

AFPD

Bottom Line

ASSOCIATED FOOD & PETROLEUM DEALERS Working to Improve Your Bottom Line VOL. 22, NO.3 MARCH 2011



**So, You
Want
To Sell
GAS?**

Here's What You Need To Know

**95th Annual AFPD Trade
Dinner Highlights**

**Trends Affecting Your C-Store's
Snack Business in 2011**

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President's Message

Auday P. ARABO

AFPD President/CEO

The True Value of Communication

In the world we live in, communication (like everything else) needs to be instantaneous. Eblasts, fax blasts, texts, tweets, Facebook, LinkedIn . . . What has happened to the face-to-face conversation and handshake? How about a simple telephone call? I remember when the first car phones were introduced and when having a pager was a big deal. How time flies, and I am only 35 years old.

Has society lost the true meaning of communication—the real interaction between human beings? In representing our industry since 1910, AFPD always tries to find better ways to inform you of the happenings in government, new regulations, or new money savings programs, but there is only so much you can put in an email, fax, or text. This is why we encourage you to take advantage of technologies like our mobile texting program (Mousetrap) to help attract customers or our rewards and loyalty programs (Rewards Pal). Of course, when it comes to communicating with AFPD, we want to see you at our annual trade dinners, our tradeshow, regional meetings, and seminars in person. We want to see you at Capitol Day in Lansing and in Columbus. We want to see you come by the office or even sit in at an AFPD board meeting.

AFPD wants to serve you better, but we need to know what you want us to do. We need to know what keeps you up at night. We need to know what areas we can improve on or what programs or categories we need to work on. Everything starts and ends with you, the AFPD member. We have valuable information on our website. We send out a weekly fax blast

and eblast. We are working on an AFPD text-blast campaign, as well as a presence on Facebook and Twitter. And there are regular mailings in print and our monthly magazine, *AFPD Bottom Line*, which I hope you enjoy reading. Truthfully, all we want is to hear from you. The AFPD member is the sole basis of our existence; when you tell us to jump, we ask how high.

We operate a very professional trade association, and we will let you know what can and cannot be done within the law. Please use us as a resource, as an insurance policy, and as your best friend in the industry. AFPD will give you back everything you put into it and much more, but we need your input. At the end of the day, we will do our best to communicate via every medium we know of, but we particularly enjoy seeing our members in person or talking over the phone. Use AFPD to help make running your business a little easier.

Speaking of technology, most of the AFPD endorsed suppliers have categorized AFPD as a chain, and this will help us compete against the supermarket, convenience store, and gasoline chains in our region. Technology is a two-edged sword, so while you may be busier than ever, do not forget to slow down once in a while and communicate in a meaningful manner. Whether it is communicating, technology, cooking dinner, or anything else in life, faster does not always mean better. Another truism is that you don't have to be the biggest to be the best. This is why we pride ourselves in representing only independent retailers. Long live independent supermarkets, convenience stores, and gas stations! ■■■■

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Michigan Updates

Item Pricing Legislation

The 'item pricing' legislation, one of AFPD's top legislative priorities, passed out of Committee and subsequently passed in the Michigan House. The bill now moves into the Senate, where it is expected to pass, then on to Governor Snyder for approval. When passed, retailers will no longer be required to price stamp each and every item on their shelves for sale. The price for the product must be conspicuously displayed near the product. Penalties for scanning errors will remain in effect to protect the consumer.



Richardville Meets with AFPD Staff, Board

AFPD staff and board members met with Michigan Senate Majority Leader Randy Richardville to discuss issues important to AFPD members. Item pricing, catering deliveries, ADA deliveries, selling below cost, and bottle deposit issues were discussed. We asked Senator Richardville to define AFPD as his 'go to' organization on matters of food, beverage, and petroleum.



Support for Dodd-Frank Amendment

On the Federal Level, AFPD has been working with SSDA-AT, NACS, and FMI to support enforcement of the Dodd-Frank amendment provision regarding debit card fees, as recommended by the Federal Reserve. The banking industry is attempting to derail the Federal Reserve recommendations.

AFPD Scholarship Deadline: March 30th

Please note that the deadline for applying for an AFPD Scholarship is fast approaching. Scholarship money is earmarked for Michigan and Ohio students of AFPD members, their employees, children and customers. For more information, see ads on p. 27 and p. 31.



Ohio Updates

Ohio Lottery Scores Record Breaking Sales for January

Reports recently prepared for the the Ohio Lottery Commission showed January was a record breaking month for the agency, and transfers of profits for education seven months into the fiscal year 2011 are running ahead of the prior year.

Total sales reached \$215.2 million, and a \$18 million increase. The previous record of \$197.2 million was set in January 2010.



Workers' Comp Group Rated Program Sign up for 2011

Participation in AFPD's Ohio Group Rated Program through CCI has again been successful. Approximately 40 AFPD members who were not on the 2010 program have signed up for 2011.

AFPD Advises Gasoline Retailers on Environmental Issues

Any retail gasoline owner/operator that has had any type of open environmental issues on his present site or on a site he may have purchased with previous contamination must have a no further action letter on file. The U.S. Environmental Protection Agency is now putting pressure on states' Bureaus of Underground Storage Tank Regulations to certify these open environmental issues have been handled. If you have any doubts or concerns contact Verne A. Ord, Assistant Bureau Chief, Division of State Fire Marshall at 614-752-7095. We have information these issues could go as far back as ten years. Please advise Mr. Ord you are an Associated Food & Petroleum Dealers member.

AFPD Puts Geiger in Charge of Events

Dawn M. Geiger has joined AFPD as its new event planner. She is working out of AFPD's Farmington Hills, Mich., office and is responsible for managing all AFPD trade shows and special events. Geiger is an accomplished association event manager with 14 years experience. Her event management experience includes positions with the Michigan Association of Certified Public Accountants as well as with the Original Equipment Suppliers Association. Geiger has also worked as a business development manager and a customer services manager.



"We are excited about Dawn joining the AFPD team and look forward to her positive impact on the numerous AFPD trade shows and special events we hold throughout the year," says Auday Arabo, AFPD President and CEO. "In particular, she is very member-oriented, and we are confident that she will help all AFPD members get the most out of their tradeshow experience."

AFPD members wishing to get in touch with Geiger can email her at dgeiger@afpdonline.org or call the AFPD office at (800) 666-6233.



27th Annual

Michigan Food & Petroleum Trade Show

Wednesday, April 13, 2011

Suburban Collection Showplace

(Formerly Rock Financial Showplace)

46100 Grand River • Novi, MI 48375



*Connect with
Buyers and have some
fun at the 2011 AFPD
Trade Show,
"Down on the Farm"*

For more information,
Contact Dawn Geiger
dgeiger@afpdonline.org
Phone (800) 666-6233
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www.afpdonline.org

AFPD 95TH ANNUAL TRADE DINNER AND BALL

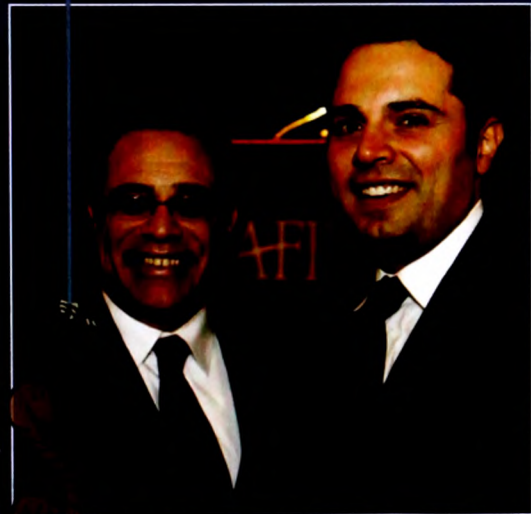
Gone Fishing



MLCC Commissioner Pat Gagliardi, Auday Arabo, Jane Shallal



Derek Dickow, Harley Davis, Kenny Ibrahim



Wayne County Executive Robert A. Ficano with Auday Arabo



Past AFD President Joe Sarafa, Auday Arabo, Jim Bellanca, Jim Hooks, Ronnie

AFPD's 95th Annual Trade Dinner & Ball made a big splash with the nearly 1,000 AFPD members and guests who attended the event on February 11, 2011 at The Diamond Center in the Suburban Collection Showplace (formerly, the Rock Financial Showplace) in Novi, Mich. With a theme of "Gone Fishing," the popular, black tie event featured a variety of fish and seafood appetizers, tables named after Michigan lakes, and centerpieces designed around the fishing theme. Entertainment and dancing music was performed by Ben Sharkey and band.

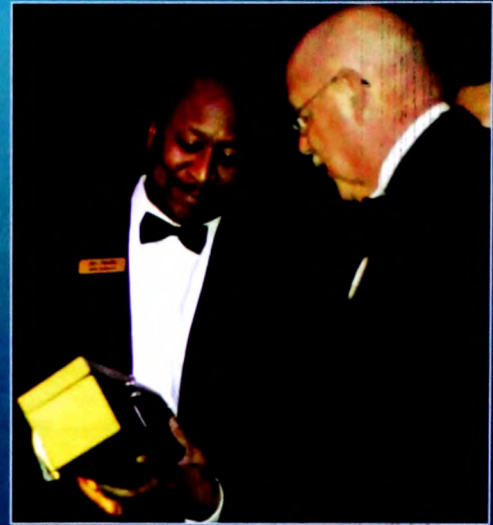
AFPD President and CEO Auday Arabo welcomed the guests and asked everyone to observe a moment of silence to "think about, honor, and express gratitude for our armed services, and police and fire personnel who are in harm's way right now so we can enjoy our wonderful event here tonight."

Following the invocation, Wayne County Executive Robert A. Ficano called for applause for Arabo as the new AFPD President and CEO, adding, "If the retailers in this room are making money and you're happy, then I'm happy." He also congratulated co-chairs Ronnie Jamil of Bell & Vin Fine Wine and Brian Pizzuti of National Wine & Spirits for a fine job in organizing the event.

Surprise tributes were made to Jane Shallal, who served as AFPD President and CEO from 2006-2010 (introduced by Nida Samona, Chairwoman of the Michigan Liquor Control Commission), as well as James V. Bellanca, Jr., (introduced by Joe Sarafa, former AFD president) who was recognized for an impressive 30 years of dedication, loyalty, and commitment to AFPD. Before moving on to a delicious dinner, closing remarks were made by Jim Hooks, the current AFPD chairman of the board. The recently retired Dan Reeves was also honored for his 16 years of dedicated service on the AFPD staff.



Don Sharkey and his band got the guests moving and enjoying a chance to dance the night away.



Jim Hooks presents Dan Reeves with a tribute for his 16 years of dedicated service to AFPD.



AFPD Board Chairman Jim Hooks congratulated AFPD on another year of success and thanked fellow board members for their dedication.

New to the annual dinner this year was a Silent Auction, the proceeds from which are earmarked to fight the catering bill, a proposal that was vetoed by former Michigan Governor Jennifer Granholm but has recently reappeared in the legislature. Among other things, the bill would allow Michigan restaurants to deliver alcohol off premises, which would negatively impact the businesses of independent grocers, c-stores, and liquor stores. The guests were reminded that their voice is heard in Lansing, and that AFPD would once again fight the catering bill with all its available resources.

After dinner, attendees danced, networked, and enjoyed the traditional AFPD cigar area with after dinner drinks. Arabo made a point of thanking the numerous sponsors that made the event so special (see p. 13 for a complete list).



Suburban Collection Showplace was resplendent with a "Gone Fishing" theme.

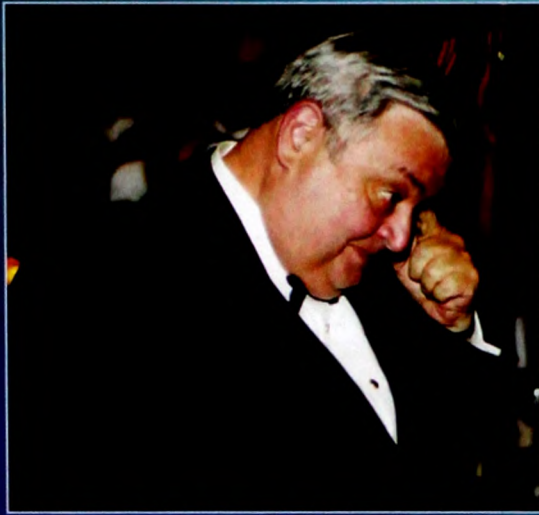


Proceeds from the Silent Auction will help fight the newly re-introduced catering bill in Michigan.



Gold fish serving as part of the "Gone Fishing" theme decor were offered to guests as pets at the end of the evening.

AFPD ANNUAL TRADE DINNER AND BALL



Personal tributes to Jim Bellanca, Jr. (left) and Jane Shallal (right, with Auday Arabo) were emotional moments full of gratitude for all the great work these two individuals have done for AFPD.



Brian Pizzuti and Ronnie Jamil.



Jim Hooks and Auday Arabo congratulate Dan Reeves on his 16 years of service to AFPD.



Mike Gallagher of Spartan Stores, Gina Breslin and her husband, Matt Breslin of Karoub Associates.



AFPD's 2011 Board of Directors paused for a good looking team photo.

95th Annual
Trade Dinner & Ball



February 11, 2011

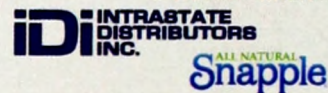
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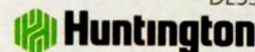
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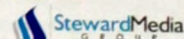
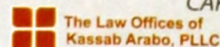
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So, You Want To Sell **GAS?**

AFPD Members Open Up About the Gas Business and Share Their Best Advice.

By Darrell Klute

AFPD counts among its members several veterans of the gas retailing game, and they are happy to share their collective wisdom with newcomers. If you are considering taking the leap, these retailers caution you to first take a long, hard look.

Joseph Nashar from Grand River & Halstead Shell kept coming back to the same two words: due diligence. "Do your research," he cautioned. "If you're not able to, hire somebody."

Richard Bratschi of Lake Lansing Mobil echoed those sentiments. "It's not a lot different than any other business," he said. "Have a business plan and work backwards to see if you can get a return on the investment. Do your homework—and then do it again."

The Landscape

Okay, so a quick look at the landscape reveals some stiff competition. There's no getting around that. Naturally, you expect competition in any business; but some of the competition is big—really big—and they don't seem to be playing by the same

rules as everybody else. In fact, it looks like they might be playing a different game entirely.

"I don't recommend locating or purchasing any location next to a big box," Nashar said. "They will swallow you up."

Nashar once had a conversation with an executive at a local Sam's Club that made the stark contrasts between the big box and the independent retailer quite clear. "The way I was brought up, every aspect of my business is a profit center—each has to generate a profit," he said. "They sell fuel at cost. They don't look at that as a profit center—it's a membership gainer."

To benefit from the cut-rate gas deals at big box stores, customers need to use their membership cards. "They might see 3,000 customers over a two-day period, and the only way they can come there is to be a member," Nashar continued. "That's \$40 or \$50 per year in membership fees, and then there's the dual purpose—a lot of those gas customers go into the store."

Pat LaVecchia from Pat's Auto Service also bemoaned the high-volume grocers and big boxes. "This used to be a good business, but there is no margin left, no profit margin. Lots of these guys are selling at cost," he said. "Everybody is selling

gasoline. If they can get by with huge volumes by selling gas at or below cost, they can make up for it easily with other sales."

LaVecchia said the cost, delivered to his location in northern Ohio, is about three dollars per gallon. Looking at the big boys around him, he sees \$2.89 or \$2.91.

"Some jobber dealers are crazy dealers," he said.

"They don't use wise marketing practices, which tells you that you should make a good gross margin on whatever you sell."

Bratschi, however, doesn't blame all the small retailer's problems on the big chains or jobbers. "We are our own worst enemies," he said. "We look at each other's price line and follow it without any thought about the consequences. You can be the cheapest and sell a lot of gas, but a million gallons times zero profit – well, you can't buy groceries with that."

Many retailers have resigned to borrowing a page from the big boxes: Don't look to make big profits off the gas; just get customers into your store and turn your profit there. Still, it's a strategy that requires constant monitoring.

"If your object is to drive customers into your store as your key profit maker, be careful with that,"

Bratschi said. "Gas is often fickle, so you can't count on it. The cost changes almost hourly now. I check it three times a day. I have to guess when to order because there are big price swings. When you are ordering a 14,000 gallon load, and the cost changes eight cents per gallon, that can be your whole margin for the week."

Other Costs to Consider

Let's say you found a great spot by the expressway and would like to put in a gas station. "If you're starting from the ground up, there is an incredible cost to building the facility: the tank farm, the lines, the dispensers, the islands, the canopies," LaVecchia said. "That could cost half-a-million, just for that – and that's not counting the land or the building."

So the better answer is to add gas pumps to your



c-store or grocery store?

Not so fast, say some AFPD members. "I caution people if they are a grocer or c-store. You've really got to think hard to do that. Understand your investment," Bratschi reinforced, "because it's going to bleed you consistently."

For example, he pointed out, "Your infrastructure has to be replaced every so often, so you can't go in there thinking you'll just

throw the pumps in there and that's it. There are thousands of dollars more to spend – just be careful."

OK, so you can always purchase the established station in your community that closed a few weeks ago. But even here, Nashar brings out the caution flag. "Check the age of the tanks," he said, "but go well beyond that. Check online to see if there has been a release at that site, and if there was, whether or not it has been cleaned up properly. If you take ownership, you are responsible for that site."

In addition, it's important to know what the track record is for businesses at that site. Is it near a big box, or is it on a highly visible corner near the on-ramp?

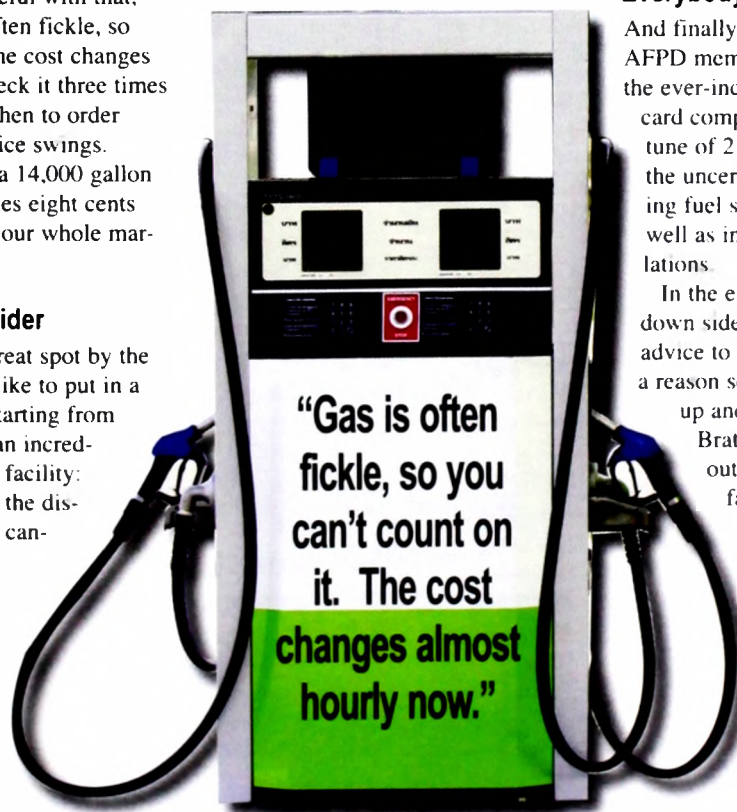
Everybody Takes Their Piece

And finally, before taking the plunge, these AFPD members caution newcomers about the ever-increasing costs of fuel; the credit card companies grabbing their cut (to the tune of 2 to 3.5 percent per transaction); the uncertainty surrounding new, emerging fuel sources and electric vehicles; as well as increasing and ever-stricter regulations.

In the end, having shared some of the down sides, the retailers don't want their advice to sound all negative. "There's a reason so many locations are closed up and so many sites are available,"

Bratschi said. "Opportunities are out there, even if they're few and far between. Call AFPD – it's an excellent resource. There are lots of people there who can help you get into the gas business, and they will direct you to others who can help you if they can't." ■■■■

Darrell Klute is a contributing writer to AFPD Bottom Line.



The ABCs of GAS

By Ed Weglarz

If you are considering acquiring a gas station, building a new station, or adding gasoline pumps to your present location, here are several factors and issues to consider.

Marketing

Who is your target market? How are they being supplied now? Who is the competition? If you are considering a mature, developed neighborhood, remember the demand for fuel is most likely stable (inelastic), and you will need to pilfer sales away from established outlets. Motorists don't buy more gas just because there are more stations. If you are considering penetrating an expanding, growing neighborhood, survey the competition to determine the ability of the trade area to support additional supply.

Also, major brand suppliers don't want their outlets too close together, so you'll need to consider a brand that doesn't conflict with marketers already established in the trade area. Or you may want to consider marketing "unbranded" product—gasoline supplied without the benefit of a major brand flag.

Supply

Retailers can pursue different marketing strategies to gain a competitive advantage, and one key component is the nature of the fuel supply arrangements. Some choose to sell motor fuel under the brand of a supplying refiner, while others establish their own brand. A company's supply contracts and size determine its options for obtaining gasoline.

Branded independent retailers have one option for gasoline: the refiner that provides it with supply. Most retailers are small businesses that obtain their gasoline at a terminal, also known as "the rack." Prices at the terminal are known as "spot" prices, and these are typically the most volatile.

Retailers can shop around to be supplied by a "jobber" who will deliver and extend credit terms. Entering a supply contract with a jobber can be negotiated with regard to

minimum volume commitments, minimum delivery requirements, image standards, and length of the contract. But once you sign on the dotted line, you've made a commitment, so review and analyze any document carefully.

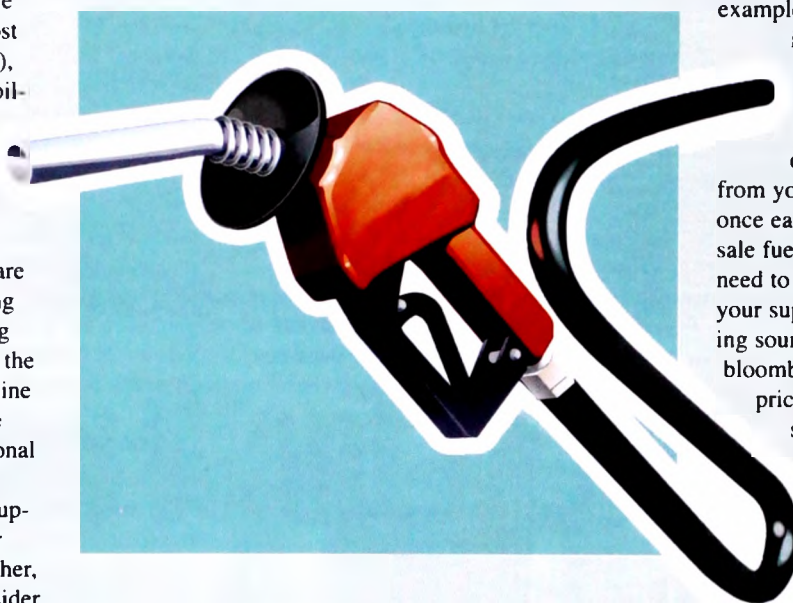
Price

The gasoline retailing business is more challenging today than ever before, partly because the factors that must be considered when buying or selling gasoline can account for 75 percent of your sales volume. For example, retail pricing and meeting the competition are two major issues that need to be addressed—often several times each day. The wholesale price from your supplier will change once each weekday. With wholesale fuel prices changing daily, you need to monitor your cost through your supplier or at an online pricing source like Bloomberg (www.bloomberg.com) to observe the price trends. Work with your supplier to obtain the best price and credit terms, keeping in mind the taxes that apply to gasoline as well as the percentage sales tax on gasoline in your state. Buying right and buying smart will affect your bottom

line. With online services, newspapers, TV, and radio stations monitoring retail fuel prices, it's important that you survey competition prices multiple times per day. Don't drag your feet meeting the competition on the way down or when prices increase. Because of consumer price sensitivity, retailers need to understand the importance of setting prices to remain as competitive as possible. If your retail price is significantly higher than others in your trade area—for any reason—you lose not only the gasoline sale, but also any chance of capturing the additional in-store sale opportunity.

Replacement Cost

Watch your cost to replace product—not just what you paid for it. Complicating a retailer's ability to set competitive prices as wholesale prices move is the challenge of maintaining sufficient operating capital to cover the cost of the product that will replace the inventory sold. Typically, a gasoline retailer establishes a retail price based on the cost of replac-



g the gasoline currently in the
ound at the retail location, not the
st of the product itself. Basing
ices on "replacement costs" is
pecially critical when wholesale
ices fluctuate frequently.

A retailer
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wise, the

tailer is constantly using debt to
nance wholesale gasoline purchas-
s. And yet, even these decisions to
spond to anticipated changes in
holesale costs are strongly influ-
nced by competitive pressures.



Often, a retailer is unable to adjust
retail prices to match the change in
wholesale costs. When prices retreat,
market competition again influences a
retailer's pricing decisions.

The bottom line: Analyze any and
all infor-
mation you
are able to
glean about
trade areas,
demograph-
ics, compe-
tition, sup-
ply availabil-
ity, wholesale
pricing struc-
ture, credit

terms, and image support before mak-
ing any decision to commit to the
retail gasoline business. ■■■■

*Ed Weglarz is AFPD's Vice
President—petroleum.*

**Buying right and buying
smart will affect your
bottom line ... it's
important that you
survey competition prices
multiple times per day.
Don't drag your feet
meeting the competition
on the way down or when
prices increase.**

WELCOME TO THE ALL NATURAL REVOLUTION



Look for the Natural stamp on select **FritoLay** snacks.



Snack Attack

An AFPD Bottom Line Staff Report

Snacks have long been part of the American culinary make-up; historically, they served as the bridge between more civilized, refined meals. However, times are changing. While some snacks are still as timeless as the hills, there are always emerging trends. In fact, one of the most recent developments is the discussion about what food items are actually considered a “snack” these days.

Ben Benjamin from Kar’s Nuts has a clear notion of what the trends are in his company’s market sector: “Health, value, and portability.”

“Consumers are price-conscious, but Nielsen Company data revealed that it’s not their main decision-maker,” Benjamin said, noting other factors tie into price. “Are they getting value? Is it a quality product? And is it something they can take and save for later – which is not a surprising consideration in a snack.”

Although Kar’s deals primarily in single-serving packages sold in c-stores, vending machines, and club stores, some of the biggest gains the company has seen have been in its larger packages that the family shopper might consider. “These



are not shoppers looking to buy for themselves, but maybe mom shopping for the whole family,” he said. The multi-packs help the family stock up so they can have snacks on hand for camping, road trips, and kids’ lunches. Kar’s gives its customers plenty of oppor-

tunities to munch on the healthier side of the snacking spectrum with offers of sunflower kernels, raisins, and unsalted trail mix.

It’s clear, though, that many people who might wander through a c-store looking for a snack might not have “fiber content” or “whole wheat” near the top of their priorities at that particular moment. “Our customers generally are looking for somewhat more healthy offerings,” said Bill Hillman from HT Hackney, one of the largest wholesale distributors

Trends in the c-store snack category are being driven by portion size, meal replacements, and local sourcing.

in the U.S. “C-store customers? Not so much. The standard stuff – Snickers, M&Ms, Hershey bars – all continues to sell and is going well.”

Looking for Comfort

While candy bars, as well as snacks and soft drinks, remain c-store staples, these customers increasingly are looking for more and finding it in the form of comfort foods. As an article in



Krispy Krunchy Chicken strives to meet the consumer's desire for comfort food on the go.

the National Association of Convenience Stores’ pointed out last fall, the line is getting blurred between snacks and meals. Younger people are much more likely to consider an order of onion rings or a small burger off a “dollar menu” a snack instead of a meal. Their rationale seems to be driven by the cost and portion size of the food item.

C-store shoppers increasingly are looking for the convenience of meeting their comfort-food snacking, lunch, or even dinner needs when they stop in. “Customers get their gas, go

in to pay and grab their bread, milk, lottery ticket – and they are looking to grab something to bring home for dinner,” said Donna Crawford of Krispy Krunchy Chicken. “We see that happening more and more.”

Krispy Krunchy was born in Louisiana about 15 years ago (see sidebar). The business was designed to operate in c-stores and now has 244 locations in 25 states. “Our chicken is fresh, never frozen,” Crawford said. “And our chicken is affordable.”

Crawford said that the company is capitalizing on folks

ritory this month. “We’re just introducing our breakfast program,” she said, which incorporates six items the operators already have in their inventory. “We’ll offer our fresh cajun chicken tenders and put that on a honey-butter biscuit for breakfast. And we’re also introducing our to-die-for blueberry biscuits to Michigan.”

A popular trend in snack foods is packaging that offers parents portion control.

seeking fresh, real food during chilly winter months by offering some different menu items.

“In the winter we have two products, jambalaya and red beans and rice,” she said, noting they’re especially popular with construction workers and others working outside in the cold. “They’re nice and hot. People stop in and get them, and all they need is a spoon.”

In addition to giving the people what they want in the afternoon and evening hours, Crawford said Krispy Krunchy is charting new ter-

Time and Place

Mike Pecoraro knows a thing or two about helping customers think about the snack options he offers at different times of day. “We’d like to get folks to try ice cream at different parts of the day,” Pecoraro said. “Not just dessert.”

Pecoraro is an account manager at Nestlé DSD (Direct Store Delivery division), where he has worked for 15 years. “People eat ice cream after dinner, and maybe the kids have some after school,” he said. The movement now is toward products that people can eat any time. One method of achieving this is by creating snack-size packaging and 100-calorie or less servings. “That seems to be where the industry is going.”

Even larger packages like the 140-piece container of Dibs – bite-sized ice cream treats in a chocolate shell – offers parents portion control that makes ice cream a more versatile snack.

But wait—is ice cream really a snack? According to the research.

See *SNACKS*, page 20



Drinks Rebound for 2011

What's a snack without a drink to wash it down?

According to CSP's 2011 Beverage Report, after two years of declines in total beverage sales, the second half of 2010 pulled the category back on track; now, growth is expected for 2011. Below are some category highlights from CSP's report:

- **Beer.** Premium beers continue to grow as do larger package size, 12-, 18- and 24-packs. But the most noteworthy consumer trend, says CSP, is a move toward higher quality, single-serve beers.
- **Bottled water.** Bottled water is back on a growth path after a couple of down years, reports CSP.

- **CSDs.** CSP says there was no growth in the carbonated-soft-drink (CSD) category in 2010, but 2011 sales won't be down as much as in the two previous years. Packaging is key, with 14- and 16-ounce PET bottles providing a new value price point for consumers.
- **Energy Drinks.** 2010 energy-drink sales are barely back into double-digit growth in 2010 after only 6 percent growth in 2009. While far below the 55-plus percent performance in 2005, CSP says this newer drink category is still the envy of the beverage world.
- **Sports Drinks.** Sports drinks are also creeping back up buoyed by PepsiCo's Gatorade and Coca-Cola's PowerAde spreading into new directions such as PowerAde Protein Milk.

When it comes to snacks, consumers are looking for the best value—not necessarily the lowest price.

SNACKS

Continued from page 19

Pecoraro said, the answer is clear. "The number-one reason consumers visit c-stores is to buy food for snacking," he said. "And 74 percent of c-store shoppers describe ice cream singles as snacks."

And the best way to get those shoppers to notice and make an ice cream snack purchase? "62 percent of all grocery shoppers look for ice cream snacks by a front-door cooler," he said, referring to a shopper behavior survey that interviewed hundreds of customers. Location, location, location.

Local Demand

How has the troubled economy played into snacking trends? In addition to customers looking for the best value – not necessarily the lowest price – as Benjamin pointed out, Hillman noticed another trend.

"One thing we see, too, is more requests for Michigan-type items in the store – Kar's Nuts, Uncle Ray's Chips, Country Fresh," he said. "We've been doing more of those kinds of requests all over the state. I think people do it, in part, to help the Michigan economy."

Crawford pointed out one truism – regardless of whether you are selling snacks, to-die-for blueberry biscuits, or widgets – that trumps whatever the trend-of-the-month might be.

"Whether you're Target or McDonalds or whoever," she said, "it's customer service that gets that repeat business." ■■■

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chants have a stronger voice with payment brands. Chase also helps introduce new products and payment options to make purchasing even easier for your customers.

Payment Brands Offer More Information

Understanding interchange rates can be complicated because the payment brands do not have one set rate that applies to every industry or every transaction. Additionally, rates are

adjusted throughout the year. To learn more about current interchange rates, visit the payment brands' websites:

- Visa http://usa.visa.com/merchants/operations/interchange_rates.html
- MasterCard http://www.mastercard.com/us/merchant/support/interchange_rates.html
- Discover, contact (866) 710-3356

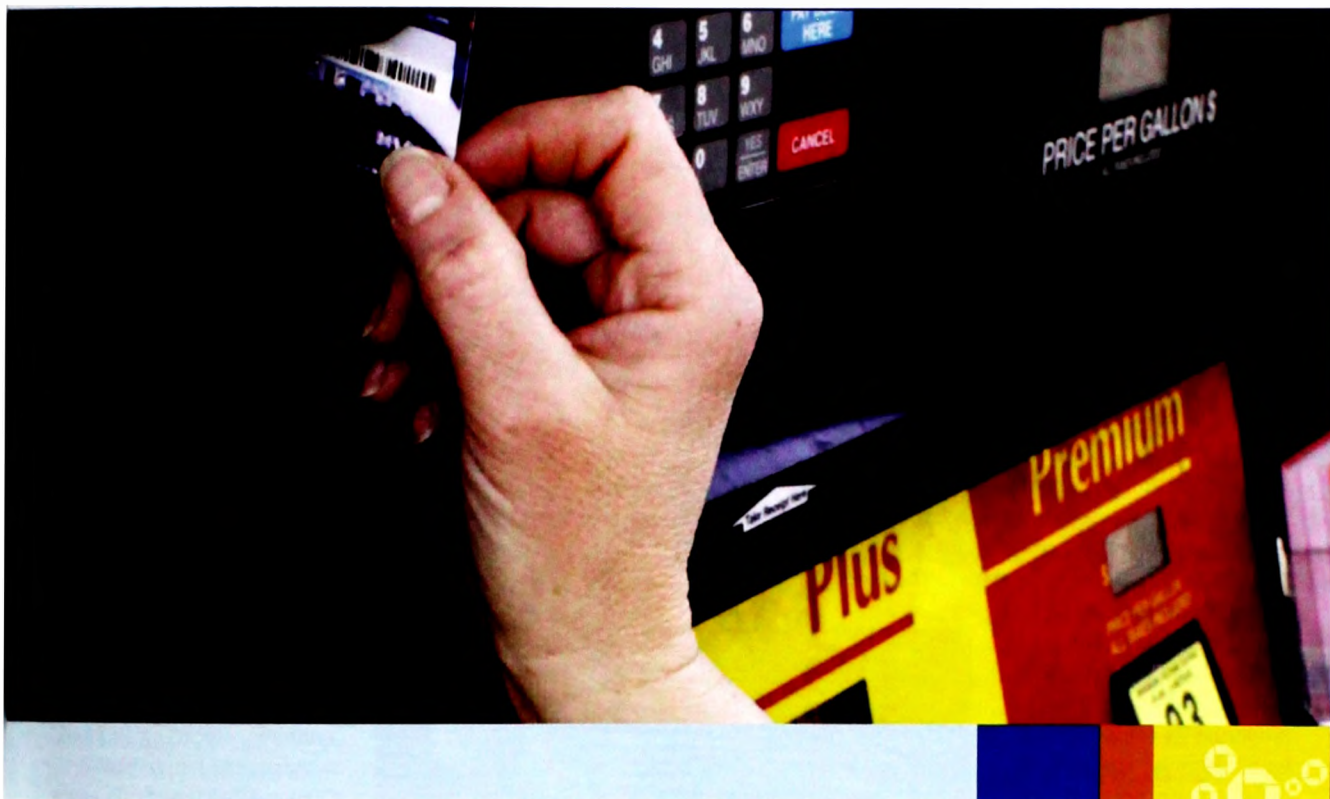
If you have any questions or would like Chase to review your statement, contact Jim Olson at (866) 428-4966, james.olson@chasepaymentech.com. ■■■■



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For more information, please contact us at 866.428.4966.

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

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**Ed
WEGLARZ**
Executive Vice President, Petroleum

Selling Motor Oil Just Got More Complicated

Every 2011 General Motors car now rolls off the assembly line with the engine filled with a new generation of oil. Other automakers, such as Ford Motor Company and the Chrysler Group, are also beginning the switch to new oil, known by its industry grading as GF-5 or SN, or, in GM's case, Dexos1. The grade identifies oil that's designed to help engines run more efficiently and protect them from wear. Those are key properties as automakers wring more horsepower out of smaller engines and make greater use of heat-producing turbochargers and superchargers. The protection properties of the new oil also have the potential environmental benefit of increasing the mileage interval between recommended oil changes.

Tests Make the Difference

The Dexos1 and GF-5 oils hit the market in October 2010. They replace the GF-4 standard from the International Lubricant Standardization and Approval Committee, which has members from GM, Ford, Chrysler, and the Japan Automobile Manufacturers Association (JAMA). The American Petroleum Institute (API) uses the SN designation for the new oil. "GF-5 and Dexos1 oils have a more robust formulation that should give you better contributions to fuel economy, cleanliness, and fuel emissions," said Mark Ferner, manager of the lubricants technology group at Shell.

The main difference between Dexos1, which is a GM-licensed brand, and GF-5 oils is testing. To be certified as GF-5, the oil needs to pass a variety of chemistry and engine tests set by the API. However, GM's testing for Dexos1 uses some tests mandated by the ACEA, the European automobile manufacturers association, in place

of the API tests. For example, Dexos1 oil has to pass Mercedes-Benz's sludge and fuel-economy tests and Opel's test for the ability to work under foaming conditions, known as aeration. GF-5-certified oils that do not undergo the same tests are subjected to the API's equivalent to be certified.



Beware if you're tempted to use conventional oil in an engine that calls for the new specification.

GF-5 oil can be found in both conventional and synthetic formulations, but Dexos1 can only be found as a synthetic, according to Shell, maker of the Pennzoil and Quaker State brands. In some cases, oil companies already have formulas that meet or exceed the Dexos1 and GF-5 specifications. For example, Shell's Pennzoil Platinum and Quaker State Ultimate Durability synthetics exceed both standards.

Good for New and Old Cars

Dexos1 and GF-5 oils can be used in older cars. Owners still need to consult their owner's manual to choose oil with the

recommended viscosity. "Consumers will find some bottles of oil with both the Dexos1 and GF-5 certification," said Ferner of Shell. He added that consumers will notice an immediate difference after changing to a Dexos1 or GF-5 oil. Instead, the benefits are better protection and engine cleaning over time.

But beware if you're tempted to use conventional oil in an engine that calls for the new specification. GM says not using Dexos1 oil may cause engine damage that would void the powertrain warranty. To ensure continuity of the OEM's warranty, always encourage the customer to follow the recommendations in the vehicle's owner's manual and inscribed on the oil filler cap under the hood. ■■■■

Go to www.gmdexos.com for more information on GM's Dexos oils, and see www.gf-5.com for information on GF-5 oil.

Join AFPD Delegation at SIAL Canada 2011

The 8th edition of Canada's leading international food and beverage exhibition, SIAL Canada, will open its doors May 11-13, 2011 in the Metro Toronto Convention Centre. With three months to go before opening day, the event billed as "The North American Food Marketplace" is affirming its renewed vitality as organizers institute an exhibitor wait list and announce that 100 of exhibit space already been reserved.

SIAL Canada's Managing Director Xavier Moncin says, space reservations for SIAL Canada 2011 show a 35 percent increase from 2010.

In 2010 SIAL Canada attracted 544 exhibitors (47 percent international) and 2,759 visitors at the Palais des congrès in the Montréal exhibition center.

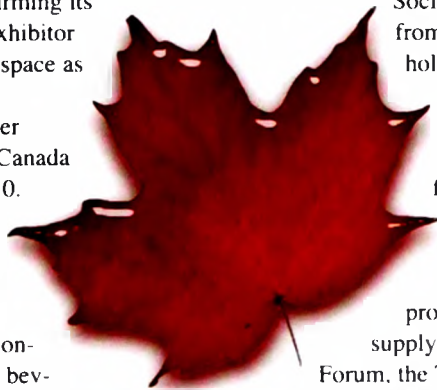
SIAL only admits food industry professionals and is exclusively devoted to food and beverage products, serving the needs of all market segments including large-scale distribution, import-export, wholesale distribution, specialty retail, foodservice as well as food manufacturing.

SIAL Canada 2011 will host an official USA Pavilion endorsed by the U.S. Department of Agriculture featuring 35 U.S. companies on 3,500 square feet of exhibit space. Five U.S.

trade organizations will be exhibiting in SIAL Canada 2011: the Illinois Department of Agriculture, the Southern United States Trade Association (SUSTA), Food Export USA - Northeast, the Association of Food Industries (AFI) and the American Cheese Society. The show will host a delegation of buyers from AFPD, and the Michigan Grocers Association is holding a contest among its members for a free trip to the show.

Beyond a world-class trade exhibition, SIAL Canada 2011 will unfold a busy program of conferences and special events offering something for everyone in the food industry. A series of Rogers Communication Conferences will expose timely topics such as attracting ethnic consumers, products for aging consumers and sustainable food supply chains. The show will also feature the Innovation Forum, the Trends and Innovations Conference, three product competitions awarding the most innovative products, the finest olive oils and coffees (new) as well as a platform geared toward foodservice operations: the "La Cuisine" demonstration stage animated by world-renowned chefs.

For more information on the SIAL trade exhibitions, contact Rebecca Long at Imex Management, (704) 365-0041 or email RebeccaL@ImexManagement.com. ■■■■



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Ron MILBURN

AFPD Vice President—Ohio

Re-Think Car Washes

Retailers must develop programs that will bring more traffic into their location and take advantage of programs their competition does not have. One program with the potential to build revenue is the car wash.

A New Way of Thinking

Devoting the proper attention to a car wash will require a new way of thinking, industry consultant Mike Perry told Linda Abu-Shalback Zid in an interview for *CSP* magazine. Car washes—like other impulse purchases—have been hit by the economy, he says. Individual car-wash counts have gone from 1,500 to 2,000 cars per month in 2005 down to 800 or 1,000 per month in many parts of the country and in-bay car washes have declined from an estimated 50,000 a decade ago to 35,000 today. The focus, Perry says, should be on creating customers who come to your location over any other.

Attention to detail is a big component of the loyalty equation that operators should be more focused on in the upcoming year, according to Perry. “The fundamental flaw in car washes today,” he says, “is that operators don’t see their car wash as a retail business. As a result of that, they’re not doing promotions or marketing to build a customer base, despite the fact that car washes are a top-five gross margin contributor for c-stores.”

David Whitaker, vice president of business development for High Ridge, Missouri-based D&S Car Wash

Equipment Co., recommends using prepaid cards and punch cards to keep customers coming back. “It can be as simple as buy six washes and get one free, and the customer feels like they’re getting a reward for doing business with you,” he suggests.

Marcus McLaughlin, a member of

store 10 or 11 times, and giving away just one free car wash.” Operators can also offer free wash upgrades to patrons who come into the store to obtain the upgrade code. “Both of these promotions take a low-margin gas customer and convert them into someone buying gas, a car wash, and possibly high-profit items like coffee and candy inside the store,” he says.



Quick Tips for Car Washes

- Remember that your car wash is a retail location, and treat it like you would your c-store.
- It’s possible to do more with less these days, but do your research.
- Turn to technology to more easily manage your multisite operations.
- Engage in several marketing programs at once to bring in loyal customers.

the marketing team for Northville, Michigan-based Belanger Inc., agrees operators can use such incentives to get customers in the door. “Simply put, you can sell washes at the pump—but tell customers to come in the store for a ‘punch’ that helps them earn a free car wash after 10 washes,” he says. “Imagine bringing the customer into the

Make Them Loyal

“The car wash is an important category, but it cannot be its own island. It’s got to be plugged into the overall strategy of the c-store chain,” John Carroll, president of Costa Mesa, Calif.-based Intelio Technologies Inc., told *CSP*. It’s also important to tie any car wash loyalty program to the c-store’s existing loyalty program.

And while in the past operators might have offered a discounted car wash with gas purchase, decreased gas margins have presented the opposite opportunity. Whitaker says “People say, ‘Gosh, if I can save 10 cents a gallon by going in and buying a car wash that I need to get anyway, that’s a tremendous value to me.’” He recommends offering only gas discounts with the top wash package: “Economically, it

works out for the operator, because the average fill is still about 12 gallons.” That strategy also allows retailers to compete favorably with nearby gas stations that don’t operate car washes. ■

Excerpted with permission from Bells, Whistles, and Neon Lights, CSP magazine, November 2010.



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**M. Scott
BOWEN**

Michigan Lottery Commissioner

Improved Lucky Lines On Sale Now

An all new Lucky Lines game went on sale February 27.

This improved version of the game will create more winners and redistribute prize money to more frequent,

low-tier prizes. Some notable changes include:

- **New Prize Level.** Players can win double their money back when none of the Player's Numbers are touching on the Player's Game Board. For example, a player with a \$2 wager and zero numbers together on the game board wins \$4. The additional prize level also improves a player's overall odds of winning to 1:4.37
- **Fewer Wager Amounts.** The number of available wager amounts has been reduced to four. The most popular wager options of \$1, \$2, \$3, and \$5 will remain while the \$4, \$10, and \$20 options are eliminated.
- **Higher Match-Three Prizes.** A player placing a \$1 wager and matching three numbers will win \$1; a \$2 match-three wager will win \$3; a \$3 match-three wager wins \$5; and a \$5 match-three wager wins \$9.

If you have not received new bet slips and point-of-sale materials announcing the change, contact your Lottery district sales representative.

Second Chance Contests

Several new instant games are featuring great second chance contests. Cash Tournament™, a \$5 game that launched on February 14, features a second chance contest to award one winner a \$250,000 cash prize. To submit an entry, players must enter one, non-winning Cash Tournament™ ticket at the Player's Club website, www.michiganlottery.com. A grand prize drawing to select three lucky players will be conducted on June 2, 2011. The

LUCKY \$ LINES

three finalists will attend the Windsor-Detroit International Freedom Festival fireworks for the grand prize drawing. One of the three finalists will win the \$250,000 grand prize.

Single Double Triple Play

Bingo™, also a \$5 game, launched on February 28 and features a second chance contest to award five winners \$500 worth of Single Double Triple Play Bingo™ tickets. To submit an entry, players must enter one non-winning Single Double Triple Play Bingo™ ticket at the Player's Club Web site, www.michiganlottery.com. Each valid entry

allows the player to participate in an online bingo game that earns additional entries. The five drawings to award the \$500 worth of tickets will be conducted from March 22 through July 6. For all rules and drawing dates, go to www.michiganlottery.com.

New Instant Tickets

New instant tickets scheduled to go on sale in March include 3's A Charm™ (\$1) on March 7 and Classic Wild Time™ (\$2) on March 28. The release date for these tickets is subject to change.

Instant Tickets Set to Expire

Tickets set to expire on March 7 include IG 302 Win, Place or Show™ (\$1); IG 285 Lucky Jar Bingo™ (\$2); IG 304 Cashword Extra™ (\$2); and IG 292

Classic Casino™ (\$10). Remember, if you are still selling any of these tickets, 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.

Instant Ticket Reactivation

Retailers are reminded to always activate instant game tickets before putting them on sale to ensure winning tickets can be redeemed by players. ■■■

More than 94 cents of every dollar spent on Lottery tickets is returned to the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to retailers. In fiscal year 2010, the contribution to schools was \$701.3 million. Since its inception in 1972, the Lottery has contributed more than \$15 billion to education in Michigan.

For additional information, please visit the Lottery's Web site at www.michigan.gov/lottery.



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**Joseph
PALAMARA**

Associate, Karoub Associates

Unwelcome Catering Bill Re-Introduced in Legislature

A bill to allow the Michigan Liquor Control Commission (MLCC) to issue a catering permit to a public on-premise licensee as a supplement to that on-premise license was recently introduced in the Michigan Legislature.

Senate Bill 5 (SB 5), sponsored by Senator John Pappageorge, (R-Troy) would allow Catering Permits for on-premise licensees (restaurants) who would then be able to sell, deliver, and serve alcohol at locations other than the licensed premises. If enacted into law, SB 5 would inflict a great deal of economic harm to the AFPD and its membership of over 3,000 independent small businesses operating in every county in the State of Michigan.

The potential revenue from new permits to the state from SB 5 is minimal, at best, and is outweighed by the added strain on enforcement. The revenue from this bill is not even a sliver in the bigger budget picture.

In addition, SB 5 flies in the face of current law (P.A. 474 of 2008) and federal court rulings. P.A. 474 specifically states in Section 203 (2): "a retailer shall not deliver alcoholic liquor to a Michigan consumer at the home or business of the consumer or at any location away from the licensed premises of the retailer." This law was recommended by the MLCC to protect the 3-tier system in the State of Michigan and to abide by *Siesta Village Market, LLC v. Granholm* (Docket #06-CV-13041) United States District Court, Eastern District of Michigan.

SB 5 would allow restaurants and bars to deliver alcohol in violation of the holding in *Siesta Village*.

SB 5 creates a number of other concerns and problems for AFPD members, including:

- Since prohibition, bars and restaurants have always sold liquor for on-premise consumption and party stores have always sold liquor for off-premise consumption. SB 5 would dramatically alter the playing field to the disadvantage of liquor stores by allowing bars and restaurants (Class C) to get a SDD (Specially Designated Distributor) permit, but not allowing AFPD members (SDD) to get a Class C license.
- The bill fails to adequately address the new types of enforcement challenges for the MLCC and other law

enforcement agencies that would arise under the distribution of alcohol under the Catering Permit. According to the MLCC, nearly 8,000 potential new SDDs would be created if this legislation were to pass.

- The bill also would not prevent a SDD-C permit holder from using the permit at multiple locations and events during the same time period. Server training by itself can not safeguard against thousands of new liquor licenses and the ability to deliver spirits to minors at a home or private event.
- SB 5 removes safeguards included in previous bills that prevented spirits from being sold by a catering permit holder at less than the minimum retail prices set by MLCC. The bill also removes the administrative fine (of not more than \$1,000) for a catering permit holder who sells and delivers spirits in violation of the law.
- On-premise licensees (i.e., restaurants) already purchase spirits at a 1.85 percent lower price from the State than off-premise licensees (i.e., AFPD). On-premise licenses will now make a larger profit margin than off-premise licenses when they market to the same clientele.

As you know all too well, this is not the first time an assault on AFPD members has been undertaken. A form or variation of the basic intent of the catering bill has kicked around Lansing for years. Twice in the past five years, it was approved by the Legislature only to be vetoed by Governor Granholm for many of the same reasons highlighted above.

While some may say it is laudable for elected officials to try to help Michigan's restaurant industry, to do so at the direct expense of – and the indisputable negative impact to – independent small business owners and retailers in Michigan, is just plain wrong and inherently unfair.

Please contact your elected senators, representatives, and even Governor Snyder to let them know how patently unjust and inequitable SB 5 is for small business owners (like you) in Michigan.* No matter how new the Legislature or governor may be, fair treatment to small businesses should never go out of style. ■■■■

Editor's note: You can find your elected officials at www.legislature.mi.gov.



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**Jody
LICURSI**
Vice President—Capitol Strategies Group

Ohio Initiatives Launched

Launching legislative action on one of Governor Kasich's key campaign initiatives, freshman State Representative Mike Duffey (R – Worthington) introduced HB 1, which would enable Governor Kasich to establish JobsOhio, a private, non-profit organization to support the Ohio Department of Development with job creation and expansion efforts. According to the as-introduced legislation, the governor would serve as the chairman of a nine-member, unpaid board of directors, all of whom would be required to file financial disclosure with the Ohio Ethics Commission and adopt a "conflict of interest policy," along with other measures to ensure fiscal transparency.

The business community has welcomed the concept of JobsOhio and many are optimistic that this innovative approach to economic development will make Ohio a competitive business marketplace not only regionally, but on a national scale. While the Common Sense Initiative (CSI), under the leadership of Lieutenant Governor Mary Taylor, will focus exclusively on small business issues, JobsOhio will address potential barriers that are impeding business growth and development in the state.

Ideas Surface Around Privatization of Liquor, Lottery

As Governor John Kasich works with the legislature on privatizing the Department of Development, other agencies are being highlighted as possible candidates for privatization as well. Among those to surface are proposals from independent groups on privatizing Ohio's liquor distribution business and the Ohio Lottery. Due to Ohio's dire budget situation, Governor Kasich has been generally supportive of exploring the option of privatizing certain state government functions, where appropriate. However, he did not solicit these specific proposals.

- **Liquor.** Case Western Reserve Partners, LLC, a Cleveland-based investment banking firm, submitted a proposal to the governors' office in January which showed that privatizing the state's liquor distribution business could net as much as \$1.5 billion in one-time cash for the General Revenue Fund. Ohio is the fourth largest of 19 liquor control states in the country. While the state would forfeit annual profits, it would still collect liquor taxes and control licensing. The proposal submitted by Case Western only addresses

the distribution of liquor at the wholesale level. If the administration decides to pursue the option of privatizing liquor distribution, it may be addressed in the upcoming operating budget.

- **Lottery.** A number of representatives from the lottery industry have either met with state officials or submitted proposals on how Ohio might operate under a private lottery management system. Included in the mix are Gaming Acquisition and Innovation Corporation from Austin, Texas and Camelot Group, the operator of the United Kingdom's lottery. The proposal submitted by Gaming Acquisition points to the success of privately operated lotteries in other states, such as Illinois, that have had success in increasing lottery profits. Other states are also considering ways to involve private firms in lottery sales; however, there are reported complications in staying within a U.S. Department of Justice opinion from 2008 stating that full privatization of state lotteries violates federal laws. In respect to state law, Sen. Coughlin introduced a bill during the last general assembly that dealt with privatizing certain aspects of the lottery. During legislative hearings, Sen. Coughlin acknowledged that it would likely require an amendment to Ohio's constitution.

Common Sense Initiative to Focus on Small Businesses

On his first official day in office, Governor Kasich issued an executive order establishing the Common Sense Initiative (CSI), an idea he first presented on the campaign trail, and tabbed Lieutenant Governor Mary Taylor to lead the charge. In this role, Lt. Gov. Taylor will be tasked to develop and implement a process for independently evaluating the economic impact of agency rules and regulations on small businesses in Ohio. CSI is also authorized to issue reports and recommendations to state agencies and the general assembly on how proposed rules and regulations are affecting small business development and job growth.

The executive order also establishes the Small Business Advisory Council, which "will offer the lieutenant governor the perspectives of the small business community and provide guidance into the mission and direction of the CSI office." It is not yet known how many individuals will serve on the Small Business Advisory Council or how often the council is slated to meet. Specific details related to CSI are to be released by Lt. Gov. Taylor within the next month. ■■■



Bruce D. STEVENSON

Superintendent, Ohio Division of Liquor Control

Record Sales Greet New Superintendent

Bruce D. Stevenson has been appointed superintendent of the Division of Liquor Control. Stevenson, of Urbana, has served as acting superintendent since November 2010. "Bruce has extensive knowledge of the day-to-day operations of the Division of Liquor Control and is committed to common sense regulation of Ohio's liquor industry," David Goodman, director of the Ohio Department of Commerce, stated in a press release. Stevenson has worked for the Division of Liquor Control in various capacities for the past 20 years, and has extensive knowledge and experience regarding the regulation of Ohio's liquor industry. For 13 years, he served as deputy superintendent of the Division's licensing section, responsible for the issuance and renewal of the state's 23,000 manufacturer, wholesale distributor, and retail permit licenses. Stevenson also served as chief of the permit division from 1993-1997, and chief of the beer and wine division from 1991-1993. He is a graduate of Youngstown State University with a Bachelor of Science degree.

The Division of Liquor Control is responsible for controlling the manufacture, distribution, and sale of all alcoholic beverages in Ohio. The Division is the state's sole purchaser and distributor of spirituous liquor (intoxicating liquor containing more than 21 percent alcohol by volume), which is then sold through private businesses, known as contract liquor agencies, which contract with the Division to serve as its sales agents. Regulatory functions include:

- The issuance of permits to the state's privately owned

and operated manufacturers, distributors, and retailers of alcoholic beverages.

- Regulation of industry compliance with the laws pertaining to the manufacture, importation, and distribution of beer, wine, and mixed beverages containing 21 percent or less alcohol by volume.

Record Sales in 2010

In 2010, the Ohio Division of Liquor Control reached another record level in sales of spirituous liquor (spirituous

liquor is intoxicating liquor containing more than 21 percent alcohol by volume).

The total dollar sales were \$753.7 million, which exceeded last year's amount by \$19 million or 2.57 percent. Gallonage sales for 2010 also increased to 11 million gallons, an increase of 269,024 gallons or 2.51 percent over gallonage sales in 2009.

Monies collected from the sale of spirituous liquor and the associated tax revenues are used to help fund a variety of state services that benefit all Ohioans. For Fiscal Year 2010, \$167 million of the Division's

liquor sales revenue was transferred to the state's General Revenue Fund. An additional \$66.7 million was earmarked for other state services such as liquor law enforcement; alcohol treatment, education and prevention programs; and the retirement of economic development and Clean Ohio revitalization bonds. An additional \$71.7 million in state sales and gallonage taxes on spirituous liquor was deposited into the state's treasury. ■■■■

Top 10 Sellers

The top ten selling brands of spirituous liquor (by gallons sold) for 2010:

1. Kamchatka Vodka – 408,277 gallons
2. Jack Daniels Tennessee Whiskey – 342,840 gallons
3. Bacardi Superior Light Rum – 295,820 gallons
4. Smirnoff Vodka – 283,332 gallons
5. Captain Morgan Spiced Rum – 280,229 gallons
6. Absolut Vodka – 271,495 gallons
7. Crown Royal Canadian Whiskey – 267,140 gallons
8. Jagermeister – 261,959 gallons
9. Korski Vodka – 236,976 gallons
10. Black Velvet Canadian Whiskey – 232,623 gallons



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Nash Finch



Keith Olscamp
Vice President
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For more information and to register, please visit
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or call the Conference Hotline:
(269) 387-2132



Nida R. SAMONA

Chairperson, Michigan Liquor Control Commission

Michigan Liquor Control

Updates on Ordering, Licensing, and More

The Michigan Liquor Control Commission (MLCC) has modified its plan to require all retail licensees to use the State of Michigan's on-line ordering system to order distilled spirits.

First, effective March 1, 2011, the MLCC will require all retail licensees who purchased \$10,000 or more in distilled spirits in the most recent calendar year to use the on-line ordering system to order their distilled spirits. The MLCC will not authorize any exceptions to this requirement. The Commission will allow smaller retail licensees, those with less than \$10,000 in distilled spirit purchases, to phase in their use of the on-line ordering system until July 1, 2011, although those licensees currently participating in on-line Lottery games may be required to comply earlier.

As of July 1, 2011, all retail licensees must order their distilled spirits through the State of Michigan's on-line ordering system.

"We have heard positive feedback from those licensees that are currently using the on-line ordering system," said Nida Samona, chairperson of the MLCC. "They feel that they have fewer problems with wrong orders because of the summary page before you submit the order. We understand that it may require some changes, but we feel that this will be a very positive change."

Sunday Sales

On December 1, 2010, more than 1,700 letters were sent by the Licensing Division to all city, township, village, and county clerk offices notifying them of the recent action taken by the Legislature that amended Section 1111 and Section 1113 of MCL 436.2113, the Michigan Liquor Control Code of 1998.

MCL 436.2111 allows for the sale of beer and wine between 7:00 am on Sunday and 2:00 am on Monday unless the local legislative body has prohibited such sales.

MCL 436.2113 allows for the sale of spirit and mixed spirit drink between the hours of 7:00 am on Sunday and 2:00 am on Monday, unless the legislative body of a county or the local legislative body has prohibited such sales.

"The Commission proceeded with issuing early Sunday sales permits on December 16, 2010 consistent with the directive in its letter. As for those governmental units that opted out via resolution or ballot pursuant to Public Act 213 of 2010, Sunday sales have been prohibited accordingly."

Licensing Division Updates

The Licensing Division had a great year. There were 2,360 applications authorized for investigation; 14,491 applications put on the docket for review; 9,330 licensing transactions processed; 1,498 new licenses issued; 8,966 product registrations approved; and 7,076 Special Licenses issued.

When MLCC introduced Online Status Check in 2009 in an effort to dedicate staff time to getting applications on the docket, the Licensing Division was taking more than 2,500 status check phone calls a month. Fast-forward to the same time 2010: phone calls are still around that same number. "We continually encourage licensees, applicants, and other interested parties to go to our website, as it has a wealth of information," said Samona.

Enforcement Division

The MLCC Enforcement Division's primary objective is to protect the health, safety, and welfare of the citizens of Michigan. To that end, enforcement supervisors and investigators spend a great deal of time working with prevention organizations and licensees in an effort to curb intoxication and under age drinking.

The Enforcement Division made 1,512 controlled buy stops in 2010, resulting in 224 violations; 128 (57 percent) were after the clerk/server checked the ID of the decoy. The MLCC wants to remind licensees that the State of Michigan gives out vertical licenses to people under 21.

"A vertical license alone stops the sale, even if that person has turned 21 and not updated their license. This is such an easy, yet critical step, that a clerk overlooks or is over thinking on the issue. I always tell our licensees to deny the sale and direct customers to obtain a new ID," said Samona.

Daylight Savings Time—Spring Forward Sunday, March 13, 2011

At 2:00 am on Sunday morning March 13, time will "spring forward" to 3:00 am. Therefore, sales and consumption must cease immediately at or before 2:00 am. There is no provision in the law allowing the Commission to stretch things for daylight savings time. Technically, on-premises establishments should also be emptied of customers by 2:00 am/3:00 am. Licensees must stop all consumption and service prior to 2:00 am and should also make every effort to clear the premises of customers prior to 2:00 am. ■■■■

Visit the MLCC website at www.michigan.gov/lcc.

WE DID IT!!



ASSOCIATED **AFPD**
FOOD & PETROLEUM DEALERS



AFPD graciously thanks these companies for their generous support in meeting our goal in the Food Stamp Distribution Initiative

RETAILERS

| | |
|------------------------------|--|
| 7 Mile Foods | Mazen Foods |
| 8 Mile Foodland | Metro Food Center |
| Americano Market | Metro Foodland |
| Apollo Supermarket | Mike's Fresh Market - Gratiot, Detroit |
| Banner Supermarket | Mike's Fresh Market - Livernois, Detroit |
| Fairline Food Center | More Food 4 Less |
| Family Fare | New Merchant Food Center |
| Family Foods - Harper Woods | New Pick & Save Market |
| Family Foods Super Store | New Super Fair Foods |
| Farm Fresh Market | O'Briens Supermarket |
| Farmer John Food Center | Palace Supermarket |
| Food 4 Less | Park Street Market |
| Food Express | Parkway Foods |
| Food Giant Supermarket | Pontiac Food Land |
| Food Max Supermarket | Sak N Save |
| Food Town Supermarket | Save A Lot - Conner, Detroit |
| Gigante Prince Valley | Save A Lot - Fenkell, Detroit |
| Glory Foods Supermarket | Save A Lot - Grand River, Detroit |
| 8 Mile, Detroit | Save A Lot - Gratiot, Detroit |
| Glory Foods Supermarket | Save A Lot - Ecorse |
| Outer Drive, Detroit | Save A Lot - Ferndale |
| Glory Foods Supermarket | Save A Lot - Jackson |
| Telegraph, Detroit | Save A Lot - Madison Heights |
| Glory Foods Supermarket | Save A Lot - Plymouth |
| Hamtramck | Save A Lot - Pontiac |
| Glory Foods Supermarket | Save A Lot - Roseville |
| Highland Park | Save A Lot - Southfield |
| Grand Price | Save A Lot - Schaefer |
| Greenfield Market | Save A Lot - S. Schaefer |
| Harper Food Center | Save A Lot - Telex |
| Huron Foods | Save A Lot - Warren |
| Imperial Supermarket | Save A Lot - Ypsilanti |
| Indian Village Marketplace | Savon Foods |
| Joe Shallal | Save-Plus Super Store |
| Joy Thrifty Scot Supermarket | Seven Star Food |
| Krown Supermarket | Shopper's Market - Centerline |
| Lance's Hometown | Shopper's Market - Warren |
| Majestic Market | Thrifty Scot Supermarket |

University Foods
US Quality Supermarket
Value Center Market - Clinton Twp.
Value Center Market - Livonia
Value Center Market - Warren
Value Fresh Market - Warren
Value Save -- Livernois
Vegas Food Center

SUPPLIERS

| | |
|------------------------------|---------|
| AFPD Foundation | \$25.00 |
| SuperValu | \$15.00 |
| Save A Lot Corporate | \$10.00 |
| Affiliated Foods Midwest | \$5.00 |
| Country Fresh | \$5.00 |
| D & B Grocers Wholesale | \$5.00 |
| DairyFresh | \$5.00 |
| Prairie Farms Dairy Co. | \$5.00 |
| Sherwood Food Distributors | \$5.00 |
| Wolverine Packing Company | \$3.00 |
| Everfresh - Sundance | \$2.50 |
| Faygo Beverages | \$2.50 |
| PepsiCo | \$2.50 |
| Trade Source, Inc | \$2.00 |
| Value Wholesale | \$2.00 |
| American Paper & Supply | \$1.00 |
| HMR Distributors | \$1.00 |
| Intrastate Distributors | \$1.00 |
| Kap's Wholesale Food Service | \$1.00 |
| Mason's Bakery | \$1.00 |
| Metropolitan Baking Co. | \$1.00 |
| Tradewell Distributors | \$1.00 |
| Kap's Retail | \$50.00 |
| Universal Wholesale | \$50.00 |
| Weeks Food Corporation | \$50.00 |
| Piquette Market | \$30.00 |

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YOUR FOOD ASSISTANCE BENEFITS ARE GOING TO CHANGE



WHAT

Starting in January 2011, the Michigan Department of Human Services is changing the dates most people will receive their food assistance benefits.

WHY

This change will help grocery stores offer you more fresh fruits, vegetables, meats and dairy products all month long. It will also help reduce long checkout lines at the beginning of the month.

FAP Benefit Issuance Dates January 2011 through November 2011 and Ongoing

As outlined in the table below, each food assistance case holder, except those whose ID numbers end in 0, will begin to receive their benefits on a different day of the month beginning in January. The change will be based on the last digit (digit in table) of the case identification number. For example, those whose ID number ends in 4 will receive benefits on Jan. 7, Feb. 8, March 9, April 10 and on the 11th day of every month beginning in May 2011.

If you have questions about this schedule, please call 877-390-3327

| LAST DIGIT OF YOUR CASE ID # | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 2 | 5 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| 3 | 6 | 7 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| 4 | 7 | 8 | 9 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| 5 | 8 | 9 | 10 | 11 | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| 6 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 15 | 15 | 15 | 15 | 15 |
| 7 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 17 | 17 | 17 | 17 |
| 8 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 19 | 19 | 19 |
| 9 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 21 |

The Michigan Department of Human Services (DHHS) will not discriminate against any individual or group because of race, religion, age, national origin, color, height, weight, marital status, sex, sexual orientation, gender identity or expression, political source or disability. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you are invited to make your needs known to a DHHS office in any area.



**James V.
BELLANCA, Jr.**

Attorney, Bellanca, Beattie & DeLisle, P.C.

The Good and the Bad News on Taxes

Several months ago we predicted that there would be a great deal of talk about the Estate Tax in connection with the expiration of the so-called Bush tax cuts which were being phased out, effective December 31, 2010. A compromise was met through a bipartisan agreement entitled "Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010". The act itself is complex. This article is intended only to be a summary of some of the more important aspects, with particular emphasis on the extension of the Estate Tax. You should discuss the effect with your personal tax advisor and/or attorney.

The Estate Tax

Had the Bush plan not been extended, the combined estate and gift tax free basis would have been reduced to \$1,000,000 per person. Well, the good news is that the federal estate tax exemption was increased to \$5,000,000 per person (\$10,000,000 per married couple) for 2011 and 2012. The bad news is that it again expires unconditionally on December 31, 2012, so that in 2013 we will again be faced with the real possibility that the maximum reduction will be reduced to \$1,000,000 per person. In computing the deduction for estate tax purposes, an estate generally includes any asset

which passes from one party to another

on account of death. It includes proceeds from life insurance policies which aren't otherwise sheltered in an irrevocable trust, the value of real property, stocks, bonds, the value placed on small businesses, etc.

In order to take full advantage of the exemption for a husband and wife, assets must be titled separately in each spouse's name so as to afford the married couple the full \$10,000,000. This takes careful planning with your attorney and tax planner. In addition, the amount of the tax itself has been reduced. The current estate and gift tax which passes outside the exemption will be taxed at 35 percent. Previously the tax had been set at 55 percent.

Remember this is not an income tax. This is a tax based upon the value of the assets, which pass at the time of death. These assets have been accumulated during an individual's lifetime and were the net result of his/her life's work, after paying income taxes, capital gains taxes, sales taxes, and business taxes. You are urged to contact your attorney or, if you want individual advice, you may contact the undersigned.

The new law also applies to gift taxes and the unified credit. Generally, every individual has the ability to gift up to \$13,000 per year to any person, without payment of the gift tax. There also are lifetime exclusions under the new law, which are available up to \$5,000,000, but again, this is a complicated formula which requires a detailed explanation best given in personal consultation.

Here Comes the Bad News

The bad news is that the whole thing is up for grabs again December 31, 2013, unless some compromise can be reached going forward. Some view this extension as the beginning of compromise between the ideologies represented by the Democratic Party and the Republican Party in answer to the sweeping changes made in the November 2010 elections. The question is, will the spirit of cooperation compromise result in a permanent solution to this problem before December 31, 2013?

Only time will tell. ■■■■

James Bellanca, Jr. is a business and corporate attorney with Bellanca, Beattie and DeLisle, P.C. and serves as legal counsel to AFPD's board of directors.





Randall A. DENHA, Esq.

Founder, Denha and Associates, PLLC

A New Estate Tax Law Arrives

Effective for the estates of decedents dying in 2011, the estate tax has been reinstated by the Middle Class Tax Relief Act of 2010. The top tax rate will be 35 percent, and estates will have an exemption of \$5 million.

The gift tax is reunified with the estate tax, and up to \$5 million in lifetime gifts will be exempt (over and above the annual gift tax exclusion of \$13,000 per donor for every donee each year). Taxable gifts would be taxed at a top rate of 35 percent. Generation-skipping transfers are taxed at the top rate for estates and gifts (35 percent). So the tax code is now rocking that sweet transfer tax that applied in the 1990s.

State Death Tax Credit

Another blast from the past is back: the state death tax credit. Prior to its elimination, every state had an estate or inheritance tax that was imposed to absorb the state death tax credit permitted against the federal estate tax. When the credit was abolished, most states eliminated these symbiotic taxes. Only a minority of states have their own freestanding death taxes. It remains to be seen which states will re-implement their death taxes. All states had benefited from these taxes by collecting revenues that would otherwise go to the federal government. However, under the new estate tax rules, it appears that very few estates would be taxable.

Instead of the modified carryover basis that enabled only \$1.3 million of stepped-up basis on estates for 2010, the new law returns to the stepped-up basis.

A Modest Surprise

The new law contains a surprisingly reasonable option for the estates of decedents dying during 2010. These estates may elect to apply the 2010 rules with no estate tax but only the limited stepped-up basis of \$1.3 million, or they may apply the 2011 rules with a \$5 million exemption and a stepped-up basis. This avoids the unfair result that someone with a \$5 million estate who died in 2010 might leave highly appreciated assets to his family, which would then be severely taxed when the assets are sold due to the carryover basis. Instead, these estates will be able to elect 2011 treatment and obtain the benefit of the stepped-up basis.

Spousal Portability

The Act's "portability" provision says if one spouse does not fully use his/her entire \$5 million estate exemption, the unused portion can be used by the surviving spouse's estate. This provision is intended to avoid the need for Family Trusts

in estate planning documents. Unfortunately, both spouses must die before 2013 to benefit from the portability provision (without further Congressional action).

In addition, Family Trusts continue to provide significant additional benefits beyond just the use of each spouse's estate exemption. These include the following:

- Ensuring that assets contained in the Family Trust pass to the children of the couple and not to any new children of the surviving spouse.
- Ensuring that the appreciation on the assets contained within the Family Trust are not subject to estate tax at that time.
- Protecting assets in the Family Trust from creditors of the surviving spouse, including any claims of future spouses.
- Sheltering the first-to-die spouse's GST exemption.

Almost every estate plan in the United States needs to be rewritten immediately. This is not only true of very large estates, but also of those smaller estate plans that were drafted when the exemption was smaller and credit shelter trusts and outright bequests were drafted with maximum language. The net result when such documents are interpreted under the new rules would be to pass entire estates into credit shelter trusts and not provide for other beneficiaries, perhaps not even for spouses.

A Two-Year Reprieve

Although the estate tax was repealed by legislation in 2001, that law phased out the estate tax over time, and the full repeal did not arrive until 2010. Sunset provisions terminated the repeal after 2010 and would have sent the tax code back to 2001 rules in 2011, unless Congress took action.

Congressional gridlock has impeded corrective action until now, but the new tax law maintains the current income tax and capital gains tax benefits without reverting to the higher tax rate schedule. It also avoids reverting to the \$1 million estate tax exemption and 55 percent top estate tax rates of 2001.

Fortunately, estates may now be planned with some degree of assurance and stability for a 24-month period. Unfortunately, this set of rules expires in two years, and the transfer tax system may once again become a political pawn in two years' time. ■■■

Randall A. Denha, J.D. LL.M., is principal and founder of Denha & Associates, PLLC, with offices in Birmingham and West Bloomfield, Mich.

Delaware Market & Café / Hamburger Inn Diner & Broadway Market & Café

A Tale of Two Friends

Two boys growing up in Montreal never imagined they would have similar businesses in Ohio USA, still be friends and, best of all, become brothers-in-law. After their high school years together, Jim Mandas became a banker, while Bill Michailidis worked in the heavy equipment industry in Canada.

The two went in different directions almost 30 years ago when Michailidis made the move to Ohio and jumped into the restaurant business with Fame's Diner at the Columbus Convention Center. In 2007, with encouragement from his son, Michailidis bought a small footprint BP station in Delaware's vibrant historic district, next door to Ohio Wesleyan University. The site now known as the Delaware Market & Cafe bears a historical marker commemorating the birthplace of President Rutherford B. Hayes. "It was a stretch," Michailidis says of the switch from restaurant to c-store. "My father owned grocery stores, so I understood the c-store business, but not gas."

The original intent was to knock the station down and build a larger format store, but in April 2010, Michailidis got the chance to buy the historic Hamburger Inn right outside his back door. The restaurant/bakery, built in 1932, is famous for its cinnamon rolls, which are now marketed at the c-store, as well. "Customers recognize us from both locations," Michailidis says, "which gives us many opportunities to retain customers."

The expanded business, renamed Hamburger Inn Diner, feels right, he explains. "I understand it, know it well, and am comfortable with it."

Meanwhile, long-time

friend Jim Mandas saw business opportunity in the U.S. and moved to Ohio to open a pastry shop in Columbus' historic French Market with his father. In 2003, Mandas purchased Broadway Market & Café, located just off the freeway and five minutes from downtown Columbus. The Market – a traditional c-store – serves coffee, cappuccino, and specialty coffees, as well as a Subway menu. The location also offers Lottery, gas and diesel fuels, and a touchless car wash.

Both men are active AFPD members and say they appreciate AFPD's strong retailer programs, particularly the Ohio workers' comp program offered by CCI; Nestlé; Liberty USA's tobacco and candy programs; and AFPD's coupon program.

Mandas, elected to AFPD's board of directors in May 2009, says, "Working on AFPD's board is advantageous

because of the fellowship and sharing of common goals and ideas." He explains, "It only takes one great idea to make a difference in your business, and thinks AFPD is doing the right things in a difficult economy. He stresses, "It's important, especially for new people, to become members – even in a difficult economy – because the advantages outweigh the cost."

Michailidis is serving his first term on AFPD's board of directors. As a board member, he says, "I encourage AFPD members to aggressively promote membership so the organization is able to make a greater impact on local and national political leaders." ■■■



Jim Mandas



Bill Michailidis

"It only takes one great idea to make a difference in your business. It's important, especially for new people, to become AFPD members—even in a difficult economy—because the advantages outweigh the cost."

Start a Walking Works Program

CBS's Walking Works program is designed to help you develop a fitness routine that works for people of all fitness levels. The President's Council on Physical Fitness and Sports recommends at least 30 minutes a day, on five or more days a week, or 10,000 steps daily, measured by a pedometer.

10,000 steps may seem like a lot, but by making simple choices like taking the stairs instead of the elevator, you'll be surprised at how quickly the steps add up. Add 30 to 60 minutes of brisk-paced walking a day and you're there. Here are some steps to shape your program:

- 1. Establish a baseline.** If you are using a pedometer, count your steps for seven days; if you don't have a pedometer, begin with 30 minutes of brisk-paced walking at least five days each week. Keep a log to track the amount of daily walking activity you are currently doing; the easiest way is with a pedometer. This will establish your baseline. If you are not using a pedometer, keep track of the minutes you spend walking.
 - 2. Find your benchmark.** Your benchmark is the highest number of steps you walked on any given day while establishing your baseline the first week. Use that number as your daily goal for the second and third weeks. Log your daily walks, and at the end of the third week, review your log. If you average your goal, add another 500 steps or several more minutes to your daily goals for the fourth and fifth weeks.
 - 3. Build your longevity.** At the end of each two-week period, try adding 500 steps or several more minutes to your walking goal. If you had difficulty reaching your goal, walk at the same level until you build enough endurance to increase your target. To maintain your motivation, keep logging your progress and stay with the same number of steps or minutes instead of increasing your target.
- Keep in mind that 10,000 steps may not be a realistic goal for everyone. If you are very overweight or have other chronic health problems, talk with your doctor to determine a more appropriate goal. ■■■



Choosing health coverage for small business isn't "just business." It's personal.

Times have changed for Michigan small businesses, and Blue Cross is changing with them. We understand every decision you make is critical to your success and to the well-being of your employees. Which is why the Blues and the Associated Food & Petroleum Dealers are proud to offer great health plan options for small business.

Simply BlueSM: A brand new PPO from Blue Cross Blue Shield of Michigan. Employees enjoy a comprehensive health plan at a competitive price. It's the coverage you've always wanted, that's now more affordable than ever.

Healthy Blue LivingSM: A revolutionary HMO that rewards your employees for adopting healthier lifestyles by working with their doctors to improve their health. Real rewards, like lower copays and lower deductibles.

With the right health coverage, your business can grow.

Healthy employees are good for business. When they are healthy, your business can thrive. And by offering first-rate coverage that you and your employees can afford, you'll be able to retain and attract top talent. Now that's how a business grows.

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Call 248-671-9600 for more information
regarding benefits and rates
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Nonprofit corporations and independent licensees
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Leading Michigan to a healthier future.SM

Pepsi Beverages Company Growth Drives Reward for Members

Pepsi Beverages Company is using its "growth" products to drive a program that has been yielding great results for AFPD members. Mike Quinn is director of retail sales, heading up the Michigan retail sales organization, for Pepsi Beverages Company, where he has worked for more than 25 years in a variety of capacities.

AFPD's Pepsi Program

Quinn says the Pepsi's exclusive AFPD program provides valuable promotion for the company's Sierra Mist, Mug Root Beer, Lipton Brisk, and the various Crush flavors, while offering handsome incentives to grocers and other retailers.

"We decided to focus on products that are growth products, not our core products," he says. "For the retailer, it's added money. They'll see better margins than they normally would see."

Grocery stores and other retailers are offered an incremental 25 cents per case, above and beyond their pricing, on all two-liter bottles of the beverages. They also are offered an incentive of 50 cents per case on the 20-ounce bottles. In return, the program offers guidelines for how the Pepsi products are to be shelved and merchandized.

Retailers and grocers can take the incentive program a step further, if they wish: the program offers an additional \$250 placement fee for one door checklane cooler or \$250 for one door cooler within eight feet of the front register. "We've had it going on since March and we've seen some double-digit and triple-digit growth," Quinn says. "And retailers have been earning lots of extra money in rebates."

Giving Back Through AFPD

Quinn credits a brainstorming session with colleague Pepsi and AFPD President & CEO Auday Arabo for the program idea. Quinn, who has been on AFPD's board of directors for three years, said developing programs like this is just one benefit of being involved with AFPD.

"Personally, it allows me to speak directly with lots of retailers and hear feedback on things that are going well," Quinn says. "It also gives me opportunities to improve the services we are offering. Many customers

ours are also members of AFPD, so it's great to be associated with an organization that helps both us and our customers."

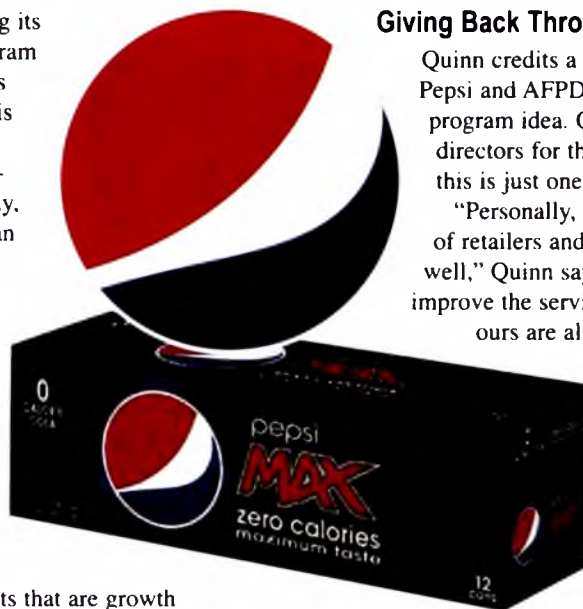
Quinn says AFPD's work advocating on behalf of both retailers and suppliers – such as AFPD's effort to extend the amount of time bridge cards can be loaded with money – benefits everybody involved.

Beyond that, Quinn says he has been proud to be associated with AFPD's more philanthropic efforts, like its scholarship foundation. He joined the foundation, which was founded thanks to a \$500,000 commitment from Pepsi Bottling Group, about 10 years ago.

Each year, the Foundation awards academic scholarships in the amount of \$1,500 to deserving students in Michigan and Ohio who are going on to attend college or university. More than \$300,000 has been distributed to scholarship winners since the inception of the fund.

You Can Participate

The Pepsi program is available to all AFPD members who have signed and are executing a 2010 CDA program. For more information on the AFPD Exclusive Pepsi Program, call 1-888-560-2616 or email aarabo@AFPDonline.org. ■■■





ZERO
CALORIES
MAXIMUM
TASTE



0 CALORIE
COLA



pepsi
MAX

zero
calories
maximum taste



Michigan Government Appointees 2011

Rick Snyder
Governor



Governor Snyder Brings New Management Model to Lansing

By Joseph Palamara, Associate, Karoub Associates

Declaring "Job One is Jobs," new Michigan Governor Rick Snyder delivered his first state of the state address before a joint session of the 96th Michigan Legislature. With seemingly everyone on board focusing on jobs and economic development, Governor Snyder has tasked his department heads to do more with less tax revenues coming into the state.

Following are the members of Governor Snyder's cabinet, including the six-members of a "super cabinet" who will oversee additional agencies besides their own and will be in charge of keeping the governor's initiatives on track in areas such as public safety, quality of life, value for money, and economic growth.

Legal Counsel to Governor Snyder, Mike Gadola

Photo not
available
at time of
publication.

Gadola joined the Michigan Supreme Court as counsel in 2001 and in 2003 was also named general counsel to the State Court Administrator's Office (SCAO). He served as house majority counsel in the Michigan House of Representatives from 1999-2000, and from 1991-1998 was deputy legal counsel and counsel for the executive organization to Governor John Engler.

Senior Adviser and Legislative Lobbyist for Governor Snyder, Dick Posthumus



The former lieutenant governor for the State of Michigan (1998-2002) under Governor John Engler, Posthumus served in the Michigan State Senate from 1982-1998. He served as majority leader of the Senate from 1990-1998. Posthumus is a farmer and businessman, and was the Republican nominee for governor in 2002.

**Chief of Staff for Governor
Snyder, Dennis Muchmore**
The former executive director of the Michigan United Conservation Clubs (MUCC) (2007-



2010). Muchmore was formerly an executive vice president of DHR International (2002-2007) and

a founding partner of Muchmore Harrington Smalley & Associates (1988-2001). Muchmore has been a member of numerous boards and commissions, including the Great Lakes Fishery Trust and the Michigan Natural Resources Trust Fund.

Deputy Chief of Staff for Governor Snyder, Jeff Barnes*



Jeff Barnes, Governor Snyder's campaign manager in 2010, will serve as deputy chief of staff

and a group executive under Snyder's management model for state government. Barnes will head the public safety group and will coordinate the Departments of Corrections, Michigan State Police, and Military and Veterans Affairs. Barnes is a 10-year U.S. Army veteran. He served as an intern at the White House with the USA Freedom Corps under President George W. Bush.

**Director of the Michigan
Department of Environmental
Quality, Dan Wyant***
Dan Wyant will head the "quality of life" group under Governor



Snyder's business model that will also include the Department of Agriculture, DNR, and DEQ. Wyant was the

Department of Agriculture director under Governor Engler and Governor Granholm. His duties will also include addressing the sky high unemployment rates in outstate, largely rural Michigan.

Director of the Michigan Department of Technology, Management and Budget, John Nixon*

The former executive director of the Utah Governor's Office of Planning and Budget since 2000,



John Nixon was also the former deputy director and Chief of the Utah Department of Workforce Services

(2001-2006) and is the president of the National Association of State Budget Officers (NASBO). Nixon will head Governor Snyder's "value for money" group which includes IT, DMB, and Office of the State Employer.

*Denotes member of Governor Snyder "super cabinet" of members under the Governor's new management model.



Michigan Government Appointees 2011

Continued

**Director of the Michigan
Department of Human Services,
Maura Corrigan***



Former Michigan Supreme Court Justice (1998-2010) Maura Corrigan was also a member of the

Michigan Court of Appeals (1992-98), a former chief assistant attorney, and the chief justice of the Michigan Supreme Court from 2001-2005. Justice Corrigan aims to "leave no one behind" in Governor Snyder's effort to reinvent Michigan, as she will oversee Human Services, Community Health, Education, and Civil Rights.

**Deputy Michigan Treasurer,
Andy Dillon***
Former Democratic Speaker of the House (2007-2010) Andy Dillon was tapped by Governor Snyder



to be the state treasurer and oversee Michigan's financial operations. Dillon, an attorney and private equity specialist prior to his election to the Michigan House of Representatives in 2004, is a graduate of Notre Dame. He will help craft Michigan's tax policies for Governor Snyder and will also oversee the Michigan Lottery and gaming.

**Michigan Economic
Development Corporation
President and CEO,
Michael Finney***



Former Ann Arbor SPARK CEO (2005-2010) Michael Finney will be the head of the executive group responsible for

overseeing MEDC, the Michigan Department of Transportation, and the Michigan Department of Energy, Labor and Economic Growth. Finney was a vice president at the MEDC from 1999-2001 before forming an economic development agency in Rochester, NY in 2002. Snyder recruited Finney back to Michigan in 2005 to become SPARK's first CEO.

**Director of the Michigan
Department of Natural
Resources, Rodney Stokes**



Rodney Stokes began at the DNR in 1977 and became director in January, 2011 when Governor Snyder officially split DNR away from the

Department of Environmental Quality. Stokes had previously served in various capacities in his 33 years of service at the DNR,

including chief of policy and legislation and chief of staff.

**Director of the Michigan
Department of State Police,
Kriste Etue**



Lt. Col. Kriste Etue is the first woman ever to head the Michigan State Police (MSP). Etue began her law enforcement

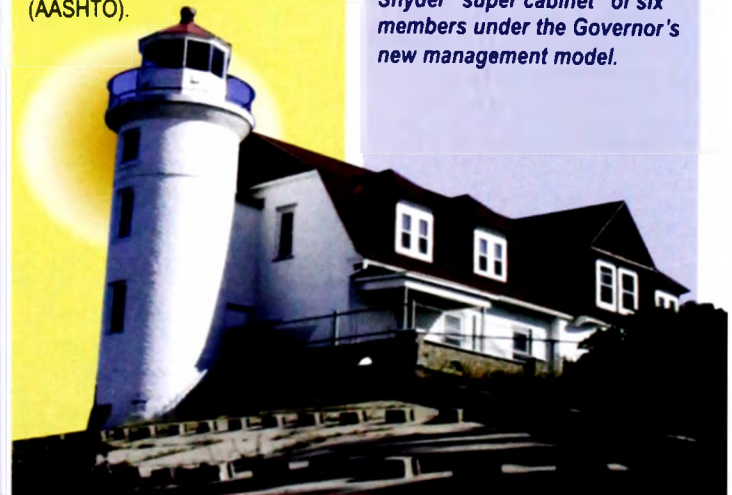
career as a state trooper in 1987 and worked her way up the ranks by excelling in such areas as crime prevention, emergency management, and homeland security. Etue will also serve on Governor Snyder's law enforcement panel aimed at cutting costs and improving public safety.

**Director of the Michigan
Department of Transportation,
Kirk Steudle**



Kirk Steudle is one of a few holdovers from Governor Granholm's administration, where he served

as director of MDOT from 2006-2010. Prior to that, Steudle served as MDOT's chief deputy director, Bay Region engineer and deputy region engineer for Detroit. Steudle is also the 2010-2011 vice president of the American Association of State Highway and Transportation Officials (AASHTO).



**Director of the Michigan
Department of Community
Health, Olga Dazzo**



Olga Dazzo, the new DCH director, is the past president and CEO of Physicians Health Plan, Michigan's third largest

HMO. She also worked as president and CEO of Health Reform Innovations, LLC, a firm focused on improving health care and lowering costs. Governor Snyder has described Ms. Dazzo, a Cuban refugee, as an "American success story."

**Director of the Michigan
Department of Agriculture and
Rural Development,
Keith Creagh**



Keith Creagh is the former director of industry affairs and Hacco operations for the Neogen Corporation (2007-2010),

which develops and provides food and animal safety solutions to the agri-food industry. Prior to joining Neogen, Mr. Creagh held various positions within the Michigan Department of Agriculture (MDA) from 1974-2007, including chief deputy director of MDA, and division director for the Pesticide and Plant Pest Management Division.

**Denotes member of Governor Snyder "super cabinet" of six members under the Governor's new management model.*



Ohio Government Appointees 2011

John Kasich
Governor



New Governor Kasich's Administration Begins to Take Shape

By Jody Licursi, Vice President—Capitol Strategies Group

Since Ohio voters elected John Kasich governor on November 2, 2010, the incoming head of state (sworn in office on January 10, 2011) has made a number of appointments to key positions within his administration. Throughout the year, AFPD will profile members of the governor's administration and the state legislature who are handling issues relevant to the interests of AFPD to provide you with more thorough information on their positions and top policy initiatives.

Chief of Staff, Beth Hansen

Photo not available at time of publication.

Hansen most recently served as campaign manager for John Kasich's gubernatorial bid. Previously,

she served 11 years as state director to George Voinovich and also worked in the U.S. House of Representatives.

Policy Director for the Governor's Office, Wayne Struble

Photo not available at time of publication.

In this position, Struble will be responsible for coordinating policy for the governor's office by working closely

with other cabinet members. Mr. Struble was formerly Kasich's congressional aide and also acted as chief of staff to Congressmen Austria and Hobson.

Director of the Office of Budget and Management, Tim Keen



Keen served as the head of the Office of Budget and Management under Governor Bob Taft and most recently acted

as senior policy advisor for Auditor of State Mary Taylor. Previously, Keen held senior policy positions in the Ohio Legislative

Budget Office, the Ohio House of Representatives and the Ohio Senate.

Bureau of Worker's Compensation Administrator, Steve Buehrer



Buehrer was first elected to the Ohio General Assembly in 1998, serving in both the Ohio House of Representatives and Ohio Senate. Before

taking office, Buehrer served as BWC's chief of human resources from 1995-1998 and also acted in numerous other capacities under the Voinovich administration. As a member of the Ohio Senate, Buehrer was chairman of the Insurance, Commerce and Labor Committee and the Workers' Compensation Council. In recent interviews, Buehrer has shared that as BWC administrator, he plans to focus on evaluating BWC's current policies to create a more stable rating system for employers, analyzing injured worker benefits paid out by the bureau, and reviewing the recommendations made by the Competitive Workers' Compensation Task Force.

Director of the Ohio Department of Transportation, Jerry Wray
Newark, Ohio native Jerry Wray previously served as ODOT director from 1991-1999 under the Voinovich administration. Wray testified in the U.S. House of Representatives on behalf of then-Congressman Kasich's bill to elim-



Tax Commissioner, Ohio Department of Taxation, Joe Testa



Former Franklin County Auditor (1992-2005), Joe Testa previously served as Franklin County recorder from 1985-1991. During recent interviews, Testa stated that his goal is to modernize the system, speed the appeals process, and reduce the tax burden on Ohioans. While he expressed support for lowering taxes, he did not specifically endorse the governor's previously stated intent to phase out the state income tax.

inate most the federal gasoline tax and allow individual states to levy the amount of they wanted to provide for highway maintenance.

Director Wray has said that maintaining Ohio's existing transportation system is the top priority of the department and he has expressed opposition to the proposed passenger rail system.



Ohio Government Appointees 2011

Continued

Director of the Ohio Department of Agriculture, Jim Zehringer



A former Mercer Cty. commissioner, Zehringer was first appointed to the Ohio House of Representatives

in 2007 and reelected in 2008 and 2010. He is the former owner and operator of the Meiring Farm and Fish Farm.

Director of the Ohio Department of Public Safety, James Charles



Charles spent 31 years in the Ohio Highway Patrol and served as lieutenant colonel and assistant

superintendent. Most recently, Charles was Ohio's inspector general under Governors Taft and Strickland. Governor Kasich announced Major John Born as superintendent of the Ohio Highway Patrol.

Director of the Ohio Department of Insurance, Lieutenant Governor, Mary Taylor



Prior to her election as lieutenant governor, Mayor Taylor served as state auditor for the past four years and

previously served two terms in the Ohio House of Representatives. Lt. Gov. Taylor is a certified public accountant.

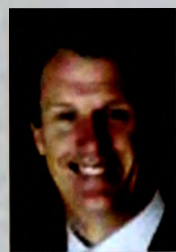
Director of the Ohio Department of Commerce, David Goodman



David Goodman spent 12 years in the Ohio General Assembly representing the eastern portion of

Franklin County as a member of both the house and senate. While serving two full terms in the Ohio Senate, David Goodman acted as chairman of the Senate Judiciary - Civil Justice Committee.

Director of the Ohio Department of Development, Mark Kvamme



Mark Kvamme was appointed to this position temporarily to help the administration transform the Department of Development

into a private, non-profit entity (JobsOhio). Kvamme is a partner at Sequoia Capital, a private equity and venture capital firm in Silicon Valley.

Inspector General, Randy Meyer



In his role as chief of investigations for the auditor's Special Investigations Unit since 2007, Meyer

was responsible for overseeing the investigation of public corruption and misspent taxpayer dollars.

Director of the Ohio Dept. of Admin. Services, Bob Blair



Blair is a retired development director at EMH&T Engineering and served 18 years with the Ohio Department

of Job and Family Services and the Ohio Department of Transportation in the human resources field.

Director of the Department of Veterans Services, Col. Tom Moe



Col. Moe is a retired U.S. Air Force Colonel and Vietnam War veteran who was held captive for five years.

He previously served as director of the Fairfield County Office of Emergency Management and Homeland Security and was chairman of the campaign group, Veterans for Portman.

Adjutant General, Col. Deborah Ashenhurst



Col. Ashenhurst serves in the Ohio National Guard as commander of the 73rd Troop Command

stationed at Rickenbacker Air Base outside Dayton, Ohio. She is the first woman to serve as adjutant general in Ohio and is one of only two women adjutant generals in the country.

Director of the Dept. of Natural Resources, David Mustine



Mustine is a former senior vice president at American Electric Power. Governor Kasich has said in recent

interviews that he is considering moving the state's tourism office into ODNR.

Director of the Ohio Environmental Protection Agency, Scott Nally



Nally previously served as assistant commissioner of Indiana's Department of Environmental Management.

Director of the Department of Rehabilitation and Correction, Gary Mohr



Mohr has 35 years of experience in public and private corrections systems, having served twice as DRC deputy

director; warden in the Chillicothe Correctional Institution, Ross Correctional Institution, and the Corrections Reception Center; worked for Corrections Corporation of Americas.

Interim Director of Ohio Lottery, Dennis Berg



Berg has worked in public service since 1985 and at the Ohio Lottery Commission since 1991, most recently

as assistant director and deputy director of finance. Berg holds an Ohio Financial Accountability Certificate.

SUPPORT THESE AFPD SUPPLIER MEMBERS

ASSOCIATIONS/CHAMBER OF COMMERCE

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

ATM

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

BAKERIES

Great Lakes Baking Co (313) 865-6360
Hearth Ovens Bakers by Masons Bakery (313) 636-0401
Interstate Brands/Wonder Bread/Hostess (248) 588-3954
Michigan Baking Co - Hearth Oven Bakers (313) 875-7246

BANKING & INVESTING

AFPD Lincoln Financial Group Advisors (248) 948-5124
Bank of Michigan (248) 865-1300
Huntington Bank (248) 626-3970

BEER DISTRIBUTORS

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

BOOKKEEPING/ACCOUNTING CPA

Alkamano & Associates (248) 865-8500
Garmo & Co. P.C. (248) 672-4105
Marconi/EK Williams & Co (614) 837-7928
R.A. Lizotte & Associates (586) 781-9171
Samona & Boogren, P.C. (248) 565-8907
Shimoun, Valdo & 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

CAR WASH CHEMICALS

National Automotive Chemical (740) 439-4699

CELLULAR PHONES & BUSINESS COMMUNICATIONS

AFPD Sprint Communications (248) 943-3998

CHECK CASHING SYSTEMS

Secure Check Cashing (248) 548-3020

CHICKEN SUPPLIERS

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

CHIPS, SNACKS & CANDY

AFPD Frito-Lay, Inc. 1-800-359-5914
Better Made Snack Foods (313) 925-4774
Detroit Popcorn Company (313) 835-3600
Kar's Nut Products Company (248) 588-1903
Molown Snacks (Lays, Cape Cod, Tostitos, Archway, Stella D'Oro) (313) 931-3205
T & J Brokers (beef jerky) (586) 713-9429
Uncle Ray's Potato Chips 1-800-800-3286

COFFEE DISTRIBUTORS

AFPD New England Coffee Co (717) 733-4036
Standard Coffee Service (504) 539-5206

CONSTRUCTION & BUILDING

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

CREDIT CARD PROCESSING

AFPD Chase Paymentech 1-866-428-4966
First Data Independent Sales 1-877-519-6006
Merchant Processing 1-866-366-3300

C-STORE & TOBACCO DISTRIBUTORS

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

DISPLAYS, KIOSKS & FIXTURES

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

ENERGY, LIGHTING & UTILITIES

AFPD DTE Your Energy Savings 1-866-796-0512
DTE Energy 1-800-477-4747
Energy Sciences (248) 792-9287
Gene Dickow (Energy Broker) (248) 396-7431
US Energy Engineers (248) 683-7355

ENVIRONMENTAL CONSULTING & MARKETING

Flynn Environmental, Inc. (330) 499-1000

FOOD EQUIPMENT & MACHINERY

Culinary Products (989) 754-2457

FOOD RESCUE

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

FRANCHISING OPPORTUNITIES

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

GASOLINE WHOLESALE

Beck Suppliers, Inc. (419) 332-5527
Central Ohio Petroleum Marketers (614) 889-1860
Certified Oil (614) 421-7500
Countywide Petroleum/Citgo Petroleum (440) 237-4448
Gilligan Oil Co. of Columbus, Inc. 1-800-355-9342
High Pointe Oil Company (248) 474-0900
Obie Oil, Inc. (937) 275-9966
PAP Oil Company (934) 667-1166
Reliable Oil Equipment (937) 665-1200
Superior Petroleum Equipment (614) 539-1200

GREETING CARDS

AFPD Leanin' Tree 1-800-556-7819 ext. 411

GROCERY WHOLESALE & DISTRIBUTORS

Affiliated Foods Midwest (262) 654-6315
Burnette Foods, Inc. (231) 264-8111
Capital Sales Company (248) 542-4407
Cateraid, Inc. (517) 546-8217
Central Wholesale Food & Beverage (313) 834-8800
D&B Grocers Wholesale (734) 513-1715
Fun Energy Foods (269) 934-7000
General Wholesale (248) 355-0900
George Enterprises, Inc. (248) 851-6999
Great North Foods (989) 356-2281
Jerusalem Foods (313) 846-1701
Kap's Wholesale Food Services (313) 832-2300
Nash Finch (989) 746-0947
Spartan Stores, Inc. (616) 878-2244
SUPERVALU (937) 374-6000
Universal Wholesale (248) 559-7700

ICE CREAM SUPPLIERS

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

ICE PRODUCTS

Arctic Glacier, Inc. 1-800-327-2927
Home City Ice 1-800-759-4411
U.S. Ice Corp. (313) 862-3344

INSURANCE SERVICES

AFPD North Pointe Insurance 1-800-228-6741
AFPD BCBS of Michigan 1-800-666-6231
AFPD CareWorks 1-800-837-3200 ext. 7114
AFPD Cox Specialty Markets (North Pointe)
(Underground Storage Tank Insurance) 1-800-648-0357
Benchmark Financial Ltd. (248) 642-0700
Bencivenga Insurance (Agent John Bencivenga) (248) 931-1000
Community Care Associates (313) 961-3100
Danno Insurance Agency (248) 649-1700
Gadaletto, Ramsby & Assoc. 1-800-263-3784
GLP Insurance Services (248) 848-0200
Great Northern Insurance Agency (248) 856-9000
Hedman Anglin Bara & Associates Agency (614) 486-7300
Primeone Insurance (248) 536-0791
Pro Care Plus, Inc. (313) 267-0300
Rocky Husaynu & Associates (248) 851-2227
USTI (440) 247-3754

INVENTORY SERVICES

PICS Inventory 1-888-303-8480
Target Inventory (586) 718-4695

AFPD indicates supplier program that has been endorsed by AFPD.

* Indicates supplier only available in Michigan

** Indicates supplier only available in Ohio

SUPPORT THESE AFD SUPPLIER MEMBERS

LEGAL SERVICES

| | |
|---|----------------|
| AFPD Bellanca, Beattie, DeLisle | (313) 882-1100 |
| AFPD **Pepple & Waggoner, Ltd. | (216) 520-0088 |
| enha & Associates | (248) 265-4100 |
| appaya Law, PC | (248) 626-6800 |
| esckes, Gadd & Silver, PC | (734) 354-8600 |
| ark Sesi The Kitch Firm | (586) 493-4427 |
| ekani, Orow, Mekani, Shailal & Hindo P.C. | (248) 223-9830 |
| ullivan, Ward, Asher & Patton, P.C. | (248) 746-0700 |
| he Liquor Lawyers | (248) 433-1200 |

LOTTERY

| | |
|------------------|----------------|
| Tech Corporation | (517) 272-3302 |
| Michigan Lottery | (517) 335-5648 |
| Michigan Lottery | 1-800-589-6446 |

LOYALTY CARDS/DISCOUNT CARDS

| | |
|-----------------------|----------------|
| AFPD RewardPal | 1-800-277-6099 |
|-----------------------|----------------|

MAGAZINE & TRADE PUBLICATIONS

| | |
|------------------------|----------------|
| haidean News | (248) 932-3100 |
| haidean Times | (248) 865-2890 |
| etroit Free Press | (313) 222-6400 |
| etroit News | (313) 222-2000 |
| Michigan Chronicle | (313) 963-5522 |
| uburban News/Magazines | (248) 945-4900 |
| USA Today | (248) 926-0200 |

MEAT & DELI DISTRIBUTORS

| | |
|----------------------------|----------------|
| to Z Portion Control Meats | (419) 358-2926 |
| Ray & Sons | (810) 387-3975 |
| airy Fresh Foods | (313) 295-6300 |
| earborn Sausage | (313) 475-0048 |
| ipan Foods | (586) 447-3500 |
| iquette Market | (313) 875-5531 |
| henwood Foods Distributors | (313) 659-7300 |
| Weeks Food Corp | (586) 727-3535 |
| Wolverine Packing Company | (313) 259-7500 |

MILK, DAIRY & CHEESE PRODUCTS

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

MISCELLANEOUS

| | |
|--------------------------------|----------------|
| ollywood Sunglasses | 1-888-478-6932 |
| Alto Donan Ford | (586) 732-4100 |
| Dur Town | (248) 623-3298 |
| SureGrip Floor Safety Solution | (850) 264-8537 |

MOBILE MARKETING VIA CELL PHONE

| | |
|-----------------------------|----------------|
| AFPD Mousetrap Group | (248) 547-2800 |
|-----------------------------|----------------|

MONEY ORDERS/MONEY TRANSFER/ BILL PAYMENT

| | |
|-------------------------------------|--|
| AFPD MoneyGram International | MI (517) 292-1434 OH (614) 878-7172 |
| Eureka! (bill payment) | 1-877-374-0009 |
| IPP of America | (973) 830-1918 |

OFFICE SUPPLIES

| | |
|---------------------|-------------------------|
| AFPD Staples | 1-800-693-9900 ext. 584 |
| LB Office Products | 1-800-826-6865 |

PAYROLL PROCESSING

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

PIZZA SUPPLIERS

| | |
|---------------------|----------------|
| Hunt Brothers Pizza | (615) 259-2629 |
|---------------------|----------------|

POINT OF SALE

| | |
|--|----------------|
| BMC - Business Machines Specialist | (517) 485-1732 |
| Caretek (Security Credit Card Point of Sale and more!) | 1-866-593-6100 |

PRINTING, PUBLISHING & SIGNAGE

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

PRODUCE DISTRIBUTORS

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

REAL ESTATE

| | |
|--|----------------|
| Centro Properties Group | (248) 476-6672 |
| Judeh & Associates (Appraiser) | (313) 277-7989 |
| Kuzana Enterprises (Property Management) | (248) 210-8229 |
| Lighthouse Real Estate | (248) 210-8229 |
| Signature Associates - Angela Arcon | (248) 359-3838 |

REFRIGERATION & REFRIGERATION SOLUTIONS

| | |
|---------------------------|----------------|
| AFPD Cool Curtains | 1-800-854-5719 |
| TGX Solutions | (248) 210-3768 |

REVERSE VENDING MACHINES/RECYCLING

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

SECURITY, SURVEILLANCE & MORE

| | |
|------------------------------|----------------|
| AFPD MIST Innovations | (313) 974-6786 |
| Bnnk's, Inc. | (313) 496-3556 |
| Central Alarm Signal | (313) 864-8900 |

SHELF TAGS

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

SODA POP, WATER, JUICES & OTHER BEVERAGES

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| AFPD Arizona Beverages | (313) 541-8961 |
| AFPD Nestle Waters Supermarket Program | (734) 513-1715 |
| AFPD *Pepsi Program | 1-888-560-2616 |
| AFPD Hansen's Beverage (Monster Energy) | (313) 575-6874 |
| AFPD *Garden Foods (Arizona) | (313) 584-2800 |
| AFPD *Intrastate Distributors (Arizona) | (313) 892-3000 |
| AFPD **Buckeye Distributing (Arizona) | (440) 526-6668 |
| AFPD **RL Lipton Distributing (Arizona) | (216) 475-4150 |

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| 7UP Bottling Group | (313) 937-3500 |
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|-------------------|----------------|
| Absopure Water Co | 1-800-334-1064 |
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| Coca-Cola Bottlers of MI | Auburn Hills (248) 373-2653 Belleville (734) 397-2700 Metro Detroit (313) 868-2008 Port Huron (810) 982-8501 |
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| Coca-Cola Bottling - Cleveland | (216) 690-2653 |
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| Faygo Beverages, Inc. | (313) 925-1600 |
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| Grandad's Sweet Tea | (313) 320-4446 |
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| Pepsi Beverages Company | Detroit 1-800-368-9945 Howell 1-800-878-8239 Pontiac (248) 334-3512 |
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| United Brands Company | (619) 461-5220 |
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TOBACCO COMPANIES & PRODUCTS

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| Altna Client Services | (513) 831-5510 |
| Capitol Cigars | (248) 255-8747 |
| Nat Sherman | (201) 735-9000 |
| R J Reynolds | (336) 741-0727 |
| Snappy Cigs (electronic cigarettes) | (248) 747-5130 |
| Westside Vapor | (614) 402-0754 |

WASTE DISPOSAL & RECYCLING

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|---|----------------|
| AFPD National Management Systems | (586) 771-0700 |
| Smart Way Recycling | (248) 789-7190 |

WINE & SPIRITS COMPANIES

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|-------------------------------|----------------|
| Beam Global | (248) 471-2280 |
| Brown-Forman Beverage Company | (248) 393-1340 |
| Diageo | 1-800-462-6504 |
| Ghost Vodka | (616) 835-4108 |

WINE & SPIRITS DISTRIBUTORS

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

AFPD indicates supplier program that has been endorsed by AFPD.

* Indicates supplier only available in Michigan

** Indicates supplier only available in Ohio

Numbers Prove 'New OSHA in Town'

Over the last two years, leaders at the Occupational Safety & Health Administration (OSHA) have claimed that "there's a new OSHA in town" and the agency plans on returning to its enforcement roots. Consider the following statistics:

- In 2009, federal and state OSHA programs handed out more than 68,000 citations, a 167 percent increase from the previous year. In 2010, OSHA handed out almost 114,000 violations in just the first six months of the year.
- In 2008, OSHA handed out 203 willful violations. That number rose to 1,166 in 2009 and nearly the same in 2010.
- OSHA conducted 1,600 more inspections in 2010 than 2009.

A combination of an increased budget and high-profile workplace safety catastrophes has created an environment for a more aggressive OSHA. The Upper Big Branch mine explosion that killed 29 miners and the BP Deepwater Horizon rig explosion that killed 11 workers have fueled support for tougher safety. OSHA's budget increased 7.68 percent from 2009 to 2010, and the Obama

administration has asked for another 2.5 percent increase for 2011.

Is your business protected? Do you have an updated company safety policy that protects your employees from injury and addresses all relevant safety regulations? Do you know how to properly handle an OSHA inspection?

If the answer to any of these questions is "no," RiskControl360° can help. A member of the CareWorks family of companies, RiskControl360° helps employers prevent injuries, remain compliant with OSHA regulations, and reduce workers' compensation expenses. Safety consultants from RiskControl360° accomplish this by providing a number of safety program management services, audits, policy development, and training.

For more information about OSHA safety regulations or RiskControl360° services, please call Shawn Combs, group safety account executive, at (614) 827-0364. ■■■■

Statement of Ownership

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