) 292-1434
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## OFFICE SUPPLIES

<b>AFD</b> Staples	1-800-693-9900 ext. 584
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<b>AFD</b> PayCor	(248) 258-0848 ext. 100
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<b>AFD</b> Wireless Experts	1-800-944-CELL
(AirVoice cell phones)	

AMT Telecom Group	(248) 862-2000
Clear Rate Communications	(248) 556-4537
Communications Warehouse	1-888-549-2355

## PIZZA SUPPLIERS

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

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BMC	(517) 485-1732
Great Lakes Data Systems	(248) 356-4100

## PRINTING & PUBLISHING

American Mailers	(313) 842-4000
Michigan Logos	(517) 337-2267
Walt Kempinski Graphics	(586) 775-7528

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

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AmenGas Propane	(231) 924-8495
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## REAL ESTATE

Lighthouse Real Estate	(248) 210-8229
The Saleh Group	(614) 419-5678

## RECYCLING

WasteONE	(810) 624-9993
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## REFRIGERATION

Sky Services LLC	(586) 556-0083
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## RESTAURANTS

Ram's Horn	(248) 350-3430
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## REVERSE VENDING MACHINES/RECYCLING

Synergistics, LLC	1-888-422-7404
TOMRA Michigan	1-800-610-4866

## SECURITY SURVEILLANCE/COMPUTER SERVICES

Central Alarm Signal	(313) 864-8900
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## SHELF TAGS

JAYD Tags	(248) 730-2403
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## SODA POP, WATER, JUICES & OTHER BEVERAGES

<b>AFD</b> *Intrastate Distributors	(313) 892-3000
7UP Bottling Group	(313) 937-3500
Absopure Water Co.	1-800-334-1064
Beverage Plus	(702) 586-0249
Coca-Cola Bottlers of MI	
	Auburn Hills (248) 373-2653
	Belleville (734) 397-2700
	Metro Detroit (313) 868-2008
	Port Huron (810) 982-8501
Coca-Cola Bottling - Cleveland	(216) 690-2653
Faygo Beverages, Inc.	(313) 925-1600
Pepsi-Cola Bottling Group	
	Detroit 1-800-368-9945
	Howell 1-800-878-8239
	Pontiac (248) 334-3512

## TOBACCO COMPANIES

Altna Client Services	(513) 831-5510
Nat Sherman	(201) 735-9000
R J Reynolds	(336) 741-0727

## WINE & SPIRITS COMPANIES

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Brown-Forman Beverage Co.	(734) 433-9989
Diageo	1-800-462-6504

## WINE & SPIRITS DISTRIBUTORS

Cana Wine Distributors	(248) 669-9463
Galaxy Wine	(734) 425-2990
Great Lakes Wine & Spirits	(313) 867-0521
National Wine & Spirits	1-888-697-6424
	1-888-642-4697
Wine Dimensions	(734) 216-1828

**AFD** Indicates supplier program that has been endorsed by AFD.

\* Indicates supplier only available in Michigan

\*\* Indicates supplier only available in Ohio

# Keeping Kids Away from Alcohol



Recent studies from the National Institute on Alcohol Abuse and Alcoholism show that children are beginning to drink at very young ages, sometimes before they finish

elementary school. Some telling statistics:

- **Kids are pressured to drink.** Thirty percent of 4th through 6th graders said they got "a lot" of pressure from their classmates to drink beer.

- **Kids are drinking regularly.** About 41 percent of 9th graders say they have drunk alcohol in the past month — more than those who say they have smoked cigarettes.
- **Kids drink to get drunk.** More

than one-fifth of 8th graders and 44 percent of 10th graders have been drunk at least once. Almost one-fourth of 9th graders report binge drinking (consuming five or



more drinks in a row) in the past month.

Although some parents think alcohol is a part of growing up and that it's harmless, it's not. When used by children, alcohol poses very serious health risks for bodies and minds that are still maturing. It can cloud judgment and interfere with developing social skills and academic achievement.

It's important to talk to children early about the dangers of alcohol. It's also crucial to help children deal with the social pressures to drink. Here are some tips to prevent underage drinking and provide a safer environment for your children:

- **Maintain open communication.** Avoid being critical when a child comes to you with concerns.
- **Help kids develop strategies on how to say "no" when offered alcohol.** Practice how to respond in these situations.
- **Always have adult supervision when children are visiting your home.** Do not allow parties or gatherings in your home when you are not present.
- **Ask questions and confirm arrangements about parties or gatherings your child plans to attend.**
- **Never allow children to drink alcohol, even on special occasions.** It will only send a mixed message.

Visit [MiBCN.com/bhc](http://MiBCN.com/bhc) for more information about substance abuse.



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