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Heat Up Winter Sales

7 Faces of Mealtime Decisions
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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.
James Hooks
AFPD Chairman

Seasons Change

It’s hard to believe that after such a long, uncharacteristically hot summer, we have finally arrived at the cooler days of autumn. Similarly, Jane Shallal, AFPD’s president and CEO for the last half decade, is entering a new “season” of her own—the life of a retiree.

Jane has been a powerhouse of activity and accomplishment at AFPD. Quite frankly, she is one of the hardest working people I know. What I admired most about her work is that she always made sure to focus on initiatives that put the interests of AFPD members first—not her own agenda or the board’s or the government’s—always, it’s been members first. Of course, that’s the way it should be.

If you missed Jane’s “good-bye” in the last issue of AFPD’s Bottom Line, dig up a copy and read it. Many of us said our good-byes to Jane at the most recent AFPD trade show last month—she was all smiles, excited and ready to begin her new journey.

And now, those of us “left behind” have turned our attention to marketing for Halloween, Thanksgiving, and the rest of the holiday season, which is startlingly close. What new product display ideas do you have planned to help your store sell more candy, more turkeys, more champagne? It’s time to plan and create these displays now before the holiday is staring you in the face. Keep your store displays and interior décor fresh and connected to the season—you’ll get your customers in the “buying” mood.

Speaking of turkey, AFPD is sponsoring Turkey Drives in both Michigan and Ohio this year. See the ad and coupon on page 19 for more information, visit the AFPD website at www.afpdonline.org, or call the AFPD offices at (800) 666-6233 to find out how you can contribute and get involved. The AFPD Turkey Drive is one of the most rewarding and important activities this association accomplishes each year. True, times are tough everywhere, but they have been exceptionally tough on so many. Whatever you can do to help will be greatly, greatly appreciated.

The new AFPD president and CEO was found within our own ranks: Auday Arabo, formerly COO of the association. Please make sure to congratulate Auday and offer your support and feedback next time you see him. Auday takes the AFPD reins at a challenging economic time, but with no doubt, his energy and determination will lead this association forward. It’s a new season for many of us, and we have much to be grateful for.

Jane has been a powerhouse of activity and accomplishment at AFPD.
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Michigan Updates

Opposition to Storage Tank Fee Extension
AFPD testified at the Michigan Senate Natural Resources and Environmental Affairs Committee hearing in opposition to S.B. 1267, which would extend the Michigan Underground Storage Tank Fee for five years beyond the December 31, 2010 sunset date. AFPD maintains that the $50 million annual proceeds are being "redirected" by the legislature to the General Fund, rather than be used for cleanup.

Letter to EPA
AFPD sent a letter to the U.S. EPA opposing the implementation of a mandate requiring universal E-15 (85 percent neat gasoline and 15 percent ethanol) before adequate scientific analysis is completed on the effect of E-15 on underground storage tanks, piping, dispensers, hoses, and nozzles. Tests are being conducted, but results are not yet complete; however, EPA wants to forge ahead with this mandate. Other regional and national associations have joined AFPD in opposition to this mandate.

Meeting with Upcoming Senate and House Candidates
AFPD attended a Michigan Chamber of Commerce meeting where candidates for the upcoming Michigan House and Senate election were available for discussions.

Meeting with Sen. Birkholz on MUSTFA
AFPD met with Michigan State Senator Patricia Birkholz and representatives from MPA/MACS and API to oppose the extension of the MUSTFA collection, which sunsets on December 31, 2010.

Meeting with Sen. Anderson on MUSTFA
AFPD also met with Michigan State Senator Glenn Anderson to discuss the effect of the MUSTFA collection and its redirection to the General Fund, on behalf of our retail members who might suffer an underground storage tank release.

Ohio Updates

Ohio Employers on Hook for Workers' Comp Safety
Many changes have taken place within the Group Rated Workers' Comp Program that will cause employers to be more involved in Safety issues. AFPD and CareWorks will continue to keep you updated on these issues. We highly recommend you review the latest changes on AFPD’s website at www.afpdonline.org (click on Education, then Workers' Comp).

Ohio Lottery Meeting
AFPD met with the director of the Ohio Lottery, Kathleen Burke, in late September to further discuss the need for an increase in Agents' Commission. We will keep you posted as this develops further.

Ohio Commercial Activity Tax
AFPD is in the process of meeting with other associations to discuss working together to defend retailers against a possible increase in the Commercial Activity Tax (CAT).

Small companies will play a key role in Congress' decision on whether to allow tax rates to increase next year for high-income Americans. If Congress does nothing, all the reductions in income tax rates enacted during President Bush's administration will expire on December 31, 2010. That would trigger higher taxes for middle-income Americans, as well as the wealthy.

Ohio Lottery Meeting
AFPD met with the director of the Ohio Lottery, Kathleen Burke, in late September to further discuss the need for an increase in Agents' Commission. We will keep you posted as this develops further.

Ohio Commercial Activity Tax
AFPD is in the process of meeting with other associations to discuss working together to defend retailers against a possible increase in the Commercial Activity Tax (CAT).
AFPD Board Confirms Auday Arabo As New President & CEO

AFPD board of directors has named Arabo the new president and CEO of the association, filling the position left vacant by retiring Jane Shallal. Arabo is uniquely qualified for the job, having served as chief operating officer (COO) of AFPD during the two years.

"It is an honor and privilege to be selected as new AFPD president and CEO," Arabo. "I am humbled by the board of directors’ strong support and confidence in my leadership abilities and vision."

Arabo added that he will miss working with Shallal, who recruited him from Southern California, where he was serving as president and CEO of the Neighborhood Marketing Association. "I wish Shallal plenty of rest and relaxation in the coming years," says Arabo.

Arabo is the oldest of five children. His parents brought him and his siblings to San Diego from Baghdad, Iraq in 1976. By age 10, Arabo began bagging groceries — and he has stopped working since. He learned the retail business by accompanying his father and grandfather to work at Wrigley's Supermarket.

Arabo graduated from San Diego State University where he majored in Political Science with a minor in History. Upon graduation, Auday joined U.S. Representative Bob Filner's Congressional staff, working in Washington, D.C. as a legislative correspondent for nine months.

Arabo returned to San Diego and attended California Western School of Law, finishing in 2½ years and graduating in the top one-third of his class. Arabo excelled as a prosecutor in the San Diego County District Attorney's Office. However, one year, Arabo changed careers to use his knowledge of illegal government relations, and the law to help improve the California Independent Grocers and Convenience Stores.

Arabo was the driving force behind the 2007 merger of California Independent Grocers and Convenience Stores and the California Beverage Merchants, which created the Neighborhood Market Association, the largest independent grocers association on the West Coast. In December 2008, he moved to Michigan and became AFPD’s COO.

Arabo serves on numerous community and industry boards and charity groups. He is married to Alivia Kassab Arabo and resides in West Bloomfield, Mich., with their baby boy, Augustine Paul Arabo.

Achievements at AFPD

At AFPD, Arabo has achieved numerous accomplishments, including:

- Helping to recruit 598 new members to the association in 2009 and signing up 303 new members in 2010 to date.
- Implementing a number of successful money-saving programs for members.
- Creation of Joseph Sarafa Annual Scholarship Luncheon.
- Creation of AFPD Annual Calendar and helping to transition the AFPD monthly magazine, *Bottom Line*, into a new format.
- Changing the revenue model for AFPD from sponsorship base to member base and membership services.
- Strategic planning of AFPD events and creation of annual marketing plans.
- Working on legislation, such as food stamp disbursement, recycling and the bottle bill, and alcohol and tobacco issues.

This list of achievements, as well as others, led the board to approve Arabo as AFPD's new president and CEO on September 21, 2010. “AFPD will be facing some new challenges in this tough economy, but we are confident and look forward to facing each obstacle in stride,” says Arabo. "AFPD has had an incredible 100 years of history in the business community, but I firmly believe our best days are yet to come."
On the heels of a successful Michigan Golf Outing, AFPD, along with its partner, Liberty USA, sponsored a similar event for its Ohio members on July 22 at the Weymouth Golf Club in Medina, Ohio. More than 130 golfers participated in the event, which with the help of sponsors, raised funds for AFPD to award (four) $1,000 scholarships to deserving college students. One of this year’s scholarship recipients is Ari Frum (center), pictured here with his mother, Shere Frum, and AFPD Vice President Ron Milburn.

The happy faces on AFPD’s Ed Weglarz, executive vice president—petroleum, and the Liberty USA team exemplify the great time enjoyed by all participants. A special thank you to the sponsors who made the 6th Annual AFPD/Liberty USA Golf Outing possible!
AFPD Member Exclusive!!
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AFPD/Nestle Ice Cream and Frozen Food Program

All AFPD Member Stores (Gas Stations, Convenience Stores, Liquor Stores, non-advertising groups, etc) will receive a 9% quarterly rebate on all Nestle Net Ice Cream and Frozen Food Brand 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 and Frozen Food Brand 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-Qualification 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!
Consumers Think Organic Means: ‘I Can Eat More’

The illusion of “healthy” drives consumers to eat more, buy more and therefore spend more. A recent study by the Cornell University Food and Brand Lab set out to understand how organic labels on less healthy snacks may influence perceptions and habits.

Fifty-four college students were randomly assigned to try cookies that were labeled ‘organic’ or cookies that had no label. Both groups of cookies were in fact Organic Oreos, made with organic sugar and flour. Participants rated the nutritional, value, and sensory attributes of the cookies, and were also asked about their personal environmental awareness and behavior, e.g., whether they recycled and liked being outdoors, as well as their shopping habits and nutrition consciousness.

Those who consumed ‘organic’ labeled cookies believed they had approximately 40 percent fewer calories, more fiber, and were overall more appetizing in appearance than those who consumed and rated the non-labeled cookies.

Brian Wansink the director of Cornell’s Food and Brand Lab and co-author on the study says, “an organic label gives a food a ‘health halo,’ It’s the same basic reason people tend to overeat any snack food that’s labeled as healthy or low fat. They underestimate the calories and over-reward themselves by eating more.’

Clearly, health labels stimulate purchase and consumption, but these findings also reinforce the misperception that organic foods are in fact “healthier” alternatives, highlighting the fact that food and nutrition education is still lacking—even with college students.

(Excerpted with permission from Supermarket Guru.)

Food & Beverages Preferred Over Vitamins

Consumer interest in food and beverages that offer health benefits is greater than, or similar to, interest in vitamins and supplements that provide the same health-and-wellness benefits, according to a new global study conducted by New York-based Ipsos Marketing, Consumer Goods.

According to the report, consumers have greater interest in products that offer better digestive health, increased energy, weight loss, and healthy blood sugar levels. In fact, shoppers’ level of interest in food and beverages with these benefits equaled or surpassed their interest in vitamins and supplements offering corresponding benefits.

“The data suggests that consumers are most interested in health-and-wellness products in which there is already an established connection between the product and the benefit,” Lauren Demar, CEO, Ipsos Marketing, Global Consumer Goods Sector, told Progressive Grocer.

Nielsen Study: Consumers Seek Out Cheaper Gas

Nearly half (45 percent) of U.S. households are diligently seeking cheaper gas prices, The Nielsen Co. has found. The economy has consumers looking for cost savings across the board, even if it means they revert to some pre-recession behaviors, said Todd Hale, senior vice president, Consumer & Shopper Insights, Nielsen.

“Even though gas prices are reasonably elevated relative to recent years, consumers continue to employ money-saving strategies, such as using coupons and purchase incentives, as means to deal with gas costs given overall economic concerns.”

Other findings:
- Consumers continue to combat high gasoline prices by combining errands/trips (63 percent), doing more at home (39 percent) and reducing spending to a small degree (29 percent), moderating from what was seen at the peak of the recession.
- Eating out less (46 percent) and coupon use (38 percent) rank as money saving strategies during gasoline costs, elevated from recession times.

See INDUSTRY NEWS, page 10.
Supercenters are losing some appeal for consumers seeking gasoline savings; only 26 percent of households say they shop more at supercenters to save on gasoline compared to 28 percent a year ago. Six percent of households say that gasoline prices have no impact on their driving or spending; double the response in June 2008.

Some consumers buy gasoline at locations because of incentives tied to their spending at stores where they shop, such as grocery stores (24 percent); convenience stores/gas stations (19 percent); warehouse clubs (14 percent) and mass merchandisers (7 percent). If the 85 percent of households buy gasoline in these locations, 79 percent do so because of low gasoline prices; 67 percent for the convenient location; 14 percent for the shopper's loyalty cards, and 8 percent because they like to purchase lottery tickets.

Consumer packaged goods (CPG) retailers continue to demonstrate good marketing and merchandising tactics linking in-store spending to gas savings at their pumping sites or with participating petroleum companies,” said Hale. “Some programs have been extended to reward shoppers with gas rewards and in-store savings based on spending. Other programs include participation from manufacturer brands. While gas prices are a bargain compared to mid-2008, filling up a 15-gallon tank presents a significant cash outlay for an opportunity for CPG retailers and manufacturers alike to offer saving solutions.” (Excerpted with permission from CSP Daily News.)

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—February 11, 2011—
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Frugality Can Make a Difference

While visiting a member’s store, the thing I noticed first when I walked into his office wasn’t the mess, but rather a printer cartridge and a large needle on the desk. When I raised an eyebrow, he simply explained, “Refilling these printer cartridges is easy. Every time I refill one on my own, we save a few bucks.” With that, he pulled the trigger on the needle, refilling another cartridge.

A few days later at another small insurance office, I glanced at the receptionist’s desk and noticed she had a big stack of note paper next to the phone for quick messages and missed-call reminders. The note paper itself wasn’t interesting—what was fascinating was that the back of the notes contained snippets of business letters. The receptionist, it turned out, saved old business letters, used a paper cutter to cut bundles of them into fourths, and used the backs of those letters for note pads.

Frugality: It’s an interesting principle. In times of financial trouble, individual people often turn to frugality to save a few dollars. In the words of Charles Dickens in his immortal novel, David Copperfield, “Annual income twenty pounds, annual expenditure nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds and six, result misery.” The difference between happiness and misery is literally a few pennies.

Businesses that are so focused on the bottom line tend to look mostly at the acquisition of goods at a minimal price and the selling of goods at a maximum price. Frugality usually happens in the middle. You don’t practice frugality when acquiring or selling goods; you practice frugality by maximizing the operational items you already have.

For example, look at the items that are being thrown out in your store. Could that cardboard box be used to keep someone’s desk drawers organized or store records? Why not use the back of that paper as a notepad? Couldn’t we just refill that ink cartridge?

Similarly, look at the items no one is using before you buy something new. Do you need new light bulbs when there are perfectly good ones in that unused storeroom stuck in the sockets there? Do you need to get more toilet paper when there are dozens of rolls in the men’s room? Do you need new motivational posters, or could you just move around the ones you already have so different posters catch different eyes?

These seemingly little steps, when added up, make a difference between happiness and misery. Over time, they add up to not missing an income tax payment (and accumulating late fees). They add up to being able to retain a great employee. They add up to those little things that separate a good business from a marginal business.

The best place to start, though, is you. Set a frugal example in the store. Don’t spend your business money on an expensive “executive”-branded item. Instead, use the same equipment everyone else uses—or use even more bare bones equipment. Modify an old cardboard box to your desk organizer. Employees will be motivated to find recycled uses for packaging that enters your store. Make this frugality a point of pride for yourself—your employees can use it as a selling point, as you’re passing the value savings on this item straight to your customers.

No matter how many segments of the marketplace you serve with your business, it’s time to shift gears, think frugally, and win.
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Members with Questions Call: Auday Arabo at the AFPD Office at 1-800-666-6233!
Here’s how hot beverages—and their accompaniments—can heat up your sales this fall and winter.

By Carla Kalogeridis

Many consumers are passionate about coffees and other hot beverages, and if your business is not taking advantage of that, you could be missing out on significant profits (see sidebar, “Creating Excitement at Your Coffee Counter.”)

In this day of eliminating the “extras” from one’s budget, consumers have given up so much that a great cup of coffee, tea, espresso, chai, or other hot specialty drink—even if it’s much pricier than what it would cost them to brew at home—is one of the few “treats” that many consumers have continued to indulge in.

In fact, the hot beverage industry has some of the most avid enthusiasts of any other food or beverage product out there. Many consumers rely on these drinks to start their day—and later in the day, to keep them going. To be sure, the full-bodied flavors and aromas of hot beverages on a cool fall or winter day is akin to “comfort food.” And, with recent NACS data suggesting that the gross-margin percentage for hot dispensed beverages is nearly 65 percent, retailers should work hard to maximize the opportunities. Consider this:

- Specialty coffee sales are increasing by 20 percent per year and account for nearly 8 percent of the $18 billion U.S. coffee market.
- Average consumption in the United States is 3.1 cups of coffee per day.
- About 50 percent of the population (150 million Americans) drink espresso, cappuccino, latte, tea, chai, or iced/cold coffees.
- The average price for an espresso-based drink is $2.45.

See HOT TOPIC, page 17
The average price for brewed coffee is $1.38.
The average hot-beverage to-go cup is 9 ounces.
65 percent of all hot beverages are consumed during breakfast hours, 30 percent between meals, and 5 percent with the remaining meals.

According to recent CSP report titled “Full Steam Ahead,” beverage retailers and c-stores are advised to pay attention to current trends in Generation Y demographic (those born between 1976 and 1994). This 65-million strong consumer group is described as interested in organic; preferring complex, layered flavors; and tending toward products made with social responsibility. In short, hot beverage retailers are missing a great opportunity if they don’t cater to this group. For according to the National Coffee Association, a whopping 89 percent of those age 18 to 39 prefer to drink their coffee away from home.

**The Ultimate Hot Beverage Bar**

Convenience stores are not the only businesses king an advantage in America’s love affair with flavorful drinks. According to supermarket guru Phil Lempert, smart grocers are finding creative ways to use hot beverages to increase trip frequency, prolong visits, become a promotional lever, and multiply the impact of the hottest-selling brands on their store shelves.

“The Ultimate Coffee Bar,” as Lempert calls it, is a distinctive supermarket take on popular coffeehouses, though with three powerful advantages the others lack: (1) ample parking spaces, (2) a complete food environment that stimulates, and (3) the ability to fresh-brew multiple brands (not just flavor varieties), which appeal to consumers that want to sample freely and change up their tastes sometimes.

Here are several steps from Lempert to jumpstart your store’s “Ultimate Coffee Bar”:

- On an individual store basis, identify the six best-selling packaged coffee SKUs—they could be Dunkin Donuts Hazelnut, Starbucks French Roast, Maxwell House Regular, or any other brands. You could do the same thing with teas, ciders, chocolates, eggnogs, or other popular hot beverages.
- Brew these brands consistently. Also, build a ‘first-to-market’ excitement by sampling new varieties promoted and supported by the consumer packaged goods (CPG) brand. Study frequent shopper data to identify the favorite coffees of this key group, and brew these too.
- Analyze customers’ market baskets to see what else they buy when they take home packaged coffees, teas, hot chocolates, eggnogs, etc.—and promote and serve these relevant items at your Ultimate Coffee Bar. Donuts, bagels and spreads could be just the start.
- Don’t forget creamers, milks, and the latest sweeteners that health-driven customers want.

One more tip for both grocers and c-stores: 98.5 percent of coffee, tea, hot chocolate, etc. is water—so make sure you know how good your water is.

**Get Them Thinking**

As with any product, the best way to sell more is to provide consumers with ideas on how to use it. For example, create displays or include articles on your website, circular, or newsletter that describe the most popular hot drinks for wintertime, including:

- **Hot Toddy**—made with Darjeeling tea, whiskey, ginger wine, cloves and cinnamon.
- **Hot Tea Punch**—made with Ceylon tea, Amontillado cherry, rum, lemon, lime, and honey.
- **Café Brulot**—made with strong black coffee, brown sugar, cloves, lemon peel, orange peel, cinnamon, vanilla, and brandy.
- **Spicy Cardamom**—a winter spice to add warmth and zest to mulled wines and hot winter punches. Also used to enhance the flavor or strong or bitter coffees and teas. Served with milk and honey.
- **Hot ciders**—add cranberry juice, pineapple juice, and cloves to elevate the taste of ordinary apple cider.

There are a variety of recipes for these drinks that can be found on the Internet. Take the time to research, taste test, and recommend creative hot beverage ideas for your customers. And don’t forget to suggest the complementary food item(s) that will lead to the ultimate hot beverage experience for your customers—and increased sales for you.

Hot beverages represent excellent profit margins and good growth potential for grocers and c-stores—and the accompanying wines and liquors in many of the most popular specialty hot drinks represent opportunities for liquor stores. Take the time to research, market, and build displays that will introduce your customers to new ways to enjoy hot beverages this winter.

New England Coffee is owned and operated by a third generation of the Kaloyanides and Dostou families and has been providing quality and service for more than 90 years. New England Coffee’s belief in the highest standards of customer service and product quality has been passed on in the true tradition of family business.

In the early years, the company was located in a building at the corner of Milk and Broad Streets in Boston, where hand-roasted coffee was delivered by horse and wagon. New England Coffee’s first truck was purchased in 1918, after which other family members started to join the business. In 1966, after outgrowing several homes in succession, the company finally settled into its present location at 100 Charles Street in Malden, Massachusetts.

Today, New England Coffee occupies five buildings and has dramatically expanded its manufacturing and packaging capabilities. While the company has grown to become New England’s largest independent coffee roaster, its philosophy and goals are still the same: to buy and sell premium coffee and provide the best service possible.

Admittedly, New England Coffee says its methods are not cutting edge. In fact, they’re antiquated by most people’s standards, and the company has no plans to change that. It’s the only way New England Coffee knows how to make sure that its customers always enjoy a consistently great cup of coffee.

Although very proud of its products and service, New England Coffee President and Chief Operating Officer Jot Kaloyanides says the company values most its history of giving back to the community. “We are firm believers in the philosophy ‘Think Globally, Act Locally,’” he explains. “Over the years we’ve set aside time to adhere to this principle.

For example, each year for the past 16 years Kaloyanides and his colleagues have volunteered their time to put on a golf tournament that raises money for Rosie’s Place and Hospice Care. The proceeds from the event enable Rosie’s Place to provide shelter, and job training to women in need, and for Hospice Care to continue to offer care and support to those with terminal illnesses.

In addition to these two admirable organizations, New England Coffee has vowed to support American troops overseas for as long as necessary. Each month, the company sends cases of coffee to military personnel stationed at Sather Air Force Base in Baghdad, Iraq. In addition, through the coordination of local volunteers, New England Coffee supports Holy Joe’s Café, an informal coffee house where members of all military divisions seek respite and enjoyment of coffee.

“While the scope and the style of each of our charitable endeavors vary,” says Kaloyanides, “one element remains the same: members from the New England Coffee family are always actively and passionately involved.”
THANKSGIVING TURKEYS

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ANNUAL MICHIGAN TURKEY DRIVE

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All donations are 100% tax deductible. Please see your tax advisor for guidance on your specific tax situation.

Signature ____________________________
How to Sell More Tea

Tea comes in more than 3,000 varieties. In fact, tea is the most commonly consumed beverage in the world after water.

When buying wholesale tea and products for your business, you may frequently run across industry-specific terms you might not be familiar with. Tea selling is easier, of course, if you fully understand these terms.

Tea terms may include descriptions for specialty teas, types of loose tea, regions in which tea is grown, flavors, and much more. Understanding tea terms will help you decipher the most commonly used tea-related jargon, focusing on tea-growing location, and tea flavor. When offering various teas in your store, consider the following:

1. Where a tea is grown can greatly affect its quality and flavor.
2. Using terms for describing a tea’s flavor in your product displays can increase your tea sales.
3. Understanding terms tea distributors use may help you better understand the sort of tea you’re buying.

Fully oxidized, oolong tea is semi-oxidized, and green tea is un-oxidized.

Studies show that black tea, green tea, and oolong tea are all produced from the same plant (the tea plant, Camellia sinensis). However, each is oxidized (or fermented) differently. Black tea is fully oxidized, oolong tea is semi-oxidized, and green tea is un-oxidized.

Tea distributors may focus on a specific type of tea, a specific region where leaves grow, or a specific grade of leaves. Herbal tea companies generally focus on tea infused with herbs. International importers focus on types of loose tea or sell tea for a China or Japan tea manufacturer. Increase your markup and profit with unique and tasty teas that consumers can’t buy from Target or Wal-Mart. Before you begin selling tea:

1. Look for companies that sell tea products wholesale.
2. Request samples of tea before placing a large opening order.
3. Find a company with a satisfaction or freshness guarantee.

Understand Tea Basics

The processing of the leaves determines the type of tea created. White tea is the least processed type of tea. Green tea doesn’t oxidize; it’s allowed to wither and dry naturally, preserving the green color. Oolong leaves oxidize the shortest amount of time and black leaves oxidize the longest of the tea leaves.

Tea is the world’s most commonly consumed beverage in the world after water.

Fully oxidized, oolong tea is semi-oxidized, and green tea is un-oxidized.

Tea distributors may focus on a specific type of tea, a specific region where leaves grow, or a specific grade of leaves. Herbal tea companies generally focus on tea infused with herbs. International importers focus on types of loose tea or sell tea for a China or Japan tea manufacturer. Increase your markup and profit with unique and tasty teas that consumers can’t buy from Target or Wal-Mart. Before you begin selling tea:

1. Look for companies that sell tea products wholesale.
2. Request samples of tea before placing a large opening order.
3. Find a company with a satisfaction or freshness guarantee.
Understand Tea Location

In buying tea products wholesale, a tea distributor should indicate what its teas are grown in the world. One of these place names, however, may be unfamiliar to those not intimate with tea terms. For example, Assam tea is from northeastern India, Darjeeling is from Darjeeling India and Nilgiri is from south India. Ceylon and Nuwara are teas from Sri Lanka. Congou is a word used for northern China’s whole leaf black tea. Formosa is a term used for describing tea grown in Taiwan.

For more information about tea terms related to tea-growing location, check out www.coffeeteawarehouse.com, which provides background information on teas in geographic areas such as China, Russia, India, Africa. The United Kingdom Tea Council at www.co.uk/tea-and-business also has an interactive map showing you to see all the major producers of tea and info about tea in those regions.

Understand Tea Taste

When selling tea, there are many useful terms used to describe the flavor. Take advantage of these terms to help your customers understand what sort of tea they are purchasing. For example, “autumnal” describes the taste of teas grown during the fall, “cream” describes the cloudiness you might observe as the tea cools (the best teas have a bright cream), and “thin” means the tea has been fermented inadequately.

Understand Health Benefits of Tea

Numerous studies have demonstrated the anti-cancer properties of antioxidant teas, based on a consumption of 2 to 4 cups a day. Other benefits include prevention of blood clotting and lower cholesterol levels. One Japanese study found that green tea lowers death rates from heart disease, although this claim has not been certified by the FDA.

In fact, tea ranks as high as or higher than many fruits and vegetables in the ORAC score, a score that measures antioxidant potential of plant-based foods. A cup of tea also contains only half as much caffeine as a cup of coffee, according to the American Dietetic Association. You can use this information to create an interesting display, educate your customers, and sell more tea.

New Dairymens®

Refreshing Iced Tea

- 3 Exciting New Tastes
- Brewed Sweet Tea
- Green Tea with Ginseng and Honey
- Tea Cooler: Half Tea/Half Lemonade
- Popular 64oz Size
- Naturally Flavored
- No High Fructose Corn Syrup

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Dairymens Green Tea with Honey and Ginseng
UPC - 0*72804-00962-6

Dairymens Tea Cooler
UPC - 0*72804-00961-9

October 2010
AFPD/Pepsi Beverages Company Program

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

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

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

- **ALL OTHER RETAILERS** - Incremental $0.25 per case above & beyond your pricing on all 2 liter bottles of Crush, Mug Root Beer, Sierra Mist & Lipton Brisk products and $0.50 per case on 20 oz. Must place one full shelf (7 skus) 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!
Krispy Krunchy-Lipari Form Partnership after AFPD Trade Show

most retailers know, one key to success is to be in the right place at the right time. That was certainly true for Donna Crawford when she attended PD’s 26th Annual Food & Petroleum Show in April and met Scott Berman, vice president of category management at Lipari Foods.

Crawford is the marketing partner for Krispy Krunchy Chicken in Michigan and parts of Ohio. Affectionately known as KK, this small Louisiana company—with a product that Crawford says “is so good it sells itself”—decided just three years ago to go national. Today, there are locations in 25 states, mostly in c-stores: Michigan has 15 locations, with two more just opened in September.

Although Krispy Krunchy looks like a franchise to customers—and trains and supports its retailers like a franchise—there are no royalties or franchise fees. Finding an effective distribution network is critical, and Lipari foods matched that requirement perfectly. Krispy Krunchy executives visited Lipari’s state-of-the-art facilities, were impressed by Lipari’s can-do attitude, and a partnership was born.

Be sure not to miss your chance to be in the right place at the right time. Make plans now to attend AFPD’s annual Food & Petroleum Trade Show in either Michigan or Ohio next April. Check it all out on www.AFPDonline.org.

(Editor’s note: For more on Lipari Foods, read their Supplier Spotlight in June 2010’s AFPD Bottom Line. Stay tuned for a spotlight on Krispy Krunchy’s business model in an upcoming issue, or visit www.krispykrunchy.com.)
By Michael Sansolo

Supermarket retailers don’t have to look too far to find a potential silver lining in all the current economic challenges. Virtually every consumer article on budget-stretching strategies highlights the incredible savings gained by moving meals back home.

Whether it comes to breakfast, lunch, or dinner, any shift in shopper behavior would translate into strong gains in sales, profits and long-term relations with customers. Yet the benefits offered by the economic conditions can be undone if retailers don’t understand the complex decisions shoppers go through in planning and cooking each meal every day of the week.

Eating In: Growing Sales by Helping Customers Eat Home More, the newest study from the Coca-Cola Retailing Research Council (CCRRC), provides significant details on the sales benefits involved in winning back each meal occasion, examines the challenges and opportunities at each occasion, and outlines creative strategies retailers can use to best position themselves.

But what might be most useful is how the NPD Group, the recognized expert in shopper and mealtime behavior that conducted the study, characterized key shopper traits that help explain how decisions are made. By understanding and marketing to these need states, a retailer can better serve and satisfy key shopping trips. The seven “faces” of mealtime decision include:

1. Last Minute No Brainers. More than 20 percent of the time, shoppers find themselves thinking this way. It’s all about getting dinner on the table quickly, so this is the perfect opportunity to market meals that are easy to make, eat, and clean up. Keep in mind that for most dinner occasions, more time is spent in preparation and clean up than on eating. Emphasize easy meals as shoppers find themselves looking for these quick solutions more than any other mealtime option.

2. Thrifty Repeats. This mealtime option is about using what’s in the home already. Retailers can play up the low-cost per servings of supermarket meals and the many different ways foods can be used as leftovers.

3. Tasty Creations. This is a very different dinner time, when shoppers want to try something new and exciting. Merchandise new recipes, new products, and new tastes. Keep in mind; shoppers are in this mood about once a week, so seize this opportunity.

4. Nourishing Fare. Americans know they need to eat healthier but sometimes don’t know how to make the right decisions. When thinking along these
even Faces

lines, shoppers appreciate recipes and products that offer healthy choices.

5. Kids' Delights. For younger families, finding foods that kids enjoy is always an issue. Offer recipes and ideas that meet this need, while also featuring sale prices and health benefits. And consider competition to let local moms share and compare recipes.

6. Family Entertaining. Although this isn’t one of the most common mealtime drivers, it’s incredibly important. Emphasize the importance of family meals and feature recipes that can let everyone get involved in the process. These special mealtimes can help build interest in more regular occasions.

7. Hearty Fuel. Although this is the least cited mealtime experience—less than 10 percent of the time—it, too, has sales potential. Emphasize comfort foods and dishes like casseroles that could feed the more common need for Thrifty Repeats. Understanding these different mealtime needs can help retailers better align with shoppers. Remember, the sales gains of winning back just a few meals each week can result in major gains in sales and customer loyalty.

Michael Sansolo is research director of the Coca-Cola Retailing Research Council. Previously, he was senior vice president of education, research, and industry relations at FMI. The Eating In study is available free of charge at www.ccrrc.org.

Stability Matters!

Associated Food & Petroleum Dealers, Inc. (AFPD) partners with CareWorks Consultants Inc. (CCI) because CCI delivers the most significant cost savings to our members. CareWorks Consultants, the leading third party administrator (TPA) in Ohio, is the only Ohio owned and operated TPA among the industry leading TPAs servicing Ohio employers. This equates to long-term stability for our workers’ compensation program participants.

CareWorks Consultants integrates workers’ compensation safety prevention and risk control with aggressive claims management to provide a sizeable return on investment. We strive to exceed customer expectations and reduce the impact of workers’ compensation costs. As a result of delivering best-in-class service to our customers, CareWorks Consultants is proud to maintain one of the highest client retention rates in the industry.

The CareWorks Consultants Difference

Stability
• CCI, Ohio-owned and operated, is the leading third party administrator in Ohio serving over 31,000 Ohio employers.

Service
• CCI has consistently maintained a 97% client retention rate—one of the highest in the industry

Return on Investment
• In 2009, for every dollar spent on fees, CCI’s clients saved $9.00—a 900% return on investment.

Comprehensive Services
• Claims Management Services
• Hearing Representation
AFPD members are offered the highest possible savings, depending on eligibility. Even if you don’t qualify for group rating, CareWorks Consultants can assist you in determining the best possible BWC premium discount program. CareWorks Consultants’ comprehensive analysis maximizes our members’ potential BWC savings, helping you understand and decide which BWC program will help lower your costs the most.

Find out for yourself why organizations choose and remain with CCI! To apply go to: www.careworksconsultants.com

groupratingapplication/afpd.

Please contact Katie Cassidy with CCI at 800.837.3200, ext. 7188 or email Katie.cassidy@ccitpa.com with any questions.

There's never been a more important time for businesses to lower costs.

As program administrator, CareWorks Consultants offers multiple tiers of savings, up to BWC’s maximum available discount, so employers with varying experience can lower their Ohio premiums. For a no-cost, no-obligation analysis of your potential savings, visit our online form at www.careworksconsultants.com/groupratingapplication/afpd. Learn more by talking with CareWorks Consultants’ Katie Cassidy toll-free at 1-800-837-3200, ext. 7188 or via email to katie.cassidy@ccitpa.com.

October 2010
Two-Hour Safety Training  
2010 Policy Year

CareWorks Consultants, Inc. (CCI) and our safety partner, RiskControl360°, are offering a menu of options during the 2010 policy year for our clients to meet their two-hour safety training requirement.

Employers participating in a 2010 group rating or group retrospective plan who had a workers' compensation claim within the past two years will need to complete two hours of mandatory safety training during the 2010 policy year (ending June 30, 2011). This requirement, adopted by the Ohio Bureau of Workers' Compensation (BWC), applies to any claim - regardless of size or severity - with a date of injury between January 1, 2008 and December 31, 2009.

Online Training
For ultimate convenience, employers may take online training any day of the week, any time of day through our online training options. Simply log onto www.riskcontrol360.com to view a full list of courses offered.

Webinars
CareWorks Consultants and RiskControl360° will host web-based training courses. Participation in a webinar fulfills the two-hour requirement. The cost to participate is $40. Industry-specific training topics will be offered on the following dates and times:

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<thead>
<tr>
<th>Manufacturing</th>
<th>Construction</th>
<th>Commercial &amp; Service</th>
<th>General</th>
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<tr>
<td>Lockout/Tagout</td>
<td>Hand/Power Tool Safety</td>
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<td>Employee Involvement &amp;</td>
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<td>Personal Protective</td>
<td>Safety Programs for</td>
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<td>Equipment</td>
<td>High-Turnover Businesses</td>
<td>General Office Safety</td>
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Webinar Registration
Email twohourtraining@ccitpa.com to register for a CareWorks Consultants/RiskControl360° webinar. Be sure to include your company name, BWC policy number and webinar date for participation.

BWC Safety Training
BWC also offers training classes that meet the two-hour training requirement. For more information on BWC safety training options, contact the BWC Division of Safety & Hygiene at www.ohiobwc.com/employer/programs/safety/SandHEducation.asp. If you attend a BWC course, you are required to submit proof of attendance to CareWorks Consultants. Please either email a certificate of completion to twohourtraining@ccitpa.com or fax to (614) 495-5200. Be sure to include your company name and BWC policy number within the email or fax.

Questions?
Please contact CareWorks Consultants, toll-free, at 1-800-837-3200 with any questions.
Appreciate Customers—Individually
The Kado stores in the Detroit area have thrived on detailed customer attention and flexible, market-savvy hours of operation.

Beverly Sturtevant

As the little things that count, especially when these are big things in a customer’s eyes. “That’s what you learn when you grow up in a family business and see how hard your parents work,” says Jason Kado, who credits his parents, Andrew and Linda, with teaching him the value of a loyal customer.

With the help of his wife, Kristina, marketing manager, and sister, Mary, bookkeeper, Kado operates Tunnel Quo (dba Andy’s Convenience Store) in the heart of downtown Detroit’s Renaissance Center. “We are in a unique area,” he says, “on the Detroit International Riverfront, among a series of parks, venues, hotels, residential high rises, retail shops, and restaurants. The community is vibrant and beautiful, with amazing events like the Detroit-Windsor International Freedom Festival and Jazz Fest that bring traffic to the store.”

The family has operated a downtown Detroit business since the 1970s and has been in its current location at Randolph and Jefferson since 1986. The business includes full liquor, A-Z convenience store items, and a drug store, plus catering, and delivery to seniors and the handicapped. Kado joined the business after college in 2003 with a goal of incorporating whatever changes were needed to meet the challenges of a downtown business and, more recently, the recession. The layoffs of city employees and the loss of downtown convention traffic have affected the store, but Kado says they are determined to “just keep doing new things.”

People want to spend more, and there are small, positive signs,” he says. “More families are visiting local attractions and restaurants, including a stop at our store.”

For example, for the last three years, circus performers have insisted on staying at the Marriott Courtyard next door because they know the store will be open especially for them when their nightly practice lets out at 10:00 p.m., sometimes midnight, or even 1:00 a.m. as opening day approaches. “People have options of where to spend their money,” Kado says. “and we want them to choose us. So everyone on our staff welcomes them, listens to them, and thanks them for coming.” The key is to love and appreciate customers and take an interest in them as individuals, he adds.

Kado sees the store as an ambassador to visitors and residents. “Because of our customer service, it’s not about pricing—people will come in to buy whatever we’re selling,” he says, “so it pays to have our finger on the pulse of what’s happening downtown.”

Recently, Kado was recognized for his business success by Crain’s Detroit Business as member of the “2010 Class of 20 in Their 20s.” Now in its fifth year, Crain’s 20s program highlights young professionals who are proof that smart young people are working to counter the region’s “brain drain.” This year, Crain’s received more than 300 nominees, and Kado was chosen after several months of evaluation.

In the future, Kado sees himself joining a team to attract more tourists and local visitors to the area, or perhaps creating a tourist council to carry the transition of downtown Detroit to a new level.

“It takes a lot of hard work and dedication, but I chose a career I truly enjoy,” he says.

Beverly Sturtevant is assistant editor for AFPD’s Bottom Line.

Jason Kado and Free Smile Manager Zachary Kado.

Long-Time Members
The Kado family has valued its association membership from the very beginning—first in AFD, then AFPD. When Jason Kado was younger, he remembers reading the association’s newsletters and seeing relatives and family members’ names and photos in print. “It’s hard to choose a favorite AFPD program because all are so good. Kado states, “but I love the annual Turkey Drive. It’s a way to give back, show people somebody cares, that there’s hope out there. That’s what AFPD is all about — helping whenever we can.”

Detailed Customer Service
Because they are small and family-owned, the Tunnel Liquor staff has the freedom to support a customer’s needs. That means they are willing to order a product regardless of whether an item might be profitable. In addition, they open at 6:30 a.m. for convention goers and stay open until midnight or “as late as it takes” for an event to end or a special community need to be met.
Swipe Reform Law Saves Retailers

Retail groups praised Congress for passing and President Barack Obama for signing into law the Wall Street Reform & Consumer Protection Act (H.R. 4173, also known as the Dodd-Frank Wall Street Reform Act of 2010), which includes a provision to reform credit-card and debit-card interchange fees.

The bill includes an amendment that would require the Federal Reserve to set regulations resulting in "reasonable and proportional" swipe fees for debit cards.

The Federal Reserve would be required to consider banks’ actual costs for processing the transactions and the fact that paper checks drawn on the same accounts are paid at face value. The amendment would also bar the card industry from interfering with merchants who offer a discount or other benefit to customers who pay by cash, check or debit card rather than credit cards, and would allow merchants to set minimum purchase amounts of up to $10 for credit cards.

The law, named after its principal authors, Senator Christopher Dodd (D-Conn.) and Representative Barney Frank (D-Mass.), gives the government new authority to deal with failing financial firms that may threaten the entire system, imposes new rules on derivatives markets, and creates a consumer-protection agency at the Federal Reserve to monitor everything from home loans to credit cards, said a Bloomberg report.

The retail industry claimed a huge victory on the interchange-fee issue after a long, hard, high-profile battle with bank credit issuers, but vowed to keep pressure on as regulators draft the details of how and to what extent the reforms will be implemented. Treasury Department and other officials now begin writing the regulations that will give the framework for enforcing the law, a process that may take a year.

National Association of Convenience Stores (NACS) president and CEO Hank Armour said, “This legislation represents a huge accomplishment that we could not have achieved without the significant response of NACS members to our grassroots calls to action. Our Interchange Fee Reform Petition Drive gathered more than 5.4 million signatures demanding that Congress take action to reform the interchange system, making it the largest petition drive on a legislative issue in U.S. history. Further, the thousands of person-to-person calls and meetings by our members with their elected representatives as well as the letters that many of them wrote were vital in communicating the facts supporting our initiative and the passion constituents had for the issue.”

He added, “The war on interchange fees is far from over. We must engage with the Federal Reserve over the next nine months to ensure that appropriate standards are issued, and we must continue our battle to reduce interchange fees on credit-card transactions.”

The Merchants Payments Coalition (MPC) said, “This historic legislation...represents a huge win for American small businesses who have been fighting for fairness and transparency in credit- and debit-card swipe fees.”

Similarly, the National Retail Federation (NRF) said it welcomed the signing of financial reform legislation that includes landmark provisions to control the $48 billion in swipe fees paid by retailers and their customers each year, and urged regulators to follow Congress’ intent of achieving major reductions in the fees.

Leslie G. Sarasin, president and CEO of the Food Marketing Institute (FMI), said, “Retailers and their customers are the winners. Consumers have been paying more than $50 billion a year in hidden swipe fees to credit card companies and banks every time they swipe their credit or debit card. We applaud the President for signing this law to bring fairness and transparency to these fees.”

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Retailers: Begin Cross-Selling!

The Lottery is pleased to announce the expansion of the network selling traditional and Club Games products.

On October 5, your game lineup will be increased; in addition to selling traditional and instant games, you can also offer players the popular Club Keno. This will equate to added sales and commissions.

The week of September 20, you should have received play slips and “How to Play” brochures for Club Keno. A banner announcing the addition of Club Keno to your game lineup should also have been sent, and it should be displayed in a prominent location. Be sure to talk it up with your regular players. Word of mouth is the most inexpensive form of advertising.

“Make Me Rich!”
The fourth installment of the “Make Me Rich!” game show aired on October 1 and was a huge success. During the half-hour game show, $5 million in prize money was given away. Players earned the chance to appear in the October episode of “Make Me Rich!” by playing a variety of instant tickets from the Michigan Lottery, including the $10 Million Dollar Mega Play, the current $20 games, and the Money Match tickets.

Here are some eligible game highlights:

- **$20 Instant Games.** Players who claimed a $1,000 prize from Casino Royale™, Lucky Game Book™, $2,000,000 Diamond Dazzler™, Big Money Spectacular™, $2,000,000 Club™, or $2,000,000 Jackpot were automatically entered into a drawing to become a finalist. On August 4, five finalists were selected to appear on the game show, where one lucky finalist walked away with $2,000,000.

- **Million Dollar Mega Play.** Players who claimed a $1,000 prize from Million Dollar Mega Play™ (game #322) were automatically entered into the finalist drawing on August 4. During the drawing, three finalists were selected to appear on the game show for a chance to win $1,000,000. That prize was awarded to one lucky player during the show.

- **Money Match.** Players could submit $20 worth of non-winning Money Match tickets on the Lottery’s Player’s Club website, www.michiganlottery.com. Throughout the summer, three finalists were selected from the entries for a chance to appear on the October 1 show and win $1,000,000, which like the Million Dollar Mega Play prize, was awarded on “Make Me Rich!”

- **Instant Replay.** Players entered $20 worth of non-winning instant tickets on the Lottery’s Player’s Club website, www.michiganlottery.com, since December for a chance to be selected as a finalist. Three finalists were selected to appear on the game show with one lucky player walking away with $1,000,000.

Our retailers played a large part in making the “Make Me Rich!” program a huge success.

New Instant Tickets
New instant tickets scheduled to go on sale October 11 include Wizard of Oz™ ($2), Michigan Heroes™ ($2), 4 The Money™ ($5), and Tax Free Winning™ ($20).

Last year, the Michigan Lottery put out the call to proud parents, friends, and family of servicemen and women to send in a photo and short story for the chance to be featured on a Michigan Lottery instant ticket. In March, ten photos were selected for use on the Michigan Heroes instant ticket. The selected men and women admirably served in conflicts dating back to World War II and Korea. The Michigan Lottery is proud to honor these heroic men and women with the Michigan Heroes instant ticket.

Instant Tickets Set to Expire
Instant tickets set to expire in October include IG 257 Tripling Red Hot Cashword™ ($5) on October 12; IG 258 Cinema Cash™ ($2) on October 13; and IG 269 S’more Cash™ ($1) and IG 271 $500s Fury™ ($2) on October 27. Be sure to tell your customers about the expiration date so any prizes they may win on the ticket can be claimed before it becomes invalid.

Red Hot Raffle Winners
Congratulations to the retailers who sold top $100,000 prizes in the recent Red Hot Raffle drawing! Retailers who sold the winning tickets will receive a $2,000 commission. The winning tickets were sold at:

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<thead>
<tr>
<th>Retailer</th>
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<tr>
<td>Able’s Bar, Eaton Rapids</td>
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<td>7-Eleven #29521, Sterling Heights</td>
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<td>Northwestern Shell, Farmington Hills</td>
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<td>7-Eleven #33438, Sterling Heights</td>
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<td>7-Eleven #15873, Farmington Hills</td>
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<td>Borchardt Bros Market, Blissfield</td>
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<td>Bridge Lake Market, Clarkston</td>
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<td>Meijer #145, Fraser</td>
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<td>Meijer #46, Brighton</td>
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- 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.
- 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!
In early September, the Food and Drug Administration (FDA) issued draft guidance for tobacco retailers on civil money penalties and no-tobacco-sale orders for violations of the Family Smoking Prevention and Tobacco Control Act. The draft guidance addresses the following five issues:

1. How does the FDA identify violations?
FDA inspections may be conducted by FDA employees or employees of other federal or state departments or agencies. It is FDA's intention to enter into agreements with the states so that the latter are primarily responsible for compliance monitoring.

2. Does the presentation of a false government issued ID constitute a violation if the retailer relied on good-faith?
No, provided the retailer has taken effective steps to prevent such violations, including:
- Adopting and enforcing a written policy against sales to minors;
- Informing employees of all applicable laws;
- Establishing disciplinary sanctions for employee noncompliance; and
- Requiring employees to verify age via photographic identification or an electronic scanning device.

3. In what cases will the FDA seek monetary penalties and no-sale orders?
FDA will issue warning letters describing alleged violations (though such warning letters are not mandated by law) before initiating more serious enforcement action. These letters will be followed up by an FDA compliance check of the retailer receiving the letter without further notice. If the FDA discovers violation(s), it will seek civil money penalties. If there have been "repeated violations" (defined as five violations of a particular requirement subsequent to the first violation of a particular requirement within a three-year span), the FDA might seek a no-tobacco-sale order.

4. What amounts of monetary penalties can be assessed?
There are two schedules of maximum penalties for violations—a lenient one for retailers with an approved training program and a harsher one for retailers that do not have an approved training program. Because the FDA has not issued regulations governing approved training programs, it will impose the more lenient penalties now:
- In the case of the first violation, $500 with the issuance of a warning letter.
- In the case of a second violation within 12 month period, $250.
- In the case of a third violation within 24-month period, $500.
- In the case of a fourth violation within 24-month period, $2,000.
- In the case of a fifth violation within 36-month period, $5000.
- In the case of a sixth or subsequent violation within a 48-month period, $10,000.

As a general matter, penalties are "limited to $15,000 for each violation and $1,000,000 for all violations in a single proceeding. Factors in determining the penalty include the nature and gravity of the violation(s); the ability of the violator to pay; the effect the penalty will have on the violator's ability to continue to do business; and any history of prior violations.

5. What will be the procedure FDA follows if seeking penalties?
First, FDA is required by law to provide notice to a retailer of all previous violations identified by FDA. After being notified, retailers will have options:
- No-Contest. Pay the full amount of the penalty sought and/or accept the no-tobacco-sale order.
- Contest. File an answer and contest-or all of FDA's allegations.

If a retailer chooses to contest the matter, it must file an answer with the FDA within 21 days and admit or deny each allegation, and include any defenses to the action and reasons why the penalty should be less severe. A hearing will then be scheduled, prior to which the retailer and FDA may engage in informal discussions regarding the penalties and possible agree on a settlement.

Once finalized, the draft guidance will represent FDA's "current thinking" on civil money penalties and no-tobacco-sale orders for tobacco retailers. (Editor's note: Also refer to the AFPD website at www.afpdonline.org for information about tobacco retailing rules and regulations.)
Heads Up On Holiday Games

Last month, the Ohio Lottery and the Auditor of State closed out more than 10 months of working together on a performance audit of the Lottery. Now that the audit has achieved finality, we at the Ohio Lottery are very pleased and proud of the results.

The Auditor found the Ohio Lottery’s performance and management practices to be consistent with other U.S. lotteries. We appreciate the Auditor’s inclusion that the Ohio Lottery is performing well and that the agency is meeting or exceeding its budget obligation to Ohio schools.

The auditor’s report contained a section of notable accomplishments, none of which last summer’s system conversion, the Lottery’s process of evaluating its vendor contracts, and a high rate of employee engagement in the agency’s mission.

While Lottery profits increased by $26.3 million, the auditor did make several recommendations for additional efficiencies — including the creation of an overall strategic plan, which the Lottery had already begun during the audit period — and the suggestion of turning the organization into a quasi-public corporation, which would require legislative approval.

Now that fall is upon us, we are looking ahead to the winter holiday sales season. To help with retailers’ seasonal planning, here’s a sneak peek into our fun and festive selection of holiday games, expected to reach retailer shelves in the next few months.

In the instant ticket arena, we are planning $20 Maximum Millions and $5 Snowflake Cashword early in November. Then, later in the month, we’ll offer four more instants: Cashing Through the Snow ($1); Holiday Gifts ($2); Silver and Gold ($5); and Winter Riches ($10).

We encourage customers who are so inclined to start planning their gift shopping even now. For instant games in particular, retailers typically see their highest monthly sales during the month of December.

We’ve already had a strong start to the new fiscal year (FY11), which began July 1. Sales of $201.4 million in July marked the strongest July performance on record. Instant game sales reached $113.1 million the same month, making it the second-highest July in Ohio Lottery history. We followed that up with an August instant ticket sales record of $113.8 million. Our total sales of $203.72 million for August ranked as the third-highest month in Ohio Lottery history.

With proper product placement, we hope to keep sales and the confidence of our customers strong in the months ahead.

Currently, we’re preparing for an important game change. As part of the agreement to cross-sell Powerball and Mega Millions among U.S. lotteries, the Ohio Lottery will soon replace KICKER with Megaplier, a multiplier option for Mega Millions players, similar to Powerball’s Power Play. The change is expected to take place in early 2011. We will be sharing more about that change in upcoming months.

Hope your summer has been great! Here’s to a successful fall!
During the summer and fall seasons, activities such as tailgate parties, outdoor festivals, fundraisers, and other charitable events become more and more numerous. With the increase in these kinds of activities comes a corresponding rise in the number of temporary liquor permits issued by the Division of Liquor Control. Organizations seeking a temporary permit, as well as all "regular" permit holders, should be aware of the requirements for obtaining such permits and understand the responsibilities and restrictions placed on permit holders.

The most common class of temporary permit issued is the F permit. An F permit allows the sale of beer on premises until 1:00 am for a period not to exceed five days.

It can be issued to an association of 10 or more persons, a labor union, an employer, 10 or more persons sponsoring an employee function, or a charitable organization. An applicant for an F permit must list the specific purpose for the permit and where the proceeds from the functions will go. No more than two F permits can be issued to the same applicant in any 30-day period. It is important for all temporary permit holders to understand that proceeds from sales at their events cannot be for the profit or gain of any individual.

The F-2 permit, the second most common type of temporary permit issued by the Division, allows the sale of beer and intoxicating liquor on premises until 1:00 a.m. for a period of 48 consecutive hours. It can be issued only to a not-for-profit association or corporation that is operated for a charitable, cultural, fraternal, or educational purpose. No more than two F-2 permits can be issued to the same applicant in a calendar year.

Temporary permit holders must take their responsibilities as a liquor permit holder seriously and fully understand that violating Ohio liquor laws and administrative rules has serious consequences. The Division keeps close watch on the applications for temporary permits and often conducts compliance check. Administrative citations may be issued for any violation by the temporary permit holder—and in some cases, the D permit holder as well—which could have an adverse effect on an organization’s reputation and its ability to obtain temporary permits for future charitable events.

The best advice we can provide to those seeking a temporary permit is to follow the instructions carefully and complete each section of the application, including the appropriate dates, times, organization names, and signatures. Once your application is completed, please submit it to the Division well in advance of the date of the event (at least 30 days). More information regarding temporary permits and all applications are available on the Division’s website at www.com.ohio.gov/lqcr.
Supplier Spotlight

Virtually There

AFPD has partnered with MIST to bring members cost-effective, instant, real-time visual confirmation via smartphone that all is well when the owner or manager is away.

Arla Kalogeridis

I Innovations, Inc. has an affordable technology solution for a small retailer who has passed vacation for fear of leaving their unsupervised. It helps owners monitor employees at the register, in stock room, and loading docks as—in fact, just about any place in an establishment where the owner sees he had an extra pair of eyes. Perhaps most importantly, the technology is an innovative new way to retailers boost productivity. We focus on the business productivity management tool of the technology,” says Craig Capece, president and CEO of ST Innovations. “The security part is not what we lead with because the item is so much more than that.”

The MIST acronym stands for Mobility, Information Security, and Technology. Founded in 2004, this developer of network monitoring devices and security products has recently formed a partnership program for AFPD members to market its flagship product, STonDemand™, as a cost-effective solution for retailers to cut down on loss and prove workplace productivity. (Note: MIST program ad on p. 31.)

The system provides live, on-demand streaming from CCTV cameras installed (4-12 cameras is average for a small- to medium-size business, says Capece), but they usually have to watch them on video monitors or remotely through a computer. The ability to watch live, streaming video on a smartphone conveniently links wireless with physical security systems.

Metro-Detroit grocer and owner of Imperial Supermarket, Mazin Shina, a MIST customer and AFPD member, says, “The software makes it convenient to check on your business from anywhere at any time. I recommend it to reduce loss and increase safety at your business because employees know you can see them.

“It’s especially convenient if there is an alarm at the store in the middle of the night,” he adds. “You can dial in and see what’s happening before driving all the way into the store from home.”

In addition, storeowners and managers can use the technology to call employees and praise them when they are working particularly hard or doing things unusually well.

“MIST’s system gives me a more of a comfort level in terms of using their system anytime from anywhere in the world where I can get a phone connection,” confirms Conner Save-A-Lot’s owner Charles Walker. “I’ve been pleased with the quality of the images from MIST’s camera equipment.

“AFPD members are really watching their dollars these days,” says Freddie Scott, a MIST territory manager and frequent presence at recent AFPD trade shows. “I really enjoy talking to members about our product because we can help them save money and make money.”

The MIST team is currently working on its third-generation technology, mapping out feature sets and target markets. With the company’s ongoing partnership with AFPD, AFPD members will be among the first to learn about the new advancements when they are available.

Carla Kalogeridis is editor of AFPD’s Bottom Line.
Mayor Bing: Raising Detroit to Star Status

As a seven-time All-Star player for the Detroit Pistons basketball team, Detroit Mayor Dave Bing is now trying to make a star out of the city that he has loved for many years.

In addition to his 12-season National Basketball Association (NBA) career, Mayor Bing was a successful businessman before being elected mayor in a special election on May 5, 2009. Later, Bing won the full-term mayoral election on November 3, 2009.

Bing was raised in northeast Washington, D.C. as the son of a bricklayer. After a successful high school basketball career, he attended Syracuse University and led the Orangemen in scoring as a sophomore, junior, and senior.

In 1966, Bing joined the NBA as a second overall first-round pick of the Detroit Pistons and was later named NBA Rookie of the Year. While with the Pistons, he played seven NBA All-Star Games (and won the 1976 NBA All-Star Game MVP Award).

After his NBA career, Bing was elected to the Basketball Hall of Fame in 1990. In 1996, he was named one of the NBA’s 50 Greatest Players.

Life after Basketball

Immediately after retiring from basketball, Bing worked at a warehouse for Paragon Steel in the company’s shipping and sales operations. In 1980, Bing opened Bing Steel with four employees in a rented warehouse with $250,000 in loans and $80,000 of his own money. Losing all his money in six months, the company moved away from manufacturing to focus on being a middleman. With General Motors Corp. as its first major client, the company turned a profit in its second year on revenues of $4.2 million. By 1984, President Ronald Reagan named Bing the National Minority Small Business Person of the Year. By 1985, Bing Steel had two plants with 63 employees posting revenues of $40 million.

Bing Steel transformed itself to the Bing Group, a conglomerate with headquarters in Detroit. The company, among other things, supplies metal stampings to the auto industry.

As a former entrepreneur, Mayor Bing told AFPD’s Bottom Line that he recognizes that small businesses are vital to social and economic development and sustainability of the city.

When asked about the role of small retailers in the rebuilding of the city, Bing responded that he “recognizes and appreciates their dedication and commitment to Detroit, and welcomes continued support through input, feedback, participation, and engagement.”

Life as Mayor

Detroit Mayor Dave Bing has publicly challenged the city of Detroit to help get the city back to work. In his Detroit Works Project, the mayor recently discussed the initiative under way, which he says will redefine the landscape of the city. He has encouraged each resident to attend one of the town hall meetings being held throughout the months of September and October to, in more, to ask questions, and to help rebuild the city. Bing said the process could take 12-18 months.

Important to the retail community in Detroit is Mayor Bing’s commitment to demolishing 3,000 dangerous, abandoned, and dilapidated buildings this year. His goal is to demolish a total of 10,000 dangerous structures by the end of his term in December 2013.

Funding for the demolition effort will come from $20 million in federal funds that have been committed to the neighborhood stabilization program, says Bing, and efforts are underway to secure additional support. “Nothing is more important than making Detroit a safe city,” Bing maintains.

“We will continue working hard to address the concerns you face today, doing everything in our power to continue the steady stream of employers reinvesting in our city, and increasing the gains made in public safety over the last 12 months,” he promises.

“Mayor Bing has been a breath of fresh air for the small business community in the City of Detroit.” says Auday Ahmed, AFPD’s president and CEO. “As a businessman himself, he really knows the struggles we face day in and day out, from making payroll to dealing with the red tape which surrounds government, especially in Detroit. We are confident that Detroit is moving in the right direction and we have hope that Mayor Bing will lead the way.”
What are the initial steps that independent operators should take to get involved with e-commerce and social media? Keep in mind that many of us have limited budgets, minimal experience with social media, and frequently nobody to help.

Start with marketing online versus selling product online. Once you have developed your e-marketing effectiveness, you should then give the selling/pick-up and/or delivery model a shot.

It's important to gain a true understanding of your customers’ needs, wants, conditions, and limitations, as well as how your stores are currently meeting or coming up short in delivering upon these areas. Here are four activities to consider (in priority order and assuming you have not already done these):

1. **Hire the children.** If you have an associate who has demonstrated a passion/talent for Internet based activity, bring them in on your e-commerce plan ASAP—especially if they are young.
2. **Begin soliciting your customers and potential customers’ email addresses.** Have pads and pens at every check-out and ask folks for their email addresses. In addition, use circulars, ads, etc. to ask potential customers to email you their email addresses. Entice customers via drawings or giveaways. Do this often! To the degree that you can develop your email distribution list(s), you will have an unbelievable source for marketing to your customers under your competitors’ radar and at little to no cost. (Check out www.constantcontact.com for email marketing.)
3. **Create a domain name and website.** (Try www.godaddy.com, but they are by no means the only service provider in this area.)
4. **Create company pages on Facebook, LinkedIn, Twitter.** Think of Facebook and LinkedIn as vehicles to collect fans and contact information for further loyalty development, as well as conduct direct marketing. Think of Twitter as a vehicle to communicate daily specials (like the old “blue light specials”). Remember, all three of these tools are used by your customers on their computers and via their phones (more so Facebook and Twitter). Really “get into” these social networking tools with the intent of understanding their potential and unique offerings.

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**Candy Meets Vodka**

Grownups now have a new way to enjoy old-fashioned candy favorites like Red Fish and Root Beer Barrels with the launch of Michigan-based Hard Luck Candy Flavored Vodkas.

Born at the Hard Luck Lounge in Grosse Pointe Park, Mich., it originated as a special candy-flavored infused vodka and was so successful at the bar, founders Mike Mouflon, Chris George, and Rob Nicholl thought it should be available everywhere. Hard Luck Candy’s Red Fish and Root Beer Barrel flavored vodkas are currently available at retail liquor stores, bars throughout Michigan, and are distributed by General Wine & Liquor.

**Canada Dry to Distribute Frontier Beverage’s Unwind**

Frontier Beverage Co. has entered into a distribution agreement with Canada Dry Bottling Co. of Lansing, Mich., to bring the company’s new low-calorie ultimate relaxation aid, Unwind™, to nine counties throughout the state.

Now offered in three lightly-carbonated flavors—Goji Grape, Pom Berry, and Citrus Orange—in sleek 12 oz. cans containing a mere 40 calories and only 10 grams of sugar, Unwind can soon be found in select stores throughout Clinton, Ingham, Jackson, Eaton, Calhoun, Hillsdale, Lenawee, Livingston, and Washtenaw counties.

For those who are “tired of being wired,” Unwind offers a way to settle down at the end of a hard day with a relaxation blend to suit every lifestyle. Melatonin, valerian root, rose hips, and passion flower—which can all be found in local nutrition or vitamin stores and have been used by herbalists for years to cope with anxiety and insomnia—provide Unwind with its calming properties. To provide an antioxidant boost, Unwind also features Goji and Acai berry extracts.
State Gets Creative With Liquor Reforms

It always is amusing to watch units of government as they put the final pieces of their annual budgets together. The process is pretty much the same from the smallest city or township all the way to the federal government. The amounts get much larger as you move along the budget trail, but the process is no different.

The main concept evolves from the following theme: “You don’t need any actual money to balance a budget; all you need is to identify a source of funding where you can plug in enough revenue to cover the budget shortfall.” The only pitfall to this theme is that when you plug in such an inflated number people laugh at you—and, of course, figuring out what to do when the budgeted revenues don’t cover the amount of money spent.

This practice has been well documented over many years of legislative budgeting, but has been taken to new heights as a result of the recent financial problems we have faced as a state. In addition, coming back later in the budget year to find the cash to cover the areas of under-budgeting has become much more difficult because there is simply no money anywhere in the budget—unless the federal government throws a little extra cash our way.

For example, take the budget target agreement that was signed a few weeks ago. One area of increased revenue comes from “liquor reforms.” Before jumping into each of the five agreed upon “reforms,” allow me to say that AFPD is very happy with the majority of these proposals and finds them much preferred to selling additional licenses for expanded liquor hours after 2:00 a.m. and on Sundays. We like them more than charging split case fees or increasing fees on liquor delivery, and we certainly prefer them to increased taxes on liquor, beer, and wine.

All of these items have been on the table from time to time during the budget discussions, and AFPD continually monitors and assesses all this legislation:

- Liquor reform #1: $4 million new revenue from increased bootlegging enforcement. That simply will never happen, and tracking the revenue from this type of enforcement is almost impossible to do.
- Liquor reform #2: $2.1 million from allowing value-added packaging. The idea is to allow a company or perhaps retail stores to package say, rum and coke together, or possibly vodka and orange juice together. That is a good marketing tool and could increase sales and generate additional tax revenue for the state.
- Liquor reform #3: $1.7 million from allowing rebates and coupons. Again, a decent idea that could result in additional sales and additional revenue for the state.
- Liquor reform #4: $0.8 million from allowing sampling at retail stores. We strongly support sampling of product (especially wine) in the retail setting, and again, allowing such could result in additional sales and thus additional revenue to the state.
- Liquor reform #5: $0.5 million from selling licenses to allow wine auctions by non-licensed persons. The change would allow persons who have private wine collections to sell their collection at public auction without a license to sell liquor, beer, or wine. The idea is interesting but the target agreement states that the cost of the license to hold such an auction will be $50,000. That raises a couple additional questions. First, how much wine would someone need to own to make it worth while to shell out $50,000 for the right to sell it, and second, at $50,000 a license, it would require selling five licenses a year to reach the revenue estimate of half a million dollars. Are there really five private citizens in Michigan who own enough wine that they would have interest in such a license?

In total, the proposed changes would generate revenue of $9.1 million. And by the way, I see a supplemental budget coming sometime around April 1st.

—Kim Rhead is partner with Karoub Associates, the lobbyist firm that represents the interests of AFPD and its members in Michigan.
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!
Differing Congressional versions of federal healthcare reform legislation and numerous proposed amendments on both sides of the aisle triggered heated debate in Congress and rampant speculation among the American public for months. With federal healthcare reform at the forefront of President Obama’s major policy initiatives, the discourse surrounding the issue was riddled with politics, and many Americans felt as though they didn’t have a firm grasp on the effect this would have on businesses, individuals, and our healthcare delivery system.

Speaker Pelosi’s now notorious comment, “But we have to pass the bill so that you can find out what is in it…” was played repeatedly on cable news and further compounded Americans’ concerns.

In March 2010, President Barack Obama signed into law The Patient Protection and Affordable Care Act (PPACA) and The Health Care and Education Reconciliation Act of 2010, enacting historic and extensive reforms to our healthcare system. According to the federal government, the new law “puts into place comprehensive health insurance reforms that will hold insurance companies more accountable and will lower health care costs, guarantee more health care choices, and enhance the quality of health care for all Americans.” It has been touted a major accomplishment of the Obama Administration and the start of a solution to the problems facing healthcare and health insurance in the United States.

However, many business groups oppose the new law because of the potential negative effect it could have on small businesses. The National Federation of Independent Business signed onto a lawsuit in May along with 20 other states challenging the constitutionality of the PPACA. In its press release, Dan Dan, president and CEO, stated, “Small business owners everywhere are rightfully concerned that the unconstitutional new mandates, countless rules, and new taxes in the healthcare law will devastate their business and their ability to create jobs.”

While lawsuits linger in courts, implementation of the new law presses on. The law will be implemented in stages, with various provisions taking effect from the date of enactment through 2014 and beyond. There will be comprehensive college textbooks and countless articles dedicated to explaining the details of federal healthcare reform – and there may still be questions left unanswered. This article does not cover all the provisions encompassing federal healthcare reform. We are highlighting here the basics of the

See HEALTHCARE, page

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Healthcare
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major provisions which affect small businesses that are either currently in effect or will take effect this year.

If you have specific questions about healthcare policies for your employees, please contact your health insurance provider to ensure that you are in compliance with new federal mandates and guidelines. Additionally, the Ohio Department of Insurance’s website provides information on federal health reform implementation in Ohio and offers employers the ability to sign up for email updates at www.healthcarereform.ohio.gov.

The following provisions are either in current in effect or become effective this year:

1. Dependent Age Coverage Expansion — Effective September 23, 2010. The PPACA extends coverage to dependent children up to age 26 at the request of the parent. For employers that pay for a portion of dependent coverage, these new, older dependents must be treated the same way as other dependents; therefore, the employer must also pay for the same portion of their coverage. This newly required expansion of federal dependent coverage up to age 26 is deductible under state and federal law. Under a new Ohio law that took effect July 1, 2010, insureds can keep unmarried children up to age 28 on their plans at their request; however, the full cost can be assessed to the parent. The issue of aligning state and federal laws regarding dependent coverage may be addressed in the future.

2. Small Business Tax Credit — Effective now for qualifying employers. Effective at the beginning of the current calendar year (2010), a temporary federal tax credit is available to some small businesses in an effort to make employee coverage more affordable. To obtain the credit for offering coverage to employees, the employer must meet a number of qualifications. For example, the employer must have fewer than 25 “full-time equivalent employees” and pay average annual wages of less than $50,000.

While the full credit is up to 35 percent of premiums, not all employers that fall within the above category will receive the full credit. Employers with 10-25 employees or who pay their employees an average annual wage of $25,000-$50,000 will receive a reduced credit based on the number of employees and average annual salary.

Furthermore, employers must cover 50 percent or more of insurance costs. Companies that have launched after the PPACA was enacted are subject to additional qualifications. If you believe you may qualify for the small business tax credit and did not receive a letter from the IRS indicating that you are eligible, please visit www.healthcarereform.ohio.gov for more information.

Stay Updated and Prepared

Many other provisions that will have a direct impact on small businesses are set to take effect beginning in 2011 and years to come. AFPD encourages employers to maintain thorough financial records dealing with employee compensation and benefits in preparation for additional reporting requirements.

Furthermore, be mindful of any communications from the IRS, State Department of Insurance, and your health insurance provider to ensure that you are both in compliance with new federal regulations and that you are taking full advantage of any benefits that may be available.

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

Small business owners everywhere are rightfully concerned that the unconstitutional new mandates, countless rules, and new taxes in the healthcare law will devastate their business and their ability to create jobs.
Required Special Enrollment Period: Coming This November

Some of your employees and their dependents may be eligible under the Patient Protection and Affordable Care Act (PPACA) to be added or re-enrolled in a health plan this fall. Employers are required to hold a Special Enrollment Period for individuals impacted by two PPACA provisions: (1) the extension of dependent coverage to age 26 and (2) the removal of lifetime dollar limits.

Who Can Enroll?
1. Eligible dependents by birth, marriage, legal adoption or guardianship up to age 26:
   - Newly eligible adult dependents whose coverage previously ended.
   - Adult dependents previously denied coverage.
   - Individuals not eligible for coverage because their dependent coverage ended before age 26.
2. Individuals whose coverage previously ended because they exceeded a lifetime dollar limit under their plan and are otherwise eligible for coverage.

Dependent eligibility is no longer limited by financial dependency, marital status, or enrollment in school.

When is the Special Enrollment Period?
Blue Cross Blue Shield of Michigan (BCBSM) and Blue Crosse Network (BCN) will hold the Special Enrollment Period from Nov. 1, 2010 through Nov. 30, 2010. The coverage effective date for enrollment is Jan. 1, 2011, unless your group has a plan year between Sept. 23, 2010, and Dec. 31, 2010. The coverage effective date for those groups is the start of the plan year.

If your group routinely conducts your Open Enrollment during the 4th quarter, then you may use your annual Open Enrollment period to enroll eligible dependents and those who have previously exceeded their lifetime dollar limit, as long as the Open Enrollment is at least 30 days in duration. If your group has a documented plan year between Jan. 2, 2011, and Sept. 22, 2011, you can use your normal Open Enrollment period as long as it is at least 30 days in duration.

How does the Special Enrollment Period work?
Groups that are enrolling newly eligible dependents and individuals that previously exceeded their lifetime dollar limit should follow their normal enrollment process. To enroll eligible dependent:

**IF**

- Your group has Family Continuation (FC) coverage
- Your group has Dependent Continuation (DC) coverage
- Your group is ASC NASCO

**THEN**

- BCN groups to add/re-enroll dependents with an effective date Jan. 1, 2011, as a regular dependent
- BCN groups to add/re-enroll dependents with an effective date Jan. 1, 2011, as a regular dependent
- All FC dependents will be added on the group's behalf to dependent with an effective date Jan. 1, 2011

Note: FC coverage referenced in this document is only related to medical coverage.

Group to add/re-enroll the dependent with an effective date Jan. 1, 2011, as a regular dependent
Group to add/re-enroll the dependent with an effective date Jan. 1, 2011, as a regular dependent
Group to add/re-enroll the dependent with an effective date Jan. 1, 2011, as a regular dependent

**Additional Takeaways**
Here are some additional points to consider:

- Grandfathering. Health plans in existence prior to March 23, 2010 are considered grandfathered. However, the extension of dependent coverage to age 26 and the removal of lifetime dollar limits apply to both grandfathered and non-grandfathered health plans under PPACA. Therefore...

See ENROLLMENT, www.AFPDO.
Illinois groups must hold a Special Enrollment Period in order to comply with the regulations.

Note: Until 2014, employers who are considered grandfathered have the option of excluding employees’ adult children from coverage if they are eligible for coverage under their employer’s health plan.

BCBSM groups must submit their December payment to advance their January paid to be before they are able to enroll a new member.

Dependents. During this Special Enrollment Period, employees with newly eligible dependents may switch the entire contract to a different plan offered by the group.

Underwritten groups. Underwritten groups renewing as of Jan. 1, 2011, will be charged based on the membership classification of each contract (i.e. One Person, Two Person, for Family coverage).

Self-insured groups. Self-insured groups will be responsible for claims paid on behalf of members added to their employee contracts.

For additional details on the BCBSM BCN implementation of the PPACA long-term benefit requirements, visit w.bcbsm.com/healthreform or ask your BCBSM sales representative or .

Editor’s note: The information in this article is based on BCBSM’s review of the national health care reform legislation. It is not intended to impart legal advice.)
SUPPORT THESE AFPD SUPPLIER MEMBERS

ASSOCIATIONS/CHAMBER OF COMMERCE
- AWR - Association Management Resources (734) 971-0000
- Chilmark American Chamber of Commerce (248) 538-3700

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

BAKERIES
- Great Lakes Baking Co (313) 865-6360
- Interstate Brands/Wonder Bread/HoHo (248) 588-3954
- Michigan Baking Co - Hearth Oven Bakers (313) 875-7248

BANKING & INVESTING
- AFPD Lincoln Financial Group Advisors (248) 948-5124
- Bank of Michigan (248) 865-1300
- Huntington Bank (248) 626-3970
- Paramount Bank (313) 538-8600
- Peoples State Bank (248) 548-2900

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

BOOKKEEPING/ACCOUNTING CPA
- Alkamano & Associates (248) 865-8500
- Garmo & Co P.C (248) 672-4105
- Lc. McEvily & Associates (734) 266-8120
- Mardom/EK Williams & Co (614) 837-7928
- Shimon-Yaizo & Associates P.C (248) 851-7900
- UHY-Us (248) 355-1040
- Walton Business Management Solutions (248) 320-2545

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

CHECK CASHING SYSTEMS
- Secure Check Cashing (248) 548-3020

CHICKEN SUPPLIERS
- Krabby Krunchy Chicken (248) 821-1721
- Tayor 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
- Kars Nut Products Company (248) 588-1903
- Motown Snacks (248) 931-3205
- Uncle Ray’s Potato Chips 1-800-800-3286

COFFEE DISTRIBUTOR
- AFPD New England Coffee Co (717) 733-4036

CONSTRUCTION & BUILDING
- Advanced Commercial Roofing (Allen Saroki) 1-800-543-8881
- Avedan Development (248) 766-2543
- Creative Brick Paving & Landscaping (248) 230-1600
- DKI Demolition & General Construction (248) 538-9910
- LTD Engineering LLC (616) 638-2147

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

CREDIT CARD PROCESSING
- AFPD Chase Paymetech 1-866-428-4966
- Merchant Processing 1-866-366-3300

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

DISPLAYS, KIOSKS & FIXTURES
- Detroit Store Fixtures (313) 341-3255
- Rainbow Kitch (313) 794-7355

EGG SUPPLIER
- Linwood Egg Company (248) 524-9550

ENERGY, LIGHTING & UTILITIES
- DTE Energy 1-800-477-4747
- Energy Sciences (248) 792-9287
- US Energy Engineers (248) 683-7355

FOOD EQUIPMENT & MACHINERY
- Culinary Products (989) 754-2457

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

FRANCHISING OPPORTUNITIES
- Tubby’s Sub Shops, Inc 1-800-497-6640

GASOLINE WHOLESALER
- Central Ohio Petroleum Marketers (614) 889-1860
- Certified Oil (412) 421-7500
- Gilgan Oil Co of Columbus, Inc 1-800-355-9342
- PAP Oil Company (934) 667-1156
- Superior Petroleum Equipment (614) 539-1200

GREETING CARDS
- AFPD Leanin’ Tree 1-800-556-7819

GROCERY WHOLESALERS & DISTRIBUTORS
- Affiliated Foods Midwest (313) 491-1070
- Burnette Foods, Inc (248) 676-3700
- Capital Sales Company (248) 865-8500
- Catering, Inc (517) 268-6166
- Central Wholesale Food & Beverage (313) 883-0350
- D&B Grocers Wholesale (734) 513-5483
- Fun Energy Foods (248) 333-2700
- General Wholesale (248) 333-2700
- George Enterprises, Inc (248) 883-0350
- Great North Foods (586) 384-6030
- HKI Inc - Wholesale Grocer (248) 833-1000
- Jerusalem Foods (313) 343-2340
- Nash Finch (961) 741-5400
- Spartan Stores, Inc (616) 871-9700
- SUPervalu (937) 671-2600
- Universal Wholesale (248) 359-9598

ICE CREAM SUPPLIERS
- AFPD Nestle/Edy’s Grand Ice Cream 1-800-226-2387
- AFPD *Prairie Farms Ice Cream Program 1-800-335-8976

ICE PRODUCTS
- Arctic Glacier Inc 1-800-377-4031
- Home City Ice 1-866-879-8797
- U S Ice Corp (313) 887-1300

INSURANCE SERVICES
- AFPD North Pointe Insurance 1-800-206-46
- AFPD "BCBS of Michigan" 1-800-681-352
- AFPD "CareWorks" 1-800-837-3200
- AFPD **Cox Specialty Markets (North Pointe) 1-800-464-0400
- Benchmark Financial Ltd (248) 343-0450
- Benckwiga Insurance (Agent John Benckwiga) (248) 343-3750
- Community Care Associates (313) 887-1300
- Danno Insurance Agency (248) 343-0450
- Farm Bureau/Jason Schoebertem (248) 343-3750
- Frank McBride Jr., Inc (586) 384-6030
- Gadaleta, Ramsby & Assoc (248) 883-0350
- GLP Insurance Services (248) 343-0450
- Great Northern Insurance Agency (248) 883-0350
- Hedman Angin Bara & Associates Agency (616) 408-4086
- Memer Insurance Services (248) 343-3750
- Primeone Insurance (248) 343-3750
- Rocky Husaynu & Associates (616) 408-4086

* Indicates supplier program that has been endorsed by AFPD.
** Indicates supplier only available in Michigan
* Indicates supplier only available in Ohio
# Support These AFPD Supplier Members

## Inventory Services
- **ATV-IND**: (586) 718-4595
- **GMC**: (248) 265-4100

## GAL Services
- **AFPDL**: (313) 882-1100
- **Peppe & Waggner Ltd.**: (216) 520-0088

## OTA
- **Shippers**: (313) 232-3302
- **Michigan Lottery**: (517) 272-5648

## Magazine & Trade Publication
- **Miami News**: (248) 933-3100
- **Miami Times**: (248) 865-2890

## Heat & Deli Distributors
- **To Z Portion Control Meats**: (419) 358-2926
- **R S Sons**: (810) 387-3975

## Milk, Dairy & Cheese Products
- **Prairie Farms Dairy Co.**: (248) 393-6300
- **Meyer Dairy**: (513) 949-6811

## Miscellaneous
- **7 Brothers Deli LLC**: (248) 747-3474
- **Hollywood Sunglasses**: 1-888-478-6932

## Money Orders/Money Transfer/Bill Payment
- **AFPDL MoneyGram International**: (517) 292-1434
- **IPF of America**: (973) 830-1918

## OFFICE Supplies
- **AFPDL Staples**: 1-800-693-9600 ext. 584

## Payroll Processing
- **AFPDL ADP**: 1-877-634-1434

## Phone/Cellular/Phone Cards
- **AFPDL Sprint Communications**: (248) 943-3998

## Pizza Suppliers
- **Dough & Space**: (586) 756-6100
- **Hunt Brothers Pizza**: (615) 259-2629

## Point of Sale
- **BMC - Business Machines Specialist**: (517) 485-1732
- **Reward Pal**: (517) 485-1732

## Printing, Publishing & Signage
- **International Outdoor**: (248) 489-8989
- **Michigan Logos**: (517) 337-2267
- **Wall Kempis Graphics**: (586) 775-7528

## Produce Distributors
- **Heeren Brothers Produce**: (616) 452-2101
- **Tom Mazzen & Son Inc**: (313) 588-0557

## Real Estate
- **American Business Brokers**: (614) 410-5678
- **Jude & Associates (Assessor)**: (313) 277-7989
- **Kuzama Enterprises (Property Management)**: (248) 210-8229
- **Lighthouse Real Estate**: (248) 210-8229
- **Signature Associates - Angela Arcon**: (248) 359-3833

## Refrigeration
- **Cool Curtain**: 1-800-854-5719
- **TGX Solutions**: (248) 210-3768

## Reverse Vending Machines/Recycling
- **Kensamn**: (517) 374-8807
- **TCMRA Michigan**: 1-800-610-4866

## Security, Surveillance & More
- **AFPDL MIST Innovations**: (731) 574-6786
- **Brink's, Inc.**: (313) 496-3556
- **Central Alarm Signal**: (313) 864-9003

## Shelf Tags
- **JAYD Tags**: (248) 730-2403

## SODA Pop, Water, Juices & Other Beverages
- **AFPDL Interstate Distributors (Arizona program)**: (313) 892-3000
- **AFPDL Pepsi Program**: 1-888-560-2616

## TOBACCO Companies & Products
- **Alta Client Services**: (513) 831-5510
- **Capitol Cigars**: (248) 255-8747
- **Nat Sherman**: (213) 735-9000
- **R J Reynolds**: (336) 741-0727
- **Snappy Cigs (e-cigarette)**: (248) 747-5130

## Waste Disposal & Recycling
- **AFPDL National Management Systems**: (568) 771-0700
- **Smart Way Recycling**: (248) 789-7190
- **WasteONE**: (610) 624-9993

## Wine & Spirits Companies
- **Beam Global**: (248) 471-2280
- **Diageo**: 1-800-462-6504

## Wine & Spirits Distributors
- **Brown-Forman Beverage Company**: (248) 393-1340
- **Galaxy Wine**: (734) 425-2990
- **Great Lakes Wine & Spirits**: (313) 807-0521
- **National Wine & Spirits**: 1-888-697-6424 1-888-642-6497
Group-Rating Safety Accountability

Each year, Ohio employers have the opportunity to participate in BWC’s Group-Experience-Rating Program or Group-Retrospective-Rating Program. While these programs are not required, they do provide you with an opportunity to significantly reduce your workers’ compensation premiums, while increasing your awareness of safety and risk-management strategies.

Workplace safety is an important component of these programs. To succeed in accident prevention, retailers must use the many resources available to them. A group-rating program is a partnership that includes you and your employees, your sponsoring organization or third-party administrator (TPA), and BWC. Each has specific roles and responsibilities, all designed to assist in preventing workplace accidents. This letter outlines the safety services expectations you should have as an employer enrolled in a group-rating program.

The employer will:
- Maintain a safe workplace;
- Attend safety training to enhance workplace safety;
- Implement BWC’s 10-Step Business Plan for Safety and use available safety services as needed;
- Attend the required two-hour training and provide proof of attendance to sponsor for claim(s) occurring within the last two years.

AFPD’s third-party administrator (CareWorks) may:
- Assist sponsoring organizations with fulfilling the group-rating safety requirements;
- Assist an employer with its safety needs;
- Work in conjunction with sponsors to develop safety training and deliver safety resources;
- Provide resources for claims handling.

BWC will:
- Monitor all group-rating safety activities to confirm requirements are met;
- Meet at least annually with sponsoring organizations to provide recommendations for fulfilling safety requirements;
- Provide safety training through Ohio’s Center for Occupational Safety & Health;
- Offer on-site safety consultation (hazard assessments, air and noise monitoring, ergonomics evaluation, training) by a BWC safety professional;
- Offer publications and videos for safety program support;
- Conduct employer visits to confirm the employer is meeting group-rating requirements, when appropriate.

The goal of this collaborative effort is to make sure all your safety needs are met. Using these resources will assist you in preventing accidents, reducing claims costs, and achieving the highest discounts possible. For more information, visit CareWorks Consultants at www.careworkconsultants.com or the BWC at www.ohiobwc.com/employer/services/safetyhygiene.asp or via email at groupratingsafety@bwc.state.oh.us.
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