

AFFPD Bottom Line

ASSOCIATED FOOD & PETROLEUM DEALERS Working to Improve Your Bottom Line VOL. 21, NO. 5 MAY 2010

**Good Health
THIS WAY** ➔

Building Your Brand

**Help Customers Navigate
the Road to Healthier Living**

—Cash for Coupons

—Tobacco Sales:
Make Sure You're
In Compliance



HOT FOR SUMMER

NEW! Single Serve Ice Creams
Swiss Premium Iced Teas

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

Country Fresh, Grand Rapids
800-748-0480

Country Fresh, Livonia
800-968-7980

www.enjoycountryfresh.com

Introducing

MICHIGAN



POWERPLAY®

10X

**A lucky number
for retailers!**

- Powerball Power Play 10X only happens for a limited time! May 1 - May 29 a 10X multiplier will be added to the Power Play mix before each Powerball drawing.
- Non-jackpot prizes will be multiplied up to 10X for players who purchase the additional \$1 Power Play option.
- The 10X multiplier could be drawn up to 9 times! If it is not drawn at least once the promotion continues until the 10X is drawn.
- Players can win up to \$2 million!

Starting May 1st for a limited time.

Power Play multiplies non-jackpot prizes only. Odds of winning: \$3: 1 in 62; \$4: 1 in 124; \$7: 1 in 788; \$7: 1 in 360; \$100: 1 in 13,845; \$100: 1 in 19,031; \$10,000: 1 in 723,145; \$200,000: 1 in 5,138,133; Jackpot: 1 in 195,249,054. Overall odds: 1 in 36. Power Play 10X promotion lasts for the drawings of May 1, 2010 through May 29, 2010, and may be extended until the Power Play number of "10" is chosen. If you bet more than you can afford to lose, you've got a problem. Call 1-800-270-7117 for confidential help.



AFPD Bottom Line

May 2011

14

New Strategy for Building Loyalty

Developing a health and wellness program for customers is a great place to start.



16

Cash for Coupons

AFPD can help you harness the power of coupons. So, what are you waiting for?



26

5 Reasons You Need an Estate Plan

With a little help, you can avoid probate and protect your assets.



19 Final Rules Issued on Retail Tobacco Sales

What you need to know to stay in compliance.

Departments

- 8 AFPD Corner
- 12 Industry News
- 27 Healthy Living
- 28 AFPD Supplier Directory
- 30 Calendar
- 30 Product Trends

Columns

- 6 PRESIDENT'S MESSAGE
Behind the Scenes—AFPD Staff
- 10 PETROLEUM NEWS & VIEWS
Solve Problems to Improve Your Bottom Line
- 11 DIAMOND ANNIVERSARY SPONSOR
Spotlight on The Michigan Lottery
- 18 MI LOTTERY LOWDOWN
Lucky Lines Is Here!
- 20 OH LOTTERY LOWDOWN
Plenty of New Game Action In May
- 22 MI LEGISLATIVE UPDATE
MLCC—More Going On Than Expected
- 23 OH LEGISLATIVE UPDATE
AFPD Ohio Monitors Credit Card Legislation

DTE Energy
celebrates AFPO
100 years of dedicated
service to the community.

Community Commitment... it speaks volumes.



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

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

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

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

DTE Energy



The Power of Your Community | e = DTE®



Jane SHALLAL
AFPD President/CEO

President's Message

Behind the Scenes: AFPD Staff

It's easy to get caught up in the day-to-day hustle and bustle around the AFPD office. AFPD is always overflowing with activities, events, membership services and all its programs, but it is the employees at AFPD that bring it to life and keep it going every day.

Our employees are the life line of our association, and they are our most valuable asset. I am extremely proud of the entire team who all work well together, support each other, are passionate about presenting the association in its best light, and are genuinely happy and proud ambassadors for AFPD.

AFPD staff work both behind the scenes and are part of the scene, working day in and day out to make sure members' needs are served. The AFPD staff cordially and professionally listens to members' concerns, communicates regularly with them, trains members in various areas of the industry, ensures member rebates and discount programs are efficiently and promptly delivered, coordinates special events throughout the year, and much more. The AFPD staff gets involved in virtually all events and

aspects of the AFPD, and I sincerely thank them for their team efforts. They truly have a lot of energy, creativity and enjoy helping others.

I wanted to take this opportunity to personally and publicly say: *"Thank you, AFPD staff, for all of your hard work and dedication which has contributed to our success. Yes, so hard, even our board of directors notices your achievements. Without your efforts, I couldn't afford the congratulations on my job well done. I truly appreciate having you be there as the supportive and strong workforce under my wings. Your many talents are always appreciated, and your many contributions year in and year out are noticed."*

AFPD is in its 100th year as an association. I thank our past team members for getting us where we are today and our current team members for carrying us into the future. To all of our AFPD employees... **THANK YOU!**

Learn more about our great staff, who are all ready and waiting to help you with your needs in the industry. See "Meet the AFPD Staff: Behind the Scenes" on page 24. ■■■■

Members Show Appreciation for AFPD Staff

"AFPD has a great staff. The entire staff works very hard and always goes the extra mile. The office and publications staffs are dedicated, and Jane, Ed, Auday and Ron are great advocates for the industry. We're very glad to have them and hope they are around a long time."

— Patrick LaVecchia,
Pat's Auto Service

"I've never had to wait an inordinate amount of time for an answer from AFPD's staff. They're courteous, smart and always on the ball."

— Joe Bellino, Jr.
Broadway Market Inc.

"I definitely have a lot of great things to say about AFPD staff! They have helped me tremendously through the years, especially Dan Reeves. They've always been there when I needed help on some pretty important issues."

— Jason Yono,
Bottles N Stuff Ltd II

EXECUTIVE COMMITTEE

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

EMERITUS DIRECTORS

Chris Zebani	Lipari Food
Fred Dally	Medicine D
Ronnie Jamil	Mug & Jug Liquor S

REGIONAL DIRECTORS

Jim Gohsman	Spartan Stores, Region
Vickie Hobbs	Whitehall Shell, Region
Mike Quinn	Pepsi Bottling Group, Region
Mark Shamoun	Country Acres Market, Region
Percy Wells	Coca-Cola, Region
Brian Yaldeo	Park Place Liquor, Region

FOOD & BEVERAGE RETAIL DIRECTORS

Frank Ayar	Walters Shopping
Jerry Crete	Ideal Party
Matt Jonna	Plum
Phil Kassa	Saturn Food
Sam Shoukri	Showerman's Fine Wine & S
Thom Welch	Hollywood Super

FOOD & BEVERAGE SUPPLIER DIRECTORS

Ben Benjamin	Kar's Nut Pro
Gary Davis	Prairie
Fred Gongola	Fall
Earl Ishbia	Sherwood Food Distrib

PETROLEUM / AUTO REPAIR DIRECTORS

Rich Bratschi	Lake Lansing
Dave Freitag	Yorkshire Tire & S
Jim Mandas	Broadway Market & S
Joe Nashar	Grand River & Halstead
Gary Robson	Dublin Mall

ASSOCIATE DIRECTOR

Richard Fiato	North Pointe Insurance Center
----------------------	-------------------------------

STAFF & CONSULTANTS

Jane Shallal	President
Auday P. Arabo	Chief Operating Officer
Daniel Reeves	Executive VP Food & Beverage
Ed Weglarz	Executive VP Petroleum
Ron Milburn	Vice President—
Cheryl Twigg	Control
Lauren Kopitz	Event Coordinator
Harley Davis	Coupon Manager
Carol O'Dea	Coupon Department
Tamar Lutz	Executive Assistant
Doug Jones	OH Membership Services
Kenny Ibrahim	MI Membership Services
Derek Dickow	Business Development
Carla Kalogeridis	Business Development
James V. Bellanca, Jr.	Legal Counsel
Bellanca, Beattie & Delisle	Legal Counsel
Pepple & Waggoner, Ltd.	Legal Counsel
Karoub Associates	Legislative Counsel
Capitol Strategies Group of Ohio	Legislative Counsel
Pat Gregory - UHY	Certified Public Accountant
Walt Kempke Graphics	Graphics & Printing

www.AFPDonline



Your Direct Solution for Payment Processing

When it comes to cost-effective payment acceptance, Chase Paymentech offers AFPD members a direct alternative to third-party processors. And as the endorsed provider for the AFPD, you benefit from a program that not only provides exceptional service, but actually lowers your cost of accepting payments.

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

For more information, please contact us at 866.428.4966.

Pricing for AFPD members is proportionate to the number of members enrolled in the AFPD:Chase Paymentech exclusive program. The more AFPD members that sign up with Chase Paymentech, the more likely it is for your processing rates to decrease.¹ Current pricing at interchange pass through plus \$0.07 per authorization. Additional fees may apply. All rates subject to change without notice.

A Proud Supporter

ASSOCIATED **AFPD**
FOOD & PETROLEUM DEALERS, INC.

CHASE 
Paymentech

Michigan Updates

Learning about PACT Act

AFPD participated in a NACS webinar outlining the features of the Prevent All Cigarette Trafficking Act (PACT Act).

PCI Compliance Learning

AFPA attended Michigan Petroleum Association's trade show in Grand Rapids, Mich., where Payment Card Industries compliance issues were discussed.



Forgotten Harvest to Launch Fundraising Program

AFPD met with executives of Forgotten Harvest to discuss the launch of a fundraising program to raise fuel money for their pick-up and delivery trucks this year. Forgotten Harvest will work with fuel retailers in Southeast Michigan to encourage customers to donate toward this effort with pump toppers, donation canisters, and direct contributions.

AFPD Attends Western Michigan University Food Marketing Conference

The conference forum engages business leaders from retail, manufacturing, sales agencies, and academic communities about increasingly challenging industry issues. Business leaders network with industry peers and the future leadership talent from the university.



AFPD Provides Training

The association conducted 26 quality control evaluations, and taught and certified 30 students in TIPS classes.

AFPD Gives Zoning Board Testimony

The association provided testimony before the Detroit Zoning Board of Appeals concerning a food store seeking an SDM license.

Ohio Updates

No Increases in Liquor Permit Fees and Transfers

AFPD met with the Superintendent of Liquor Control to discuss fee increases and other issues. After this successful meeting, AFPD is hopeful that increases in Liquor Permit Fees or Liquor Permit Transfers will be unlikely.

Ohio Advisory Lottery Board Kicks Off

AFPD Lottery Advisory Board members began a series of nine Ohio Regional meetings with the Ohio Lottery representative to discuss agent fees and other lottery issues.

AFPD Ohio Attends Liberty USA

Staff and members participated in an outstanding Liberty USA Trade Show held in Monroeville, Penn.

AFPD Conducts Petroleum Meeting

Staff conducted a quarterly Petroleum Advisory Council Meeting in Perrysburg, Ohio, with eight AFPD members discussing issues pertaining to the industry.

LIBERTY USA

Dairymens'

AFPD Discusses Milk Rebates

Staff met in Cleveland, Ohio, with staff from Liberty USA and Dairymens' Milk Company to discuss rebate and discount programs, administrative procedures, market conditions, and future programs.

New BWC Drug Free Safety Program Available

Beginning July 1, 2010, employers can receive a discount on their Workers' Compensation Premium in exchange for meeting the program requirements. This program replaces the Drug-Free Workplace Program.



AFPD Continues Monitoring Issues

The association is very active in Fuel Quality Testing, Credit Card Fees, Gasoline Shrinkage Allowances, Ohio Lottery Sales agent Fees, Commercial Activity tax, and other legislation impacting our industry.



AFPD Member Exclusive!



MIST on Demand Mobile Surveillance Program

Turns your mobile phone into a monitoring device!

- Streaming real-time security camera video to mobile devices.
- Remote surveillance of areas of concern such as parking areas, multiple locations, cash registers and/or inventory.
- You do not have to change your current camera (CCTV) system.
- Special unit pricing for AFPD members is \$985 for the first unit & \$600 for each additional unit.
- Outright purchase includes a 1 year software license and warranty of hardware. Requires purchase of annual license and maintenance fee for 2 years and beyond which costs \$250 plus \$100 for each additional unit.
- 24 month lease contract is also available.
- All pricing includes installation.
- Each system is limited to a maximum of 4 PDAs.



*To sign up for this program today,
call David E. LaGrande at
(313) 974-6768 ext. 237 or email him at
dlagrande@securecomtechnology.com.*

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

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



**Ed
WEGLARZ**
Executive VP, Petroleum

Solve Problems to Improve Your Bottom Line

It's lonely at the top, and all the problems of running a business fall on your shoulders and into your job description. You must define the problem, dissect the problem, and implement an appropriate solution—and get it right the majority of the time.

Good problem solving isn't an innate talent. It comes from a way of thinking using a set of techniques that you can practice and improve upon. Most people tend to rely too much on their instincts when they try to solve problems, especially when they feel flustered or overwhelmed. They tend to grasp at the first or second solution that pops into their heads, even if it doesn't seem completely adequate. Also, we tend to think of our problems as very unique from other people's problems (which they're not).

Instead, you need to develop a simple, structured approach that works for addressing almost any kind of problem—big or small, business or personal.

Step 1: Identify your problem and the root difficulties causing it. People tend to think about their situations in such vague, universal terms that they get overwhelmed. Example: You feel stressed and unhappy because you never have enough money at the end of the month. Stress and unhappiness are symptoms, not underlying problems that that you can take action to remedy. You need to analyze more deeply. Is the actual problem that the business is not generating enough income? Or is it that you're spending too much each month? It is helpful to think of yourself as doctor trying to cure a patient. List potential causes for the problem, arrive at a hypothesis, and focus on addressing that cause.

Step 2: Prioritize your actions and implement a plan.

Select a solution, follow through on it, and be prepared to modify (or replace) it until the problem is resolved. Jotting down your thoughts and creating graphic representations of them are essential to breaking down problems into manageable parts and making sure that you explore every possible avenue. Whether the problem is physical, computer orientated, personal, or a business challenge, writing down your thoughts is essential. Use logic.

Think in terms of an organizational chart. Write your problem at the top of a page. Ask yourself "why?" you have the problem. Write each answer in a separate box below the definition of the problem. Now ask "why?" for each of the answers in the boxes. Keep repeating the process until you have identified all the possible root causes of the problem. This procedure also can help you brainstorm a variety of solutions to a problem after you've identified the root cause.

Now you can evaluate which competing solutions are the best ones. Compare the benefits and drawbacks of all possible solutions. Draw a line down the center of a paper and list the "benefits" in one column and the "drawbacks" in the other column. This exercise will lead you to a workable solution to the problem.

Often it is best to walk away from this process for an hour or even a day. Your subconscious mind will keep working on the issue and better solutions will enter into your thought process.

The keys are writing down the problem and asking "why?" Eventually, the process will provide a logical solution that you can implement. Try it!! ■■■■



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

Spotlight on the Michigan Lottery

AFPD kicks off a new article series highlighting its Diamond level sponsors for 2010 with an interview with the Michigan Lottery's Commissioner, M. Scott Bowen.

AFPD: Tell us about the Lottery and its services.

Bowen: AFPD members are significant partners in the Lottery industry. Without them, we would not exist because we rely on them to promote and sell our product. In exchange for their commitment, the Lottery pays retailers a commission both on tickets sold and tickets redeemed. Retailers earn 6 percent on all tickets they sell, and a variety of commissions on tickets redeemed, including 2 percent of prizes redeemed in their store; 2 percent on prizes of \$601 to \$100,000 on tickets sold in their store; \$2,000 for prizes over \$100,000 sold in their store; \$5,000 for Classic Lotto 47 jackpot tickets sold in their store; and \$50,000 for Mega Millions or Powerball jackpot ticket sold in their store.

AFPD: Are there any new significant games coming up?

Bowen: In February 2010 Michigan Lottery retailers began selling Power Ball tickets. This was a major accomplishment because it was a concerted effort between all the states that sold Power Ball and allowed all states that sold Mega Millions to begin selling each other's products. As we see the success of that cross-selling, lotteries throughout the country are stepping up their discussions on implementation of a national game. We hope this effort will be off the drawing board and available to the public within the next year.

AFPD: What is the retailer's role in increasing Lottery sales?

Bowen: The Lottery relies very heavily on retailers because they are obviously the key to our success. We hope they are knowledgeable about our products, helpful

and courteous to Lottery customers, maintain a clean and current Lottery display in their stores, and most importantly, are enthusiastic partners with us as we work toward our goal of raising revenue for public education in Michigan.

AFPD: How long have you been an AFPD member and supporter? Why do you continue to stay involved?

Bowen: The Michigan Lottery has been an AFPD member for more than 30 years. We consider AFPD members our partners, so it is essential that we stay involved with them. We want our relationship with them to be reciprocal. Being a member and supporter of AFPD not only demonstrates our interest in our partners and their business, but it helps us know that business as well.

AFPD: What new services will you debut during the next 12 months?

Bowen: The most significant change will be the launch of a new player affinity club, which will be much more interactive and dynamic than our current club. For example, as players become engaged in the affinity club, they learn more about different games, about second-chance drawings, and

about ways that they can maximize their Lottery experience. And of course we will constantly be launching new games.

AFPD: What is something interesting about the Lottery that AFPD members probably don't know?

Bowen: Since the Lottery's inception in 1972, we have paid more than \$3 billion in retailer commissions, one of the highest commission structures in the country. Most AFPD members who sell Lottery tickets know what they have earned in commission, but most don't know collectively how much Lottery sales have returned back to Michigan businesses. That, in turn, is an economic stimulus in itself! ■■■■





PepsiCo Launches Program to Reduce Tropicana's Carbon Footprint

When Tropicana measured the carbon footprint of its Pure Premium® product's lifecycle, it discovered that the largest single source of carbon emissions (approximately 35 percent) was fertilizer use and application for the growing process. To tackle this issue head-on, PepsiCo and its Florida suppliers are testing multiple creative approaches using reduced-carbon fertilizers.

Specifically, Tropicana, in tandem with one of its long-time growers, SMR Farms in Bradenton, Fla., is launching a pilot study to test two alternative fertilizers to determine whether using either could significantly reduce the carbon footprint associated with the agricultural production of oranges. If successful, this change could reduce the total carbon footprint of Tropicana Pure Premium by as much as 15 percent. SMR Farms will test lower-carbon fertilizers produced by Yara International ("Yara"), the world's largest fertilizer producer, and EARTH Solutions, a wholly owned subsidiary of Toronto-based Outlook Resources, which provides low-carbon fertility solutions.

"This pilot program is an example of how PepsiCo is working hand-in-hand with our suppliers to find innovative ways to make our agricultural practices more environmentally sustainable," said Indra Nooyi, chairman and CEO of PepsiCo. "As a company that relies on the earth's natural resources to make our products, we are keenly focused on reducing our carbon footprint wherever we can. If this test is successful, it could

positively impact growing practices far beyond our business alone."

The new study will last up to five years to match the maturity cycle of orange trees. PepsiCo will monitor early indicators of success with researchers from the University of Florida so it can expand the effort's successes to other growers and reduce the carbon in their systems too.



MillerCoors Tests Batch 19 Brew

According to a recent report in the *Wall Street Journal*, MillerCoors is test marketing a new beer, Batch 19, which is based on a pre-Prohibition recipe.

The new brew started selling in bars and restaurants last month in Chicago, Milwaukee, San Francisco, and Washington, says Peter Swinburn, CEO of Molson Coors Brewing Co., which co-owns MillerCoors.

Swinburn told the news source that Batch 19 is "designed to attract consumers looking for 'a true, authentic, original beer.'" The newspaper also notes that MillerCoors is "rolling out new products and packaging styles amid one of the biggest slumps in demand the industry has faced in years."

Citing beer industry publication *Beer Marketer's Insights*, the newspaper notes that shipments of beer in the United States declined about 2 percent in 2009. MillerCoors "is trying to be innovative in a crowded market" with new products such as MGD 64.

Product Selection Drives Frequent C-Store Shoppers

Convenience store shoppers cited product selection as a reason for choosing the store in which they most recently shopped more over the 12 months ending November 2009 than in the previous year, according to The NPD Group, a leading market research company.

NPD's *Convenience Store Monitor*, which tracks the consumer purchasing behavior of more than 49,000 U.S. convenience store shoppers, reports "product selection" buyers make up just over 20 percent of the c-store buy population, but they make double the number of purchases per month than the average c-store shopper and spend more per purchase than the average shopper.

"The reason we see an uptick in product selection as motivator is that the c-store consumer is now more focused on convenience and value rather than just price," says David Portalatin, industry analyst for NPD. "Convenience is what gets a consumer to a c-store, but they need to find the product brands they like when they get there."

In addition to product selection, consumers also cite friendly employees, value or price of products, overall store appearance, hours of operation, a clean bright store, and a variety of services as reasons for choosing a c-store.

"Product selection shoppers spend 10.7 percent more per purchase occasion than the average shopper," says Portalatin. "Measuring the value that these consumers contribute to the bottom line, and uncovering how to attract these choosy buyers will better position brands and operators to grow this loyal important consumer group." ■■■



PACT Act Signed, Addresses Contraband Tobacco

AFPD, its national associate, NACS, and convenience retailers are enjoying a huge win, thanks to enactment of the Prevent All Cigarette Trafficking Act (PACT Act), which addresses the long-standing convenience store industry concern of tax evasion via remote sellers of tobacco products. Enactment of the bill caps a 10-plus year effort by retailers to close loopholes that made it difficult for brick-and-mortar retailers to compete.

Over the years, more consumers have turned to the Internet for their tobacco purchases. Many of these vendors claim sovereign immunity and do not charge their customers the excise tax imposed by the customer's state. In addition, mail and Internet orders of tobacco product put traditional tobacco retailers at a competitive disadvantage by not charging appropriate state excise taxes and not properly verifying the age of their customers.

Additionally, retailers in low-excise

tax states have setup websites to sell cheaper tobacco products to individuals in higher tax states in violation of federal law. As states seek to bolster their budgets by raising tobacco taxes, the flow of consumers to these Internet vendors has increased. The state and local revenue losses and the societal costs of the failure of Internet sellers to follow the law are very large and difficult to fully calculate.

Effective immediately, the Bureau of Alcohol, Tobacco, Firearms and Explosives has the authority to inspect distributors of cigarettes and levy a penalty against those who refuse inspection. Furthermore, effective 90 days after the president's signature, the PACT Act:

- Makes it a federal offense for any seller making a tobacco sale via telephone, the mail or the Internet to fail to comply with all state tax laws. State attorneys general can

now seek injunctive relief and civil penalties against out-of-state sellers who distribute product to end users in their states.

- Requires Internet and other remote sellers to verify the purchaser's age and identity through easily accessible databases and the person accepting delivery must verify their age.
- Outlaws shipment of cigarettes and smokeless tobacco products via the United States Postal Service (USPS).

"The PACT Act will help combat illegal, online cigarette sales that have siphoned hundreds of millions of dollars in tax revenues away from state governments and undermined state laws that prevent America's youth from gaining access to tobacco products," said NACS Senior Vice President of Government Relations Lyle Beckwith. "This law is much more than a win for law-abiding retailers, but for law enforcement, state tax advocates and the American public." ■■■■

Proudly Supporting Local **MICHIGAN** *Farmers*

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

Happiness is simple

New Strategy for Building Loyalty

Retailers looking to build a stronger store brand will find that a well-executed health and wellness program is a great place to start.

By Jeff Weidauer

The future of health care in this country is certainly a hot topic of discussion these days. However, while the public discussion centers on issues such as insurance costs and availability of coverage, there is a flip side to the health care coin — prevention.

Any discussion on preventing health problems inevitably leads to how our current diets have affected our health. For the first time in history, some are predicting that children in the U.S. may have shorter life spans than their parents, primarily due to the epidemic of obesity and its related illnesses.

A recent op-ed article in the *New York Times* laid out sobering numbers: \$147 billion spent to treat obesity, \$116 billion spent to treat diabetes, and hundreds of billions more to treat heart disease and cancer diseases that are linked to our diet. And while health care rates continue to soar, one study estimates 30 percent of that increase is directly related to our growing rate of obesity.

As shoppers become more concerned about health and look to be better informed about what they feed their families, several programs have been developed to assist them in their efforts to choose wisely. Some programs are based on specific nutrition-related criteria, others use algorithms to rank and recommend specific products. Several of these programs are easy to grasp and actually make shopping easier; a few are less logical or even difficult to understand without a background in science.

What is readily apparent is the opportunity for retailers to provide information and education to their shoppers, all while building their brand and customer loyalty. What is less apparent is how to go about this, and where to go for help.

Building a Health and Wellness Program

Retailers looking for differentiation and working to build a stronger brand will find that a well-executed health and wellness program is a great place to start. While nutrition is top-of-mind with shoppers, not all health and wellness programs are equal. So how do you begin to create a meaningful offer for your shoppers? Here are some points to consider:

1. Don't try this at home. If you're seriously considering developing a health and wellness program in-house using your own dietitians, you should

rethink that strategy. The inherent complexity involved in any health and wellness program, one that will offer value to your shoppers, is not something you can overcome internally. There are some programs, for example, already developed to help retailers educate shoppers about specific health attributes of products right at the shelf edge. Based on FDA guidelines, these health attributes include descriptions such as

"gluten free," "low saturated fat," and "heart healthy."

- 2. Make it easy.** Your program needs to be as user-friendly and intuitive for shoppers as possible. Science is great, but you should keep it in the background. Your customers should not need to take a class to understand what you're telling them.
- 3. Credibility is critical.** Make sure you're starting with fact-based criteria from a credible source, such as the U.S. Food and Drug Administration. This is where a third-party can make all the difference in the quality of your program, and whether you're providing value to your shoppers.



Continued on next page

What's the Program Payback?

Developing and executing a credible, user-friendly, and engaging health and wellness program in-store isn't for the faint of heart. After giving this serious thought, you may be asking yourself if it's worth the effort. What is the likely payback for a good program?

The return for a well-executed health and wellness program can be summed up in one very important word—loyalty.

Why loyalty? Because loyalty is created from a bond with your shoppers that is more than just price. It's a natural result of providing the products, services, and information that shoppers need in an increasingly complex world. Concerns over eating are increasing, and they aren't going to go away soon. Baby Boomers are looking for more information about the food they buy. Millennials are copying this behavior with their own growing families. It's clear that interest in nutrition and pursuit of a more healthful lifestyle isn't a short-term fad, and with the current national focus around health care and prevention, diet and eating habits will continue to be of interest to shoppers of all ages.

Two messages come out of this realization:

- 1 Getting a health and wellness program implemented now will give you a critical point of difference.
 - 2 Having a health and wellness program will soon be a cost-of-entry expectation from your shoppers.
- To avoid having a "me too" program, and to gain the loyalty of your shoppers today, there is no time like the present to get moving on this vital component of your marketing strategy.

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



MICHIGAN ONLY



AFPD Member Exclusive!!

Pepsi Beverages Company 2010 AFPD 2nd Quarter Program

MUST SIGN UP BY JUNE 30, 2010



TO QUALIFY

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

Crush/Mug Root Beer/Sierra Mist Incentives

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

Equipment Fund Per Year

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

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

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

Cash *for* Coupons

Coupons keep customers coming back and earn easy money for you. AFPD can help you take advantage starting today.

Do your customers want you to accept coupons? Are you resisting because it's too much trouble and takes too much time? What if you could throw all those coupons in a bag, send them to AFPD once a month, and get a check back for the full value of each coupon?

And even better, what if at the end of the year, you received another check for five cents per redeemed coupon?

That's just what AFPD has offered through its coupon redemption program. For more than 25 years, the program has been saving members the trouble of sorting, counting, mailing coupons to individual manufacturers, and keeping records.

Here's how to participate in this exclusive program for AFPD members:

- Call AFPD's Harley Davis at (800) 666-6233 and fill out a survey
- Throw your coupons in a bag.
- Once a month, mail the coupons you have collected to AFPD.



AFPD's coupon team: Carol Odea and Harley Davis.

- AFPD sorts the coupons and sends them to a clearing house.
- AFPD cuts you a check for the value of the redeemed coupons (less a refundable security deposit to cover charge-backs).
- At the end of the year, AFPD sends you another check for five cents per valid coupon redeemed.

Why Do It?

Accepting coupons allows you to be competitive. "Customers are using more coupons," says Harley Davis, AFPD's coupon manager, "so more and more

stores are taking coupons." Especially in this economy, Davis continues, "Everyone wants to save and most consumers realize they can save real money on the products they use the most by using coupons." Davis ought to know. He's been in the coupon business for 23 years.

Getting Started

Small businesses should create their own personal store coupon program that encourages customer loyalty. Ways to get coupons into consumer hands include print, loyalty or club cards, distribution services (coupons.com, retailmenot.com), Google Maps listing, local review sites (Yelp, FourSquare), partner websites, your store's own email marketing efforts, and mobile text messages.

You can also use social media to get the word out about your coupons. For example, develop a dedicated Twitter feed for deals and promotions. On Facebook, set up a fan page and run Facebook-only specials, alerts for events, and promotion highlights.

What's in it for AFPD?

From AFPD's perspective, the coupon redemption program is an important attraction for new members, a perfect chance to communicate with retailers on a monthly basis, and a strong reason for existing members to renew. ■■■

A Little Coupon Trivia

- Just 3 percent of the coupons printed are ever redeemed.
- This 3 percent produces a \$7–8 billion redemption business nationwide.
- There have been several attempts to eliminate coupons, all stopped by public outcry.
- The number of AFPD stores in its Coupon Redemption Program has increased from 200 to 500 over the past two years—and the goal is 1,000!

MICHIGAN ONLY



ASSOCIATED FOOD & PETROLEUM DEALERS

AFPD Member Program!

Comcast Program



AFPD and Comcast bring you a new program designed to help drive more value to your membership experience with Comcast Business Services:

- Business Class Internet
- Business Class TV
- Business Class Digital Voice
- Spotlight Advertising

As a New Comcast Business Service customer, AFPD members will receive:

- One free month per year (3 months free) of service on Comcast Business Class Triple play (Must sign a 3 year contract):
 - **Business Class Internet**
 - **Phone**
 - **Television**
- Current Comcast customers can sign up for this special program as long as they agree to sign a new contract.
 - Free Standard Installation (\$350-\$3,500 value)
 - 10% discount on Spotlight cable advertising packages for your business
 - Triple Play Programs start at \$99 per month

To sign up for this program today, contact Stephanie Gamet at (248) 343-9348 or email her at Stephanie_Gamet@comcast.com. Be sure to let her know you are an AFPD Member!

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



M. Scott BOWEN
Michigan Lottery Commissioner

Lucky Lines is Here

The Lottery's newest online game, *Lucky Lines*, is now available at all Lottery retailers across the state. It combines the thrill of winning instantly, bingo play, and the chance to win a big jackpot all in one exciting game.

together as well. The prize payouts for *Lucky Lines* are shown in Table 1 (there are 49 ways to play and win.)

Power Play 10X

The *Powerball Power Play 10X* promotion is a special limited offer

player matches five white ball numbers and the *Powerball*, and has purchased *Power Play*, he or she would multiply their regular winning of \$200,000 by 10 if the *Power Play* number is 10. That's a \$2 million prize!

Make Me Rich!

The third episode of "*Make Me Rich!*" is scheduled to air on June 4, where the Lottery will give away \$3 million and a Michigan-made 2010 Chevy Traverse. Players won a chance to appear in the third episode of "*Make Me Rich!*" by playing a variety of Michigan Lottery instant tickets, including the \$10 Million Dollar Mega Play and most of the current \$20 games.

Players who are members of Player City, the Lottery's VIP website (www.playercity.net) also had a chance to appear on the show. As with previous broadcasts, the June 4 edition of "*Make Me Rich!*" will feature a text-to-win component for the viewing audience. During the show, details on how to win one of five \$1,000 prizes will be announced.

New Instant Tickets

New instant tickets scheduled to go on sale include *Hit \$50*™ (\$1), and *Michigan Cashword*™ (\$2) on May 10. The \$1,000,000 *Money Match Sweepstakes* begins May 28 with the launch of three new games: \$20,000 *Money Match*™ (\$2); \$200,000 *Money Match*™ (\$5); and \$1,000,000 *Money Match*™ (\$10). In addition to instant win cash prizes, players can submit any combination of non-winning *Money Match* tickets totaling \$20 at MichiganLottery.com for a second chance to win \$1,000,000. The release date for these tickets is subject to change. ■■■

LUCKY LINES PRIZE PAYOUTS

Match	\$1	\$2	\$3	\$4	\$5	\$10	\$20
7	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$5,000,000	\$10,000,000
6	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$50,000	\$100,000
4 & 3	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000	\$10,000
5	\$50	\$100	\$150	\$200	\$250	\$500	\$1,000
3 & 3	\$10	\$20	\$30	\$40	\$50	\$100	\$200
4	\$5	\$10	\$15	\$20	\$25	\$50	\$100
3	\$1	\$2	\$3	\$4	\$5	\$10	\$20

To start, players can select their own numbers or Easy Pick seven numbers between 1 and 49. Like bingo, players have to match their numbers together horizontally, vertically, or diagonally on the game board to win.

The great thing about *Lucky Lines* is players determine how much they want to wager. Players can buy a ticket for \$1, \$2, \$3, \$4, \$5, \$10, or \$20 per play. The more you wager, the more you can win. If a player bets \$20 and matches all seven numbers together on a line, they would win \$10 million instantly.

Even so, smaller wagers can still win players big money. The same seven-number match on a \$1 wager wins \$500,000; \$2 wins \$1,000,000 million; \$3 wins \$1,500,000; \$4 wins \$2,000,000; \$5 wins \$2,500,000; \$10 wins \$5,000,000; and as mentioned, \$20 wins \$10,000,000.

Like other Lottery online games, players can also win by matching three, four, five, or six numbers

that allows players to multiply their non-jackpot prizes up to 10 times. *Power Play* is a multiplier feature to *Powerball* that players can purchase for an extra \$1 per wager. Usually, *Power Play* numbers are two, three, four, or five. But beginning May 1, a 10X multiplier will be added to the *Power Play* mix before each *Powerball* drawing. When the 10X multiplier is randomly selected prior to the *Powerball* drawing, non-jackpot prizes will be multiplied 10 times for players who have purchased the *Power Play* option for that drawing.

The 10X multiplier could be drawn up to nine times during the month of May. If it is not drawn at least once in May, the promotion will continue until the 10X is selected.

The cost of the *Power Play* stays the same—an additional \$1 for each *Powerball* play—but during this special promotion, all prizes with the *Power Play* option could be multiplied up to 10 times. For example, if a

Final Rules Issued on Retail Tobacco Sales

In March 17, 2010, the U. S. Food & Drug Administration (FDA) announced final tobacco ruling that further limits the way tobacco products can be sold and advertised. AFPD feels that the FDA, although responsible for ensuring that retailers are in compliance, will delegate authority, responsibility, and resources to the states to help enforce them. The FDA's enormous set of regulations, which will become effective and enforceable on June 22, 2010, contains

numerous provisions:

- No retailer may sell cigarettes or smokeless tobacco to anyone under 18.
- Retailers must verify the age, through picture identification, prior to making sales to persons under the age of 27.
- All sales must be made in face-to-

face transactions. Retailers may not use vending machines or other self-service machines to sell tobacco products. The FDA has not announced whether it will prohibit in-store displays or other consumer access prior to purchase. AFPD will keep a close eye on whether products may stay on display or will need to be put behind store counters.

- Retailers may not break open standard-sized cigarette packages (20 cigarettes per pack) to sell cigarettes in lesser quantities.
- Each retailer has an obligation to comply with the advertising and labeling requirements of the regulations. Anticipate severe limits on the ability of retailers to advertise tobacco products outdoors. EPA has initiated a rulemaking proceeding on this subject. It is not clear what requirements, if any, the FDA will impose on in-store advertising. The Act gave the FDA very wide latitude in this area.

Advertising issues are highly likely to wind up in court after the final rule is announced.

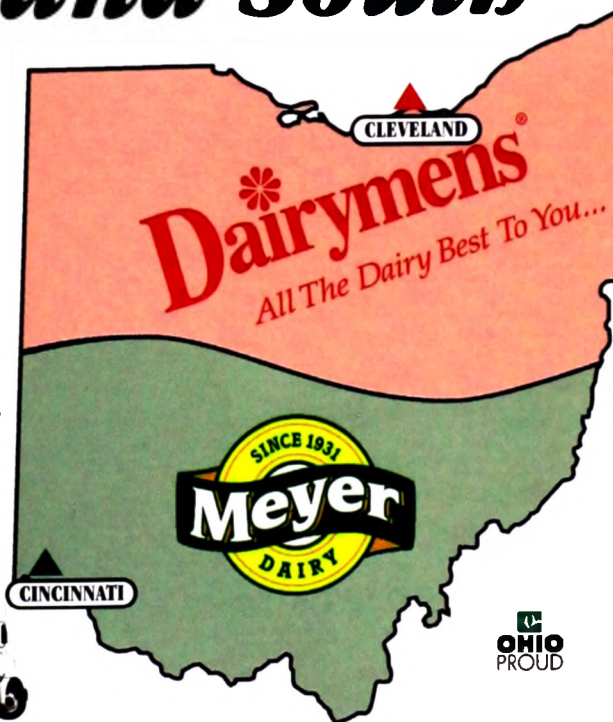
- Retailers may not alter or remove the warning labels on tobacco products.
- Retailers may not offer free samples of tobacco products.
- Retailers may not accept coupons, proofs-of-purchase or similar items received from the purchase of tobacco products in exchange for any gift or item.
- Retailers may not offer a gift or other item in connection with the sale of a tobacco product (for instance, a free Marlboro shirt with the purchase of a carton of Marlboros).

Though the first wave of FDA regulation of tobacco retailers has arrived, the FDA is likely to issue more stringent and broader regulations in the future. For additional information, including the full text of the rule, FAQs, a retailer factsheet, and a letter to retailers, visit www.fda.gov/TobaccoProducts/ProtectingKidsfromTobacco/RegsRestrictingSale/default.htm. ■■■

North and South

We've got you covered!

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



DAIRYMENS

3068 W. 106th Street
Cleveland
OH 44111

Sales: Jim Evans
1 800 944 2301

MEYER DAIRY

415 John Street
Cincinnati
OH 45215

Sales: Mike Osborne
1 800 347 6455



Kathleen BURKE

Ohio Lottery Commissioner

Plenty of New Game Activity in May

On the heels of our Powerball launch, Ohio brings the *Power Play 10x* promotion to market this month.

Power Play allows *Powerball* players to multiply their non-jackpot winnings by two, three, four, or five times the standard prize for an additional \$1 per wager. *Power Play 10x* provides a chance to multiply a non-jackpot prize by 10 times.

The *Power Play 10x* number could be drawn up to nine times during the month. And, if the 10x number isn't drawn before the end of May, the promotion continues until "10x" is drawn.

Instant Games

On May 28, the Ohio Lottery is

scheduled to release three new instant games: \$1 *Firecracker Cash*, \$5 *Aerosmith*, and \$20 *Lucky Millionaire*. *Firecracker Cash* offers a top prize of \$1,716 and 61 percent payout. *Lucky Millionaire* offers a top prize of \$2 million and a 75 percent payout.

The *Aerosmith Dream On* instant game offers a \$100,000 top prize and a 69 percent payout. The game offers instant cash prizes ranging from \$5 to \$100,000 and one-of-a-kind prizes. Players can enter non-winning tickets into a special second-chance drawing for a chance to meet Aerosmith at an exclusive party at Cleveland's Rock & Roll Hall of Fame and Museum. Other second-chance drawing prizes include a ProStreet Dirico custom motorcycle autographed by Steven

Tyler and a Les Paul signature guitar autographed by Joe Perry.

Three second-chance drawings will be offered this summer and early fall.

Equipment Software Upgrades

Early this month, the Ohio Lottery made a number of improvements to retailer equipment. Retailers with high volumes of Pick 3 and Pick 4 play will appreciate the upgrade to the main wagering screen, which now includes several bet type options.

Ticket checkers are also improved so players scanning their tickets now know exactly how much they've won—not just that they've won.

Thank you for all you do to provide funds for Ohio's Lottery Profits Education Fund. ■■■■



ASSOCIATED FOOD & PETROLEUM DEALERS

AFPD Member Exclusive!



Monster Energy Program

MUST SIGN UP BEFORE JUNE 30, 2010

To qualify, you need to have:

- 3 Shelves of Monster Energy located within shelves 2, 3, 4 or 5.
- 5 Facings of Java Monster
- 4 Facings of Peace Tea

You will receive special discount pricing from the Monster Energy 2010 Promotional Calendar.

Over & above the promotional calendar allowance, you will receive:

- \$1.00 rebate per case on all cases
- An additional \$1.00 a case on all new items (Nitrous, Import, X-Presso and new 2010 items launched).

If you increase your prior year sales by 20%, you will receive an additional \$2.00 a case rebate on your growth cases only!

To sign up for this program, please complete the form below and mail, fax or email back to AFPD

MUST SIGN UP BEFORE JUNE 30, 2010

STORE NAME _____

CONTACT _____

ADDRESS _____

PHONE _____

EMAIL _____

SIGNATURE _____ DATE _____

MAIL TO: Attn: Auday Arabo
Associated Food & Petroleum Dealers
30415 West 13 Mile Rd.
Farmington Hills, MI 48334

FAX TO: (866) 601-9610

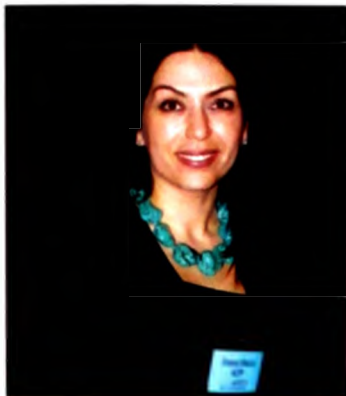
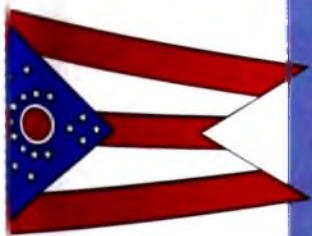
EMAIL TO: Aarabo@AFPDonline.org



All accounts must be approved by a Monster Energy Representative for inclusion into the program. Accounts are subject to review at any time by a Monster Energy Representative. Violation of the terms will mean the contract may be voided at the discretion of Monster Energy.

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

2010 Ohio Trade Show



ADP offers AFPD members 25 percent off the monthly rate for payroll services and one month free. Its small business division works with companies that have 1-49 employees. "If ADP can't beat your current payroll invoice, we'll give you one free year's membership in AFPD," says Dana Bazi.



"AFPD Ohio members get up to a 51 percent discounted rate on workers' comp insurance from **CAREWORKS**", says Katie Cassidy, account executive. "And we work with members that don't qualify because of claims to get them into another program," she adds.



"**LEANIN' TREE**'s greeting card program offers AFPD members an excellent 50-percent profit margin plus an additional 5 percent off wholesale prices", explains Steffani Hafner and Tim Meno. All cards are USA-made and environmentally friendly.



Jeff Gehman, vice president of **NEW ENGLAND COFFEE**'s consolidated services group, offers AFPD members a free month of coffee. "For most members, that more than pays for their AFPD membership," he says. The family-owned business offers more than 200 types of coffee.



MIST INNOVATIONS INC.'s Mobile Surveillance Program turns AFPD members' mobile phones into a security monitoring device, explains Mist's Freddie Scott.



"**OHIO LOTTERY** sales are at an all-time high," says Beth Zone, from the Ohio Lottery. "And so are the winnings."



NORTH POINTE INSURANCE's Richard Fiato, a new member of the AFPD board of directors, says his AFPD-endorsed program has expanded recently to include general liability coverage.

Thanks to our AFPD Ohio Trade Show Sponsors





**Kim A.
RHEAD**

Partner, Karoub and Associates

MLCC: More Going On Than Expected

One of the services that AFPD provides for its members' benefit is monitoring and attending the Michigan Liquor Control Commission hearings. The hearings are held at the commission office in Livonia and also at the Michigan Secondary Office Complex in Lansing.

The hearings are always attended if there are issues of interest or concern to AFPD on the agenda, but every hearing is monitored to help keep members informed about liquor, beer, and wine issues.

The recent March 31st hearing is an excellent example. I attended the meeting to monitor agenda involving a discussion about the commission's position on liquor products produced exclusively for large chain stores. The issue was brought to the attention of the commission in January by AFPD, and in February the product in question was de-listed. After meeting with the manufacturer and the distributor, the commission ruled that Michigan regulations clearly prohibit liquor products being produced exclusively for a single retailer and that any product that is not offered for sale at any retail location cannot be sold in the state.

The commission also discussed a second product that actually had on its label that it was being produced exclusively for a large retailer in Southeast Michigan. That product has also been de-listed by the commission.

Despite attending the meeting for that single agenda item, I found the discussions about other agenda items very interesting as well. Liquor commission staff handed out a memo that contained information about a new liquor return policy that was under consideration, a new online ordering policy that could take effect on January 1, 2011, and a recently passed ordinance in Ann Arbor that will charge a "delivery fee" on all commercial trucks making deliveries in the city.

Good Possibility of Delivery Windows

The ADAs are working with the commission staff on a problem that they are having with some retailers not being available to accept liquor deliveries. Some larger retailers have required drivers to wait for hours before being allowed to unload their shipments. A long discussion indicated that the commission is considering establishing "delivery windows," much like those in existence for

appliance stores or utility companies where delivery or repair service is guaranteed within a three-hour window.

Delivery windows would be established by the ADAs to assure that the retailer would know exactly when to expect a delivery. If the retailer is not able to accept and pay for a shipment (as long as the driver is at the store within the delivery window), the retailer would have 24 hours to pick up the order or face an additional fee for a second delivery or a possible restocking fee.

Discussions were also held about simply requiring that all shipments be paid for by electronic fund transfers. While it is clear that this is the direction the commission is heading, it appears that the majority of the commission feels that making such a requirement is premature.

Online Ordering Start Up Date Realistic?

Additional discussion was held about moving to an online ordering system; commission staff would like to have the system up and running by the end of this year. Again, there is little question that this is the direction that the commission is looking to go, but I did not get the feeling that they view the January 1, 2011 start date as realistic.

Ann Arbor Zoning Ordinance

The final issue on the memo was an interesting mention of a recently passed ordinance in Ann Arbor. As mentioned, the proposal would divide the city into sections or zones. Each commercial vehicle that makes deliveries within the city would be assessed an annual fee of \$200. Any vehicle that makes deliveries in more than one zone would be assessed an additional \$200 for each zone in which they made a delivery.

It should come as no surprise that neither the commission nor the ADAs were impressed with this proposal. Nevertheless, it should be a big concern to all retailers who will ultimately pay the fee should it ever be assessed. The commission will contact the city to discuss the proposed fee that was to take effect April 1st.

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



Jody LICURSI

Vice President—Capitol Strategies Group

OH Legislative Update

AFPD Ohio Monitors Credit Card Legislation

AFPD has been working with Ohio Rep. Kenny Yuko (D-Richmond Heights) on legislation that addresses the contractual relationships between retailers and credit card companies. The legislation would require a credit card company to provide a retailer with complete access to all operating rules contained within their contract, including clear and comprehensive disclosure of any fee charged and the situation under which that fee applies.

Additionally, any rule changes to the contract would have to be provided to the retailer at least five business days in advance of the effective date. The legislation also stipulates that a retailer may offer a discount on gas purchases made by cash or other similar means of payment other than a credit card. AFPD

will keep you updated on ways you can help by reaching out to your state legislators as the bill moves through the legislative process.

Meeting with Superintendent Davis

AFPD met with Ernie Davis, Ohio's new superintendent of the Division of Liquor Control, to explain how AFPD works to promote compliant liquor-licensed retail establishments.

AFPD looks forward to working with the superintendent to ensure that Ohio maintains a fair liquor licensing environment for our retailers.

Competitive Workers' Compensation Task Force

Last November the Ohio Senate passed SR 118, establishing the Competitive Workers' Compensation Task Force

to review the feasibility of allowing employers to obtain private insurance to insure their obligations under the workers' compensation system of Ohio. The Task Force must conduct a thorough evaluation of Ohio's current workers' compensation insurance system as it is managed by the Ohio Bureau of Workers' Compensation (BWC).

The Task Force will report on the actuarial soundness and competitiveness of the insurance offerings and compare them to similar offerings in other states. Additionally, the Task Force evaluates actions taken by other states to open their workers' compensation markets to private competition.

The Task Force's full report and recommendations are due no later than December 15, 2010. ■■■■



Annual Michigan Golf Open

Fox Hills Golf Course

8768 N. Territorial
Plymouth, MI, 48170

**Wednesday
July 14, 2010**

Shotgun Start: 9:30 am

For information on sponsorships
opportunities, call Lauren Kopitz at
(800) 666-6233 or email Lkopitz@AFPDonline.org

AFPD Centennial Year Diamond Sponsors



Meet the Staff: AFPD Behind the Scenes

You call the AFPD office looking for help, and your questions are somehow magically answered.

Who are the people behind AFPD's outstanding member service? Meet the AFPD staff members who work for you visibly and behind the scenes.



Jane Shallal
President and CEO

As president and CEO, Jane sets strategy, vision, and direction for the association with the assistance and guidance of the board of directors. She monitors, supports, or opposes legislation affecting member businesses and helps policy makers gain a better understanding of how their policies affect retailers. Jane also assists retailers in complying with state, federal, and local regulations. She supervises AFPD's overall operations, marketing, strategy, and financing of the organization.



Auday Peter Arabo
Chief Operating Officer

Auday's primary role is to ensure that AFPD and AFPD Foundation operate smoothly and effectively, in compliance with 501(c) regulations and generally accepted standards. As right hand to the president and CEO, Auday is responsible for overall administration, including financial management and internal controls, administrative policies/procedures/practices, revenue generation, program development, communications, and membership outreach and recruitment.



Ed Weglarz
Executive Vice President—Petroleum

Ed updates AFPD members on compliance issues and rules, including underground storage tanks, fuel taxes, tobacco taxes, safety, workers' compensation, insurance, and obligations to employees. Ed works with the various state departments to write and revise rules that apply to fuel retailers and convenience store operators, reviews proposed legislation that affects AFPD members, and educates state legislators on the effects of rules and proposed legislation on small businesses.



Ron Milburn
Vice President

Serving as the AFPD Ohio vice president, Ron assists AFPD lobbyists on state and federal legislative issues pertaining to the industry. In addition, Ron conducts regular meetings with the Ohio membership, Petroleum Advisory Council, and the Ohio Lottery board. He supervises the Ohio sales staff and works with members and suppliers on AFPD programs.



Cheryl Twigg
Controller

Cheryl oversees and performs office/accounting

functions that include writing office processes/procedures, issuing quarterly rebates to members, sending annual renewal notices and statements of members' participation in programs and rebates, account receivable/payable functions, monthly and quarterly accounting, computer system maintenance, and work on AFPD's foundation scholarship program.



Harley Davis

Coupon Manager
Harley manages the popular member benefit known as the Coupon Redemption

Program (see article, p. 16). For more than 25 years, AFPD's coupon program team has been saving members the trouble of sorting, counting, and mailing coupons to individual manufacturers, and keeping records. Harley truly enjoys helping members see how much money they can save with the coupon program.



Lauren Kopitz

Events Coordinator
Lauren is responsible for all AFPD events, including

three major trade shows each year, two golf outings, the annual Joseph D. Sarah scholarship luncheon, and AFPD's annual black tie trade dinner. She helps drive

membership, assists members with questions regarding the association, and keeps an eye out for new programs and ways to help the membership as a whole.



Kenny Ibrahim

Michigan Membership Services
Kenny brings in new members to the association and

informs them about

how AFPD's new programs can improve their success with a little investment. Kenny and his family have been associated with the AFPD for more than 10 years through their four liquor stores.

Doug Jones

Ohio Membership Services

Doug is AFPD's member service liaison in Ohio. He travels throughout northern Ohio, soliciting new members and visiting existing members to share information on the many program benefits afforded through AFPD membership. Doug also discusses legislative issues and gets feedback from members on issues of concern, which helps the association develop strategies and programs for the continued success of independent owners.



Carla Kalogeridis

Editor, AFPD Bottom Line
Carla serves as editor of AFPD's magazine, the

AFPD Bottom Line (formerly, *AFPD Food & Petroleum Report*). In addition,

Putting together AFPD's popular monthly magazine from start to finish, Carla writes articles about AFPD member companies and covers AFPD trade shows and other special events. She also contributes articles to the popular weekly AFPD newsletter.



Derek J. Dickow

Business Development Consultant
As the AFPD business development consultant, Derek

reaches out to AFPD's members and business owners, searches for suppliers who will provide retailer programs, assists with fundraising events, sells advertising for AFPD's publications, and promotes attendance at all events.



Tamar Lutz

Executive Assistant

As executive assistant, Tamar maintains the office, assists with all events and projects, and employs her skills as a graphic designer to create advertisements and creative flyers for AFPD's events and programs. She is often the first smiling face to greet AFPD visitors to the office.



Carol Odea

Coupon Department

Carol works with Harley Davis in the coupon department putting together coupon packages that are sent to the clearing house, handling data entry for checks and charge backs from the clearing house, and sends them to AFPD's coupon customers.



AFPD's Dan Reeves:

Retiring After 17 Years of Service



AFPD will truly miss the daily presence of Dan Reeves, executive vice president, who retired in April after 17 years of dedicated service to the organization.

Dan graduated from Central Michigan University in 1974 with a bachelor of science in education, majoring in industrial education. As a former restaurant owner and cook, Dan has been a part of the food and beverage industry for more than 40 years. Before joining AFPD, he worked for the Michigan Restaurant Association for nine years, helping them with education, membership, and trade shows.

In his capacity at AFPD, Dan conducted quality control evaluations of member stores to make sure that they are complying with the Michigan Food Code and made recommendations on how to correct potential violations. He also taught the Training for Intervention Procedures (TIPS) seminar, a responsible alcohol retailing course that instructs attendees how to avoid potential violations and how to be proactive. In addition, Dan taught the FMI SuperSafeMark manager food safety class that prepares attendees to take the National Registry for Food Safety Professionals examination.

"I'll still keep my fingers in the TIPS and management certification training," says Reeves. "Beyond that, I guess I'll kick off my shoes, climb a tree, and learn to play the flute." ■■■■

Captions, top to bottom:

1. Performing one of his many duties, Dan presents an award during an AFPD Trade Show.
2. Carpenter Dan prepares to measure during an office move.
3. Dan accepts an award from former Detroit Mayor Ken Cockrel.
4. Dan Reeves with Gov. Jennifer Granholm in 2003 at a fundraiser for her re-election.

5 Reasons You Need an Estate Plan

By Randall A. Denha

What are the top five reasons that people decide to meet with an estate planning attorney?

1. **Avoiding Probate.** This is the most common reason why people seek out the advice of an estate planning attorney. While many have never even dealt with probate, they still know one thing: They want to avoid it. This stems from probate horror stories covered by the media or told by neighbors, friends, or business associates. For the vast majority of people, avoiding probate is a very good reason for creating a foundational estate plan.
2. **Reducing Estate Taxes.** The significant loss of one's estate to the payment of state and/or federal taxes is a great motivator for putting an estate plan together. Through the most basic planning, married couples can reduce or even possibly eliminate estate taxes altogether by setting up relatively simple trusts as part of their estate plan. In addition, a variety of advanced techniques can be used by both married couples and individuals to make the tax bill less burdensome or completely go away.
3. **Avoiding a Mess.** Many clients seek the advice of an estate planning attorney after personally experiencing (or seeing a close friend or business associate experience) a

significant waste of time and money due to a loved one's failure to make an estate plan. Choosing someone to be in charge after your death and deciding who will get what, when they will get it, and how they will get it goes a long way toward avoiding family fights and costly court proceedings.

4. **Protecting Beneficiaries.** There are two main reasons why people put together an estate plan to protect their ultimate beneficiaries: First, protecting a minor beneficiary, and second, protecting an adult beneficiary from bad decisions and outside influences. If the beneficiary is a minor, all states have laws that require someone to be appointed to oversee the minor's needs until the minor becomes a legal adult. You can prevent family discord and costly legal expenses by taking the time to designate a guardian and trustee for your minor beneficiary. If the beneficiary is already an adult but is bad at managing money or has an overbearing spouse or partner who you fear will squander the beneficiary's inheritance or take it in a divorce, then you can create a plan that will protect the beneficiary from their own bad decisions as well as those of others. In this instance, a good solution is a beneficiary controlled trust or a trust where an independent trustee can control distributions for the benefit of a loved one without the risk of a creditor ever reaching this asset.
5. **Protecting Assets from Unforeseen Creditors.** In recent years, asset protection has become a very important reason why people, including those who already have an estate plan, are meeting with their estate planning attorney. Once you know or even just suspect that a lawsuit is on the horizon, it's too late to put a plan in place to protect your assets. Instead, you need to start with a sound financial plan and couple that with a comprehensive estate plan that will in turn protect your assets for the benefit of both you during your lifetime and your beneficiaries after your death. You can also provide asset protection for your spouse, children, and other beneficiaries through the use of special trusts and your other beneficiaries through the use of lifetime trusts.

AFPD Plans Free Seminar on Estate Planning

In partnership with AFPD, Randall A. Denha will present a free seminar on estate planning for AFPD members in June. For more information, visit www.afpdonline.org or contact Derek Dickow at (800) 666-6233.



Randall A. Denha, J.D., LL.M. (tel. 248-265-4100), is principal and founder of the law firm Denha & Associates, PLLC with offices in Birmingham, MI and West Bloomfield, MI. ■■■



Healthier Living Just Got Affordable

Blue Cross Blue Shield of Michigan and Blue Care Network have partnered with Michigan-based companies and their national businesses to help their members achieve healthier lifestyles and support Michigan businesses. The Michigan Blues are launching Healthy Blue XtrasSM, a new savings program exclusively for Blues members.

"From groceries and fitness gear, to yoga and gym packages, members will find discounts on everything needed to support healthy, balanced lifestyles," said Kathryn Levine, vice president of corporate marketing and product. "These savings and special offers will help members make healthy lifestyle choices in everyday products and services."

Blues members can receive special offers from more than 30 Michigan-based companies, including Dunham's Sports, Moosejaw, Nino Salvaggio, Powerhouse Gym, WeightWatchers, Reebok, the Grand Hotel, Westborn Market, and more. Blues members should visit bcbsm.com/xtras to see all participating retailers, which are updated monthly, and find out how to redeem their special offers.

Through this innovative approach to health care, the Blues are responding to the needs of its members by helping them take control of their health in a convenient manner — online.

"Health care costs will be impacted in the long run as more people become active managers of their health. Our members should have confidence that Blue Cross is their partner in this effort," Levine added. "Education, information and motivation will lead to the adoption of healthier behaviors. Healthy Blue Xtras and our online support tools provide a practical approach to helping Blues members improve their health."

Blue Cross Blue Shield of Michigan offers a broad variety of plans, special rates, and benefits to AFPD members.

For more information, call AFPD at (800) 666-6233. ■■■



healthybluextras

Blue365
Your dedication to living healthier.

Save money — and live healthier

Healthy Blue XtrasSM, the new savings program exclusively for members of the Michigan Blues, will help you do just that.

From groceries and fitness gear to yoga and gym packages, Blues members can find promotions on everything they need to support a healthy, balanced lifestyle.



Visit bcbsm.com/xtras to unlock these big savings on healthy products and services.

Not a Blues member? To sign up today or for more information regarding benefits and rates on Blues plans available to AFPD dealers, call 800-666-6233.

Your Association Exclusively Endorses



Blue Cross
Blue Shield
Blue Care Network
of Michigan

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

bcbsm.com MiBCN.com

ASSOCIATED **AFPD**
FOOD & PETROLEUM DEALERS, INC.

101469SPMK

SUPPORT THESE AFD SUPPLIER MEMBERS

ASSOCIATIONS/CHAMBER OF COMMERCE

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

ATM

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

BAKERIES

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

BANKING & INVESTING

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

BEER DISTRIBUTORS

Eastown Distributors (313) 867-6900
Great Lakes Beverage (313) 865-3900

BOOKKEEPING/ACCOUNTING CPA

Alkamano & Associates (248) 865-8500
Just-In-Time CFO Solutions (734) 730-4737
Lis, McEvilly & Associates (734) 266-8120
Marconi/EK Williams & Co (614) 837-7928
Shimoun, Yaldo & Associates, P.C. (248) 851-7900
UHY-US (248) 355-1040
Walton Business Management Solutions (248) 320-2545

BUSINESS COMMUNICATIONS

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

CHECK CASHING SYSTEMS

Secure Check Cashing (248) 548-3020

CHICKEN SUPPLIERS

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

CHIPS, SNACKS & CANDY

AFID 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
Kars 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

AFID New England Coffee Co. (717) 733-4036

CONSTRUCTION & BUILDING

Avedian Development (248) 766-2543
DKI Demolition & General Construction (248) 538-9910
LDT Engineering LLC (616) 638-2147

CONSULTING & MARKETING

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

CREDIT CARD PROCESSING

AFID Chase Paymentech 1-866-428-4966

DISPLAYS, KIOSKS & FIXTURES

Detroit Store Fixtures (313) 341-3255
DVDNow Kiosks 1-877-849-4272
Rainbow Hi Tech (313) 794-7355

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

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

GASOLINE WHOLESALE

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

GREETING CARDS

AFID Leanin' Tree 1-800-556-7819 ext. 4183

GROCERY & TOBACCO DISTRIBUTORS

AFID **Liberty USA (412) 461-2700
H.T. Hackney-Grand Rapids 1-800-874-5550
United Custom Distribution (248) 356-7300

GROCERY WHOLESALE & DISTRIBUTORS

Affiliated Foods Midwest (262) 654-1111
Capital Sales Company (248) 542-1111
Cateraid, Inc (517) 546-1111
D&B Grocers Wholesale (734) 513-1111
Fun Energy Foods (269) 934-1111
General Wholesale (248) 355-1111
George Enterprises, Inc (248) 851-1111
Great North Foods (989) 356-1111
HKJ, Inc - Wholesale Grocery (248) 930-1111
Jerusalem Foods (313) 846-1111
MGL Select (734) 524-1111
Nash Finch (989) 746-1111
Spartan Stores, Inc (616) 878-1111
SUPERVALU (937) 374-1111
Universal Wholesale (248) 559-1111

ICE CREAM SUPPLIERS

AFID Nestle/Edy's Grand Ice Cream 1-800-328-3397 ext. 140
Frosty Products (734) 454-1111
Pars Ice Cream Co (313) 291-1111

ICE PRODUCTS

Arctic Glacier, Inc 1-800-327-2111
Home City Ice 1-800-759-1111
U.S. Ice Corp (313) 862-3111

INSURANCE SERVICES

AFID North Pointe Insurance 1-800-228-6111
AFID *BCBS of Michigan 1-800-666-6111
AFID **CareWorks Consultants (614) 210-5611
AFID **Cox Specialty Markets (North Pointe) 1-800-648-6111
Underground Storage Tank Insurance
Benchmark Financial Ltd (248) 642-1111
Bencivenga Insurance (Agent John Bencivenga) (248) 931-1111
CIA Financial Group (586) 799-6111
Danno Insurance Agency (248) 649-1111
Farm Bureau/Jason Schoeberlein (517) 522-3111
Frank McBride Jr, Inc (586) 445-2111
Gadaleta, Ramsby & Assoc 1-800-263-3111
GLP Insurance Services (248) 848-0111
Great Northern Insurance Agency (248) 856-9111
Hedman Anglin Bara & Associates Agency (614) 486-7111
Merem Insurance Services (248) 921-1111
Paul Jaboro (East West Insurance Group) (586) 291-6111
Rocky Husaynu & Associates (248) 851-2111
Underwriters Group, Inc (248) 855-2111

AFID indicates supplier program that has been endorsed by AFD.

* Indicates supplier only available in Michigan

** Indicates supplier only available in Ohio

SUPPORT THESE AFD SUPPLIER MEMBERS

INVENTORY SERVICES

PICS Inventory	1-888-303-8482
Retail Inventory Services, Ltd	(586) 977-3435
Target Inventory	(586) 718-4695

LEGAL SERVICES

AFD *Bellanca, Beattie, DeLisle	(313) 882-1100
AFD **Pepple & Waggoner, Ltd	(216) 520-0088
Dentha & Associates	(248) 265-4100
Jappaya Law, PC	(248) 626-6800
Kecskes, Gadd & Silver, PC	(734) 354-8600
Mekani, Orow, Mekani, Shailal & Hindu P.C	(248) 223-9830

LOTTERY

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

MAGAZINE & TRADE PUBLICATION

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

MEAT & DELI DISTRIBUTORS

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

MILK, DAIRY & CHEESE PRODUCTS

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

MISCELLANEOUS

7 Brothers Dish LLC	(248) 747-3474
Bellanca Brothers LLC	(313) 882-1100
Image Hair Design	(586) 258-3488
Rite Way Hardware	(313) 894-5500
Southfield Funeral Home	(248) 569-8080

MONEY ORDERS/MONEY TRANSFER/ BILL PAYMENT

AFD MoneyGram International	Michigan (517) 292-1434
	Ohio (614) 878-7172
IPP of America	(973) 830-1918

OFFICE SUPPLIES

AFD Staples	1-800-693-9900 ext 584
--------------------	------------------------

PAYROLL PROCESSING

AFD ADP - Automatic Data Processing	1-877-634-1434
--	----------------

PHONE/CELLULAR/PHONE CARDS

Communications Warehouse	1-888-549-2355
Wireless Experts (AirVoice cell phones)	1-800-944-CELL

PIZZA SUPPLIERS

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

POINT OF SALE/REGISTERS

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

PRINTING & PUBLISHING

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

PRODUCE DISTRIBUTORS

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

PROPANE

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

REAL ESTATE

Judeh & Associates	(313) 277-7989
Kuzana Enterprises (Property Management)	(248) 210-8229
Lighthouse Real Estate	(248) 210-8229
Signature Associates - Angela Arcon	(248) 359-3838
The Saleh Group	(614) 419-5678

RECYCLING

WasteONE	(810) 624-9993
----------	----------------

REFRIGERATION

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

RESTAURANTS

Ram's Horn	(248) 350-3430
------------	----------------

REVERSE VENDING MACHINES/RECYCLING

TOMRA Michigan	1-800-610-4866
----------------	----------------

SECURITY SURVEILLANCE/ COMPUTER SERVICES

AFD MIST Innovations	(313) 974-6786
Central Alarm Signal	(313) 864-8900

SHELF TAGS

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

SODA POP, WATER, JUICES & OTHER BEVERAGES

AFD *Intrastate Distributors	(313) 892-3000
AFD *Pepsi Beverages Company	
	Detroit 1-800-368-9945
	Howell 1-800-878-8239
	Pontiac (248) 334-3512

7UP Bottling Group	(313) 937-3500
Absopure Water Co	1-800-334-1064
Beverage Plus	(702) 586-0249
Central Wholesale Food & Beverage	(313) 834-8800
Coca-Cola Bottlers of MI	

Auburn Hills	(248) 373-2653
Belleville	(734) 397-2700
Metro Detroit	(313) 868-2008
Port Huron	(810) 982-8501

Coca-Cola Bottling - Cleveland	(216) 690-2653
Faygo Beverages Inc	(313) 925-1600
Garden Food Distributors	(313) 584-2800
Grandad's Sweet Tea	(313) 320-4446

TOBACCO COMPANIES

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

WINE & SPIRITS COMPANIES

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

WINE & SPIRITS DISTRIBUTORS

Galaxy Wine	(734) 425-2990
Great Lakes Wine & Spirits	(313) 867-0521
National Wine & Spirits	1-888-697-6424
	1-888-642-4697

AFD indicates supplier program that has been endorsed by AFD.

* Indicates supplier only available in Michigan

** Indicates supplier only available in Ohio

Dogs and Cats: Retail Rainmakers

By Phil Lempert

Long regarded as a recession-resistant area, the pet foods category didn't disappoint during this economic tumult.

According to the American Pet Products Association (APPA) 2009-2010 National Pet Owners Survey, 45.6 million U.S. households own at least one



dog and 38.2 million own at least one cat. About 77.5 million dogs and 93.6 million cats are owned across the U.S.

APPA estimates that owners will spend \$18.28 billion on pet food alone in 2010, up from \$17.65 billion spent in 2008. The 2010 breakout for each owned dog will be \$229 on food plus \$64 on treats; the projection for cats is \$203 for food plus \$37 for food treats.

U.S. food, drug, and mass merchandiser stores captured a high proportion of pet food spending in the 52 weeks ended January 23, 2010—\$11.88 billion, up 5.7 percent over the prior year, a growth rate sliced nearly in half from the prior year's advance of 11.1 percent, according to Nielsen figures.

It doesn't mean people are feeding their dogs and cats less. Most likely they are being lured by the appeals of specialty stores such as Petco and PetSmart, which allow pets into the stores, run events, and have broader assortments. By contrast, supermarkets tend to treat this department as a convenience rather than a destination.

Still, that 5.7 percent dollar growth looks pretty good compared with human food categories—especially

since it is driven by just 70.8 percent of U.S. households which bought a pet food product at least once during the 52 weeks ended December 26, 2009, according to Nielsen Homescan Consumer Facts. This is a cumulative household penetration figure that incorporates several dog and cat food and treat segments. The highest among them: dog and cat treats (47.3 percent), followed by dry dog food (37.6 percent), and dry cat food (35.3 percent). All Nielsen data are for prepackaged, UPC-coded products only.

Dollar sales of dry dog food, the largest segment, jumped by 10.6 percent to \$4.36 billion in the 52 weeks ended January 23, 2010, on top of a 13.7 percent gain in the previous year. The private label component of dry dog food leaped by 18.3 percent to \$878.5 million, while the branded component advanced by 8.8 percent to \$3.48 billion, the data showed.

Dollar sales of dry cat food, the second-largest segment, grew by 6.3 percent to \$2.17 billion in the latest 52 weeks, following a 10.1 percent rise the year before. The private label component of dry cat food slid 3.0 percent to \$267.4 million, while the branded component rose by 7.8 percent to \$1.91 billion, Nielsen reported.

The dollar sales growth rates of larger bags—which provide a lower cost per ounce—reached the double-digit range. Bags of dry dog food between 30.1 and 42.0 pounds were up 22.5 percent, and bags larger than that were up 11.4 percent in the latest 52 weeks. Bags of dry cat food larger than 10 pounds were up 17.4 percent during the period.

Phil Lempert is a monthly columnist for Progressive Grocer magazine and Gourmet Retailer magazine, and he blogs twice a week for iVillage.com and Today.MSNBC.com. ■■■



July 14, 2010

AFPD's Annual Michigan Golf Open

Fox Hills Golf Course

8768 N. Territorial, Plymouth, MI 48170

July 22, 2010

6th Annual AFPD/Liberty USA Golf Outing

Weymouth Golf Club

3946 Weymouth Rd., Medina, OH 44255

August 3, 2010

Joseph D. Sarafa Annual

Scholarship Luncheon

Detroit Institute of Arts

5200 Woodward Ave., Detroit, MI 48202

Call Lauren Kopitz—800-666-6233 for more information on all events

Statement of Ownership

The AFPD Bottom Line (USPS 082-970; ISSN 0894-3567) is published monthly by ARION Media Services for the Associated Food & Petroleum Dealers (AFPD) at 30415 W. 13 Mile, Farmington Hills, MI 48334. Material contained within *The AFPD Food & Petroleum Report* may not be reproduced without written permission from AFPD.

The opinions expressed in this magazine are not necessarily those of ARION or AFPD, its Board of Directors, staff members or consultants. Bylined articles reflect the opinions of the writer.

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

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

AFPD works closely with these associations:





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

For all your sign needs!

I Signs
& Designs Inc.

\$75 PER HOUR SERVICE CALLS

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

We deliver far more than just inventory.



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

We don't have to tell you that running your business is tough. We can help you make it...well, a little less tough. We offer everything you need to stay ahead of the competition, including over 40,000 competitively priced private label and national brands, and almost 100 different services. Call Jim Gohsman at 616-878-8088 or visit us at www.spartanstores.com to find your complete solution.

Spartan
Stores