



AFPD

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Retailers' Resolutions



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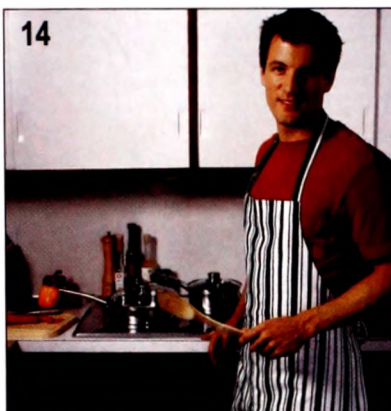
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Make Money and Save Time by Letting the AFPD Professionals Handle Your Coupons

AFPD INVITES YOU TO JOIN US FOR OUR

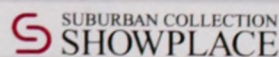


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AFPD Chief Operating Officer

Camaraderie Conquers All

Happy New Year! On December 13, 2012, AFPD hosted its first-ever Chairmen's Dinner honoring those who have given of their time, talent, and energies to help build what we are today. Our sincerest gratitude to these fine individuals!

As I sat there surrounded by the past and present leadership, hearing the stories of what once was, I noted a reoccurring theme brought up by the leaders of yesterday. Stories of what made us great then—our unity and reliance on each other. The ability to lean on the neighbor next door to assist you with the business problems you were having and learning how to avoid problems you potentially could have. Back then, as I was told, there was an unspoken camaraderie that broke barriers of competition and self-promotion, and it was this camaraderie that made our membership strong and their businesses successful.

It may be a testament to the quality of the members we attract, or our learning from past experiences that allows me to see this camaraderie present still today. I know that with the coming challenges in 2013, it is the strength in our numbers and our combined knowledge and talent that will allow us to profit and prevail. As I reflect on what my 2013 AFPD resolutions are and how we will stay on course to execute them, I remember the Bible passage from Ecclesiastes 4:12, "And

while man may prevail against the one, the two will withstand him; and a threefold cord is not quickly broken."

2013 is sure to provide us with challenges and change; however, standing as a threefold cord, let us live by the words of William Wadsworth: "Life is divided into three terms—that which was, which is, and which will be. Let us learn from the past to profit by the present, and from the present to live better in the future."

I would be remiss if I did not take this opportunity to thank Harley Davis, former coupon manager at AFPD, for his 20-plus years of service and dedication to our members. Harley elected to retire in December 2012. While Harley's talent and expertise will be missed, please know that many exciting changes have been made to the Coupon Program, which will build upon the success accomplished by this gentleman. Read more about these progressive changes on page 25, and please continue to contact the AFPD office with all coupon questions and inquiries. ■■■



Harley Davis



Strength in numbers and combined knowledge will allow us to profit and prevail.

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Federal

SNAP/Food Stamp Cuts Will Hurt Michigan and Ohio Families

Millions of people in Michigan and Ohio worry whether they'll be cut from federal food assistance. Billions of dollars in cuts to the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, are proposed in the 2012 Farm Bill. "The proposed cuts in SNAP are unconscionable and would only aggravate the despair and difficulties

experienced by low-income people—leaving them without the help they need and deserve—to survive," Terri Stangl of the Center for Civil Justice in Michigan wrote in an op-ed for *MLive.com*.

Even without those cuts, some Ohio families will see their monthly food stamp amount

reduced \$25 on average, but the reduction won't be as severe as first feared, after the state appealed how the federal government calculates benefits. The cut won't apply to all 869,000 Ohio households receiving food stamps—only to some who have a "standard utility allowance" deducted when determining their eligibility for food stamps.

In Michigan, more than 18 percent of households receive SNAP/Food Stamp benefits, and nearly one in five Michigan residents polled last year admitted they didn't have enough food at times during the year. Families sometimes sacrifice food to pay for housing, heat and water, transportation, medical care, and childcare costs.

Advocacy groups including the Center for Civil Justice say the cuts to SNAP would take food out of the refrigerators and cupboards of the hungriest people in America—children, seniors, working families, unemployed workers, and people with disabilities among others.

And according to a recent poll by the Food Research and Action Center (FRAC), 81 percent of respondents believe SNAP cuts are the wrong way to reduce federal spending. The lack of nutritious food, according to a majority of people polled, "impacts physical and mental health, job performance, schoolwork, physical development of infants and toddlers, and the ability of seniors to live longer." (FRAC: www.frac.org)



SNAP Application Process Changes

USDA FNS is asking applicant retailers, with the exception of corporately owned chains that have existing single points of FNS contact, to submit all baseline documentation related to new applications to the SNAP Retailer Service Center. Effective January 1, 2013, documents required in support of new SNAP retailer applications should be mailed to: SNAP Retailer Service Center, USDA Food and Nutrition Service, P.O. BOX 14500, Washington, DC 20044. (Editor's note: Corporations with single points of FNS contact will continue to operate through those contacts. Further information will be shared directly with corporate contacts at a later date.)

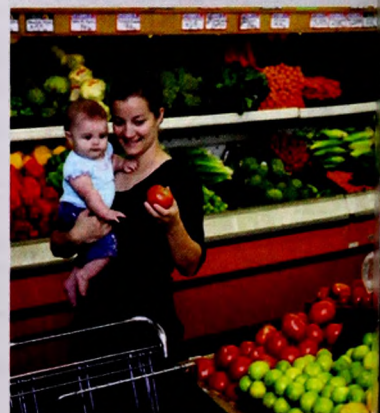
This is one of many enhancements that become effective with a major organizational shift at the USDA Food and Nutrition Service (FNS). Currently, retailers across the country have been mailing application documentation to a variety of Regional Field locations.

Please direct any questions regarding this change to the SNAP Retailer Service Center at (877) 823-4369. Alternatively, the SNAP retailer application may be completed online: www.fns.usda.gov/snap/retailers/application-process.htm.

In addition, a national operations team will be in place to manage all SNAP authorization, reauthorization, and monitoring activities. FNS' goals are to:

- Enhance the management of authorization/reauthorization activities;
- Enhance retailer integrity activities;
- Continue to incorporate technology advances;
- Provide exemplary customer service.

FNS is directly responsible for the authorization, management, and oversight of retailers who participate in SNAP. In fiscal year 2012, close to \$75 billion in client benefits were redeemed in the more than 246,000 participating stores, farmers' markets, direct marketing farmers, homeless meal providers, treatment centers, group homes, and others authorized to accept SNAP. ■■■





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Cover Story

Retailers' Resolutions

What
Tops Your
List for
2013?

By Carla Kalogeridis and Beverly Sturtevant

It's a new year—the perfect time for refocusing and strategizing. You've got ideas to improve your business, but perhaps aren't sure which should take priority. How about a little help from your friends? *AFPD Bottom Line* surveyed several successful AFPD board members and asked what their New Year's resolutions are for 2013.

Joe Bellino, owner, Broadway Market, and chairman of the AFPD board of directors, says with all the fiscal uncertainty and changes in regulations, 2013 is a very important year for all small businesses. "My resolution is to keep running a lean business," he says. Board member Pat Lavecchia, owner of Pat's Auto Service, is also focusing on cutting his operating costs. Why? "So I can continue to pay benefits for my staff," he says.

Board member John Abbo, owner of Harland Mobil, says he plans to cut costs by taking advantage of "the lowest interest rates in history" to get new financing. "The overall goal for 2013 is to cut expenses and increase revenue," he says.

But even with the emphasis on controlling costs, AFPD members are resolving to stay active in supporting their communities. "We will keep participating and contributing to community events, no matter what," confirms Bellino.

Board member Al Jonna, owner of Vintage Market, Picnic Basket, and Jonna's Market, echoes Bellino's sentiments. "I will continue to give back to the community where I have been doing business for 25 years," he says. "I have always helped out when there was a donation request or a sports team that wanted me to

be a sponsor, but lately I have been more generous than ever, and it has paid off."

For example, Jonna has become the biggest fundraiser and supporter of the Plymouth Township fireworks show. He also supports the Plymouth Chamber of Commerce and participates in many of their events, such as the Plymouth Tastefest. "This February, I will have a wine-tasting event with all proceeds going to a local charity," Jonna says. "I will continue to do this more than ever because at the end of the day, nothing is more rewarding than when a customer tells you, 'thanks for all you do.'"

Customer service. Taking better care of customers is a strong theme in board members' resolutions for 2013. "My number-one business resolution for 2013 is to make a solid and continuous effort to pay attention to as much detail of my customers' businesses and to make that same effort to see their businesses through their eyes," says board member Chris Zebari, a sales representative for Lipari Foods. "That is the only way that I see possible to grow my customers' businesses as well as my own. Attention to detail is the difference between good and great."

Board member Frank Ayar, president of Two Brothers Liquor and Food and owner of Ayar Property Management & Development, points out that focusing on customer service in 2013 is the best way to differentiate your store from the competition. "At the top of my New Year's resolution list is continuing to meet the needs of my clients and exceed their expectations," he says.

"If there was one most meaningful resolution I could make for my company in the coming year, it would be to upgrade my customer service," agrees board member Paul Elhindi, owner of

Lyndhurst Valero. Elhindi's plan is to conduct a simple audit to determine how effective his team is in helping customers. Questions include: What channels are available for customers to reach managers? How quickly do they respond? How effective is the team at answering customer questions and solving their problems? "In 2013, I will be answering these questions and working hard at how I can improve customer service for the years ahead," he says.

As a follow up to improving customer service, Elhindi resolves in the New Year to thank his customers more often and in more meaningful ways. "They are the life blood of my business and my team, and I will be letting them know that every day in 2013," he vows.

Board member Marvin Yono, owner of Alpine Marketplace and Towne Square Market, also says his number-one business resolution in 2013 is to improve customer satisfaction, but he adds employee satisfaction to the goal as well. "Exceeding customers' expectations along with a strong workforce are key components to a successful business," he notes.

Personal goals. Many board members have added personal goals to their resolutions as well. "My resolution is to become more organized and more communicative—and especially to communicate more clearly with my customers," says board member Tiffany Otis-Albert, strategic sales director for Blue Cross Blue Shield of Michigan. "It is very important to prepare for 2014 by helping my customers understand the many changes coming under the new regulations and requirements of the Patient Protection and Affordable Care Act."

Board member Phil Kassa, owner of Saturn Markets and Heartland Marketplace, also has organization on his list. "My New Year's resolution for our business is to become more organized, where my partners and I are all on the same page when decisions are made," he says. "At times, I'll do something or my partners will do something, and we haven't made sure we are in agreement."

"It's important to be united in our business as a family," he continues, "rather than being torn apart, because it causes a lot of confusion, especially with our employees."

Technology. As in other industries, new technology for retail

New Year's Resolutions for Small Businesses

The New Year brings new plans, new energy, and a fresh take on old ideas for small businesses. The secret to success for entrepreneurs is constantly striving for improvement. For inspiration with your store's own goal-setting, consider adopting these New Year's resolutions from other successful small business owners.

Resolution #1—Attract, train, and retain talented employees. This might be hiring more employees or further developing the ones you already have. In 2013, successful retailers will show more appreciation for their employees and offer more training. Specifically, retailers should develop customer-friendly policies that are communicated to all staff. Train employees to provide outstanding customer service as a pathway to customer loyalty.

Resolution #2—Improve your store's culture by investing in and listening to employees. Speak with employees on how the store can help them be more efficient and step up their game. Also, don't forget to consider your employees' perspectives.

Resolution #3—Increase sales and profits. Whether it's up-selling or planning an expansion, retailers must learn to take advantage of every possible opportunity to sell.

Resolution #4—Keep better records. Retailers and other small businesses are notorious for not keeping good records of things like mileage and other deductible business expenses. Vow to listen to your tax advisor in 2013!

Resolution #5—Expand the store or company's online presence. Expand your website to include online resources for customers. Offer how-to articles, recipes, and blogs, and announce new specials. Remember that all of the content should be optimized for search engines. Get help with this if you need it.

Independent retailers should also seriously consider their opportunities to market and build customer loyalty through social media. Invest time in finding someone who can help you create a bigger audience and a healthy social media image.

Resolution #6—Evaluate what your customers want. The New Year is a good time to reflect and learn from the previous year. Capitalize on successful marketing strategies from 2012 and identify which investments yielded the highest ROI. What products were best received by customers? What can you do to increase sales in those areas even more in 2013?

Resolution #7—Listen to customer feedback. In 2013, spend more time directly talking to your customers and hearing first-hand feedback.

Resolution #8—Get out of your comfort zone. Consider taking a few risks in 2013 that are specifically designed to grow your business. A great way to get out of your comfort zone is to get out of your store. Attend trade shows and other retail expos. Meet with suppliers, network with other retailers, and investigate more new products in 2013.

Resolution #9—Create strong vendor partnerships. The cheapest provider is not necessarily the best one for your store. Consider shipping, terms of sale, customer service, sales support, and other factors when determining which vendor provides the best value for your store.

Resolution #10—Buy some money-saving technology. Do your research and then invest in a money- or time-saving piece of technology. You may be amazed at the results.

(Adapted with permission from a blog titled, "New Year's Resolutions for Small Businesses," by Divya Raghavan, a strategy analyst for NerdWallet.com.)



stores is growing by leaps and bounds. "Retailers have to keep up with the demands of technology," confirms Ayar, "and that requires me to constantly look for ways to improve my store's operations by adding new services or enhancing equipment and technology."

"At the top of my business resolutions for the upcoming year is the implementation of new back-office software to link all of our stores through a web-based program," says board member Kevin Bahnam, owner of USA 2 GO. "I consider it a priority because it will give us the ability to manage some of the most critical areas of our business such as purchasing, inventory, and margin control."

Marketing. Elhindi says 2013 will be his year for trying new strategies to achieve marketing goals. "I have resolved to set specific goals for my business in the New Year, define strategies to achieve those, and then develop a short list of experimental tactics to execute," he says. "Perhaps I will try email marketing, social media, public relations, or other marketing methods. And I will make sure that I am able to effectively measure the results of any new tactic I engage in—and be ready to quickly kill those that are not working and increase my efforts with those that are."

Board member Vickie Hobbs, co-owner of Whitehall Shell, says at the top of her New Year's resolution list is to make sure she promotes all of her services to all of her customers. "When a lottery customer comes in, we need to ask if they need gas or a car wash. And we need to ask our gas and car wash customers if they need a chance on a winning lottery ticket."

Hobbs says this an important strategy in retaining your customer base and increasing sales in all areas. "We like to be known as a one-stop shop that provides quality, service, and



smiles, and hopefully this year, we will be able to fill more of our customers' needs," she says. "Sometimes we just assume that our customers know all we have to offer, which I have found is not always the case."

Time off.

Board member Jerry Crete, vice

president of Ideal Party Store, says his resolution is to take a day off from work every week in 2013. And even though growth and expansion are on board member Jim Mandas' plate, he, too, recognizes that time off will be needed now more than ever. Owner of Broadway Market Sunoco, Mandas says he will expand his building by adding additional space to enhance the existing convenience store, fuel, Subway™, and carwash. "The addition would create a synergy for the entire property and would be a co-branded food entity that would complement Subway," he says.

However, Mandas also realizes that his goals for expansion will be time-consuming and tiring, so he is resolving to find time to step back and take some time off. "I understand that for most of us, this is very difficult to do," he notes, "but I have learned that when you take some time off rather than bury yourself on a daily basis, it gives you the opportunity to come back with fresh ideas that can enhance your business."

His best advice for fellow AFD members in 2013? "Get out there and pursue what others are doing that makes them successful. You never know—you may find out that someone else has better ideas than you do." ■■

Carla Kalogeridis is editor and Beverly Sturtevant is managing editor of AFD Bottom Line.



**Attention to detail is the difference
between good and great.**

—Chris Zebari





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Top 10 Food Trend Predictions for 2013

The most dramatic food changes are who is doing the shopping and how consumers are eating.

By Phil Lempert

Last year, we predicted how weather conditions around the globe would affect crop yields and impact food production and prices; little did we know just how big that impact would be. 2012 brought us the worst drought in 50 years, and created havoc on more than 60 percent of all farmland here in the United States. There is little doubt that, just as the USDA has predicted, food prices will continue to rise for many years to come.

The average American spends less than 9 percent of their income on food, which is the lowest percentage of citizens of any other country, and less than Americans spent back in 1982 (13 percent). Yet even modest food price increases will affect both retailers and consumers in the coming year.

Snackable mini-meals and frozen foods take center stage in supermarket aisles this year, while dads and Millennials get more comfortable and powerful in the kitchen. This year, the most dramatic food changes are not what consumers are eating, but rather who is doing the shopping and how consumers are eating. Here are the 10 major trends to watch in the food industry.

Snacking and Mini-Meals

Think smaller bites and more frequent eating patterns that reduce



overall portion size and increase variety. Restaurants will add more small plates and appetizers to the menu, while grocery stores and food companies will offer new snacks with appropriate pre-portioned options to take the guesswork out of portion sizes. According to the NPD Group,

more than half of Americans snack two to three times per day, while one in five eating occasions is a snack.

Men in the Supermarket and Kitchen

Men and dads are getting more comfortable and powerful in the kitchen. Look for supermarkets to increase their focus on men in



2013 as they've become more active in shopping, meal planning, and cooking. According to a June 2012 survey from Cone Communications, more dads than moms (52 percent compared with 46 percent) plan meals for the week ahead. Some supermarkets experimented with "man

aisles" — look for this concept to expand to multiple locations in the store featuring male-oriented foods, recipes, and other promotional tools to make shopping and impulse buying more targeted.

Evolution of Frozen Foods

According to NPD Group's National Eating Trends, fewer meals are made from scratch (59 percent in 2011, down from 72 percent in 1984), as many Americans don't have time to spend in the kitchen.

This year, the myth that home-cooked is always more nutritious than frozen gets debunked, and marketing extols the fact that frozen fruits and vegetables are typically harvested in season and flash frozen—and cost less, reinforcing the FDA statement that there is virtually no nutritional difference between fresh and frozen fruits and vegetables.



The Impact of Millennials

In 2013, supermarkets and food companies will cater more

toward Millennial consumers with affordable foods that are flavorful and ethnically diverse. Millennials, those born between 1982 and 2001, will represent 19 percent of the population by 2020 and will have double the buying power for food-at-home. Millennials also love food,

and their passionate interest is led by their desire to understand where foods are from, preparation, and how food is served. A recent Jefferies Alix Partners study found that Millennials are also deal-seekers and are much more focused on finding the lowest price over brand loyalty.



Smart Home, Smartphone

Smartphones are prevalent in the food industry, but the newest wave of technology includes smartphones that network with kitchen appliances and allow consumers to do everything from checking how much milk they have left in the refrigerator to turning the oven on from another room. The next generation of mobile apps may determine if fruits and vegetables are ripe, if refrigerated and frozen foods have been kept at the correct temperature from farm to freezer, and even test for foodborne bacteria—a personal "food lab" in every shopper's pocket.





Breakfast Becomes the Most Important Meal of the Day

Ninety percent of U.S. consumers say they eat breakfast every day (NPD Group), but the conversation is shifting to what foods are best to eat for breakfast and taking breakfast foods into other day parts. Breakfast foods are typically high protein (e.g., eggs, egg whites, yogurts, milk) and as the nation continues to focus on high protein foods, look for these less-expensive proteins to replace the higher-priced meats for some special occasions.

The Story Behind Our Food

2013 will be a transitional year as on-package claims proliferate and confuse. Look for supermarkets to take on the role of gatekeeper and actually demand proof and transparency of claims before they will permit products to be sold on their shelves. The role of retail dietitians will increase, as their influence and education become more important to everyday buying decisions. Consumers are reading labels and selecting their foods more holistically, based on all the "food factors" including taste, ingredients, source, and nutritional composition, as well as who is making their food and an understanding of its impact on the environment.

The Economy—New Proteins

The U.S. Department of Agriculture estimates the cost of both beef and chicken will increase by at least 5 percent due to the 2012 drought and declining supply. A major shift is anticipated in the nation's protein food supply, away from meat-based proteins and shifting to meatless proteins like eggs, nut butters, tofu, beans, and legumes. Look for an increase in awareness and consumption of vegetarian and vegan meals.



Sustainability—We Stop Wasting Food

The National Resource Defense Council estimates that 40 percent of food goes uneaten each month in the United States. Not surprisingly, the Eco Pulse Survey from the Shelton Group reports 39 percent of Americans feel the most "green guilt" for wasting food, almost double the number who feel guilty about not recycling.



The Boomer Reality of Diabetes, High Blood Pressure, and Heart Disease

Studies by the NPD Group show that nutrition and healthy eating habits are top meal-planning priorities for Baby Boomers. A recent study by ConAgra Foods found that eating canned tomatoes provides the greatest source of antioxidants to Americans' diets—more than any other non-starchy vegetable. People who eat low-fat diets rich in fruits and vegetables tend to have a decreased risk of cancer and heart disease. Boomers will focus on their intake of antioxidants as they continue their search for the fountain of youth. Boomers will also control more than half the dollars spent on grocery foods by 2015, so look for more heart-healthy antioxidant-rich foods including oily fish such as salmon, as well as green tea, sweet potatoes, dark leafy greens, popcorn, berries, and whole grains to take over supermarket shelves. ■■■



*Phil Lempert (SupermarketGuru.com)
is an analyst, author and authority
on the retail food industry.*



The average American spends less than 9 percent of their income on food, which is the **lowest percentage of citizens of any other country.**

Health Care in the New Year

—AND BEYOND

Preparing for changes in 2014, independent retailers and other small businesses will begin to see the effect of new health care laws now, as some provisions kick in ahead of time.

An AFPD Staff Report

Whether retailers think President Obama's new health care law is good or bad, the fact is that they will face many decisions and a great deal of change in 2013, including figuring out how to comply with the Affordable Care Act (ACA) and determining how state and/or federal health care exchanges will affect their options.

A number of retailers are saying (some publicly and some privately) that making layoffs and reducing worker hours are steps they will be forced to take. That's because starting in January 2014, the new ACA requires companies with more than 50 workers to provide health insurance to employees who work at least 30 hours a week. If they don't, they must pay the government \$2,000 a year for each full-time employee minus the first 30 workers. (Revenues from companies that choose to pay the \$2,000-per-worker

penalty will be used to offset government costs of operating the state-based exchanges where uninsured workers can shop for affordable health insurance.)

Furthermore, if any employee receives coverage through the exchange, the penalty on the employer for that employee rises to \$3,000. If the employer requires a waiting period to enroll in coverage of 30-60 days, there is a \$400 tax per employee, which jumps to \$600 if the period is 60 days or longer.

For many independents, it comes down to a decision to either eliminate employee health plans after 2012 (if the penalty is actually lower than what they'd have to pay for a health insurance plan), or pay for it themselves. Some will try to cover the cost

by raising prices, but for many independents—particularly those selling fuel—the margins are already so slim that raising prices isn't an option. For them, the only choice is to cut overhead, which means reducing hours, halting new hires, and curbing plans for renovation and expansion.

Even though retailers have known about the coming changes for at least 18 months, many have not made moves to comply with the new ACA, because they say it will inhibit them from

making a profit. In fact, some health services analysts have pointed out that the reform law puts companies with already-slim profit margins in a bind, especially if they pay minimum wage, because it's not possible for employers to decrease wages to accommodate the cost of the mandated health care.

In recent weeks, some franchise owners and restaurant chain operators have responded by saying that they will cut employee hours to 29 a week and add a 5 percent surcharge to customer bills as of January 2014. The

general feeling among retailers, said John Metz, a Florida-based franchise owner speaking to Fox News last month, is that "everyone's looking for a way to not have to provide insurance for their employees," and that the Affordable Care Act "is essentially a huge tax on all of us business people."

The Changes Start Now

Yes, January 2014 is a year away, but there are a number of changes that start January 1, 2013. For example, the Medicare bundled payment pilot began this month as a reimbursement policy aiming to curb health care spending. Hospitals, doctors, and nursing facilities participating in the initiative get one pay-





ANNUAL CALENDAR

**All items subject to change*

APRIL

Half gallons of assorted iced teas for only \$1.00
(suggested sale price is 4/\$5.00)



MAY

Gallons of assorted fruit drinks for only \$1.00
(suggested sale price is 4/\$5.00)



JUNE

Gallons of assorted fruit drinks for only \$1.00
(suggested sale price is 4/\$5.00)



OCTOBER

Gallons of assorted fruit drinks for only \$1.00
(suggested sale price is 4/\$5.00)



NOVEMBER

Half gallons of orange juice for only \$1.85
(suggested sale price is \$2.49)



DECEMBER

Half gallons of orange juice for only \$1.85
(suggested sale price is \$2.49)



OHIO ONLY

Dairymens®
All The Dairy Best To You...

2013 PROMOTIONS

JANUARY

- Half gallons of all fruit drinks and iced teas for only 75¢
- Quarts of orange juice for only 75¢
- 8oz French onion dip and 8oz sour cream for only 75¢
(suggested sale price is 99¢ for all)



FEBRUARY

Half gallons of orange juice for only \$1.85
(suggested sale price is \$2.49)



MARCH

Half gallons of assorted iced teas for only \$1.00
(suggested sale price is 4/\$5.00)



JULY

Gallons of assorted iced teas for only \$1.65
(suggested sale price is \$2.29)



AUGUST

Gallons of assorted iced teas for only \$1.65
(suggested sale price is \$2.29)



SEPTEMBER

Gallons of assorted fruit drinks for only \$1.00
(suggested sale price is 4/\$5.00)



for multiple services a patient receives during each episode of care. The Centers for Medicare and Medicaid Services explains it, instead of a traditional procedure generating multiple claims from multiple providers, the team will be compensated with a bundled payment. This is supposed to be an incentive to deliver health care services more efficiently. The pilot test bundled payments for 48 types of treatment episodes, and the project will expand as the year goes on.

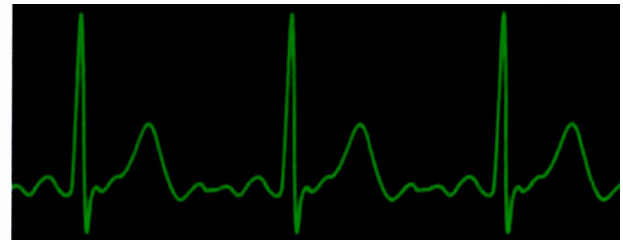
Also in January, bigger-income taxpayers and those who itemize will find a new threshold for the itemized deduction for unreimbursed medical expenses will rise to 10 percent of adjusted gross income, up from 7.5 percent now. The increase is waived for taxpayers 65 and older for tax years 2013-2016.

If you like to defray medical expenses with pre-tax dollars, note that beginning January 2013, contributions to flexible spending accounts that allow employees to pay for medical expenses with pre-tax dollars can no longer exceed \$500. The amount will be raised each year by a cost-of-living adjustment. Furthermore, employers who have received federal subsidies to continue to provide health insurance can no longer take those subsidies as a tax deduction beginning January 2013. Large companies in particular have objected to this provision, stating they will have to take billions in write-offs.

And finally, a change in Medicaid beginning January 21, 2013 provides a one-percentage-point increase in federal matching payments to states. The new Medicaid programs cover certain preventive services without requiring patients to share any of the costs. Medicaid is also boosting rates paid to primary care doctors in 2013 and 2014 to the same payment rates Medicare receives — an increase fully funded by the federal government.

Predicting the Future

Now, it is a bit premature to determine exactly how independent retailers and other small businesses will be affected by the new health care law. There simply are still too many unknowns. *AFPD Bottom Line* will include a monthly column providing health care updates and analyses on how the changes are affecting retailers in each issue of the magazine throughout 2013. ■■■



Affordable Care Act: Highlights for Small Businesses

- If you have up to 25 employees, pay average annual wages below \$50,000, and provide health insurance, you may qualify for a small business tax credit to offset the cost of your insurance.
- Starting in 2014, the small business tax credit goes up to 50 percent (up to 35 percent for nonprofits) for qualifying businesses.
- Beginning in 2014, small businesses with generally fewer than 100 employees can shop in an Affordable Insurance Exchange. Exchanges will offer a choice of plans that meet certain benefits and cost standards.
- Employers with fewer than 50 employees are exempt from new employer responsibility policies. They don't have to pay an assessment if their employees get tax credits through an Exchange.



Food Hubs Growing in Michigan

Food hubs help small growers reach more markets.

By Rich Pirog and Marty Gerencer

Across the country, more consumers are requesting locally produced foods, and retailers are developing existing relationships with growers to respond to the demand. Although small direct-market growers may have the capacity to sell to a few restaurants and one or two retail stores beyond their farmer's markets base, it usually takes a coordinated effort to scale up local food supply to respond to the larger volumes demanded across retail and food service markets.

Food hubs—centrally located facilities with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of local and regional food products (USDA-AMS working definition)—may help address the infrastructure challenge and facilitate opportunities for smaller producers to reach larger markets.

What distinguishes food hubs from other aggregation/distribution systems is a commitment to working with small and mid-size farmers to provide local and regional foods, and the positive local economic, community, and environmental benefits that may come from these food sales. For example, 40 percent of the food hubs participating in a recent national survey indicated they were operating in rural or urban areas that had limited access to food items such as fresh fruits and vegetables.

Surveys of local food growers and food entrepreneurs in Michigan reveal a need for increased marketing, business education, and technical and financial assistance to build local food supply to meet demand. The state of Michigan is taking a leadership role in building the capacity of food hubs. The Michigan State University (MSU) Center for Regional Food Systems, Michigan Department of Agriculture and Rural Development (MDARD), and other state agencies are partnering to integrate

food hub and regional food commerce resources to help Michigan's regional food and farm businesses succeed.

A substantial resource in this partnership is seed funding for food hubs from



MDARD. Approximately \$900,000 of the \$1.9 million available for value-added agriculture and regional food grants in fall 2012 was directed to five food hub projects across the state, in Detroit, Ann Arbor, Lansing, Traverse City, and the Upper Peninsula. MDARD also added two field staff members who spend part of their time providing technical assistance to food hubs.

Another key component in the state's food hub development is the Michigan Food Hub Learning and Innovation Network, led by the MSU Center for Regional Food Systems in collaboration with Morse Marketing Connections, LLC, and MDARD. The network has regional food hub consultants operating out of the Upper Peninsula, Gaylord, Ann Arbor, Lansing, Flint, Battle Creek, Detroit, and Muskegon. The purpose of the network is to facilitate increased learning, innovation, and profitability for participating food hubs, as well as increased access to food hub financial and technical assistance,

research, and education. The network also hopes to foster increased business-to-business collaboration across food hubs.

The National Food Hub Collaboration is working to ensure the success of exist-

ing and emerging food hubs in the U.S. by building capacity through connection, outreach, research, technical assistance, and partnerships. The Michigan Food Hub Network will partner with the National Food Hub Collaboration in connecting Michigan food hubs and other regional food businesses with educational, technical, and financial resources and expertise available across the country. The Michigan network also will reach out to food hub in Ohio and other neighboring states looking for technical support and learning opportunities.

There are a number of opportunities to learn more about and connect with those working in food hubs through the Michigan Food Hub Learning and Innovation Network and its

regional consultants. You can join the network's listserv or participate in the next statewide food hub meeting on February 28, 2013.

For more information, visit www.foodsystems.msu.edu/activities/food-hub-network or contact the authors.

Rich Pirog is senior associate director at the MSU Center for Regional Food Systems. He can be reached at rspirog@msu.edu. Marty Gerencer, principal, Morse Marketing Connections, LLC, can be contacted at marty.gerencer@gmail.com.

For more information on the National Food Hub Collaboration—a partnership between Wallace Center at Winrock International, USDA, National Good Food Network, and others—visit www.wallacecenter.org/our-work/current-initiatives/food-hub-collaboration. The USDA has published a "Guide to Regional Food Hub Resource Guide" available at www.ams.usda.gov.

Craft vs. Crafty

Lines between craft-like and true craft beers are blurring.

American craft brewer is defined as small and independent. Their annual production is six million barrels of beer or less, and no more than 25 percent of the craft brewery is owned or controlled by an alcoholic beverage industry member that is not themselves a craft brewer.

The community of small and independent craft brewers has grown as beer enthusiasts embrace new, diverse beers brewed in their local communities. Beer drinkers are voting with their palates and dollars to support these entrepreneurs.

In 2011, small and independent craft brewers saw their industry grow 13 percent by volume; in the first half of 2012, volume grew by an additional 12 percent. Meanwhile, the overall beer industry was down 3 percent by volume and domestic non-craft was down five million barrels in 2011. Witnessing both the tremendous success and growth of craft brewers and the fact that many beer lovers are turning away from mass-produced light lagers, the large brewers have started producing their own craft-imitating beers, while some purchased (or are attempting to purchase) stakes in small and independent breweries.

While this is certainly a nod to the innovation and ingenuity of today's independent brewers, it's important to remember that if a large brewer has a controlling share of a smaller brewery, the brewer is, by definition, not craft.

However, many non-standard, non-light "crafty" beers found in the marketplace today are not labeled as products of large breweries. So when someone is drinking Blue Moon Belgian Wheat Beer, they often believe it's from a craft brewer, since there is no clear indication that it's made by SABMiller. The same goes for Shock Top, a brand that is 100 percent owned by Anheuser-Busch InBev, and several others owned by a multinational brewing and beverage company.

The large, multinational brewers appear to be deliberately attempting to blur the lines between their crafty, craft-like beers and true craft beers. We call for transparency in brand ownership and for information clearly presented in a way that allows beer drinkers to make an informed choice.

And for those passionate beer lovers out there, we ask that you take the time to

familiarize yourself with who is brewing the beer you are drinking. Is it a product of a small and independent brewer? Or is it from

a crafty large brewer, seeking to capitalize on the mounting success of independent craft brewers? ■■■

Q&A on Employer Shared Responsibility Provisions Under the Affordable Care Act

1. What are the Employer Shared Responsibility provisions?

Starting January 1, 2014, employers employing at least 50 full-time employees and full-time equivalents will be subject to the Employer Shared Responsibility provisions under section 4980H of the Internal Revenue Code (added to the Code by the Affordable Care Act). Under these provisions, if these employers do not offer affordable health coverage that provides a minimum level of coverage to their full-time employees, they may be subject to an Employer Shared Responsibility payment, if at least one of their full-time employees receives a premium tax credit for purchasing individual coverage on one of the new Affordable Insurance Exchanges.

To be subject to these Employer Shared Responsibility provisions, an employer must have at least 50 full-time employees or a combination of full-time and part-time employees that is equivalent to at least 50 full-time employees (for example, 100 half-time employees equals 50 full-time employees). As defined by the statute, a full-time employee is an individual employed on average at least 30 hours per week (so half-time would be 15 hours per week).

Employers will use information about the employees they employ during 2013 to determine whether they employ enough employees to be subject to these new provisions in 2014. Employers average their number of employees across the months in the year to see whether they meet the large employer threshold. The averaging can take account of fluctuations that many employers may experience in their work force across the year.

For those employers that may be close to the 50 full-time employee (or equivalents) threshold and need to know what to do for 2014, special transition relief is available to help them count their employees in 2013.

2. If two or more companies have a common owner or are otherwise related, are they combined for purposes of determining whether they employ enough employees to be subject to the Employer Shared Responsibility provisions?

Yes, consistent with longstanding standards that apply for other tax and employee benefit purposes, companies that have a common owner or are otherwise related generally are combined together for purposes of determining whether or not they employ at least 50 full-time employees (or an equivalent combination of full-time and part-time employees). If the combined total meets the threshold, then each separate company is subject to the Employer Shared Responsibility provisions, even those companies that individually do not employ enough employees to meet the threshold. The proposed regulations provide information on the rules for determining whether companies are related and how they are applied for purposes of the Employer Shared Responsibility provisions.

3. Is more detailed information available about the Employer Shared Responsibility provisions?

Treasury and the IRS have proposed regulations on the new Employer Shared Responsibility provisions. Comments on the proposed regulations may be submitted by mail, electronically, or hand-delivered, and are due by March 18, 2013.

AFPD Bottom Line will continue to print additional questions and answers related to the Affordable Care Act in subsequent issues of this magazine. ■■

In Love with His Community

By Carla Kalogeridis

Abdul "Al" Haidous spent 37 years in the grocery and convenience store business and the last 12 years in politics. There are things this Lebanese-born father and grandfather cherishes about both.

"I miss the daily interaction with the people in my neighborhood from when I had the store," says Haidous. "But at age 70, as you grow up, you look for other work. I don't miss the heavy work of the store."

For nearly four decades, Haidous owned and operated a convenience store called Al's Friendly Market, located in the heart of the city of Wayne, within walking distance of 70 percent of the city's population. "We were located right across from the community center, and I got very involved as a volunteer," he says. "That snowballed into a run for the City Council in 1993."

In 2001, as a two-term city councilman, Haidous "threw his hat in the ring" for mayor of the City of Wayne and won the election with 54 percent of the vote. As the mayor's position is a part-time job, he kept his store for several more years before selling it five years ago.

"I'm in love with my community, but it was too much to juggle both," he says. Days at the store began at sunrise and ended at sundown. His four daughters and one son helped out, but Haidous and his wife, Mary, insisted that homework always came first. "The store's income helped me educate all my kids through college, and today, they do better than me. That's what life's about."



Abdul "Al" Haidous

Haidous recalls his years in the grocery and convenience store business—during which he was a member of AFPD—with great fondness. "The store was very safe in our community. In 37 years, we only had one incidence of robbery, and it was committed by people who were passing through town. They thought we were an easy target, but they got caught before they left the city," he says.

Thinking about his transition from retailer to mayor, Haidous points out that he has had the opportunity to serve in good economic times as well as bad. "During the good years, we built a new police station, fire station, and community center, among other things," he says. "And during the last five years, we've cut the budget way down. Now, I simply try every day to do something better than what I did yesterday."

Running a city in a state hit as hard economically as Michigan isn't easy, he admits, but Haidous loves the challenge. "People say I perform well under pressure. I love the challenges and the accomplishments. I receive the people who have something positive to say—as well as those who have something negative—with great attention. I love them for both."

Haidous says his goal is simple: that the community of Wayne is well-served. "When I sail off into the sunset," he says, "I only want people to say, 'he did a good job.'"

Carla Kalogeridis is editor of AFPD Bottom Line.



Haidous has enjoyed serving the city of Wayne in good economic times and bad.

"The store's income helped me educate all my kids through college, and today they do better than me. That's what life's about."



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**M. Scott
BOWEN**

Michigan Lottery Commissioner

Ring in 2013 with a Raffle and More

On February 11, the Michigan Lottery will launch the all-new \$40,000 *Tax-Free Raffle*. The \$10 tickets will be available for purchase through mid-April, and top-prize winners will walk away with \$40,000 tax free. This raffle has the best overall odds of any raffle to date—one in six tickets will win a prize.

On April 15, tax day, a drawing will be conducted to select the winning raffle numbers. For every 30,000 raffle tickets sold, 5,001 prizes will be awarded: one \$40,000 top prize, 50 prizes of \$100, 1,850 prizes of \$50, and 3,100 prizes of \$15.

Be sure to tell your customers to hold on to their tickets; they will have to present the original raffle ticket to claim any prize. Raffle tickets will be available at all Michigan Lottery retailers. Time is limited to purchase tickets; let your customers know they have to act fast in order to be part of the action.

Club Keno Jack Pack Promotion

Jack Pack is jam-packed with fun. Between January 14 and February 10, players get a sixth draw free when they purchase a five-draw *Club Keno* ticket with *The Jack* option. The free sixth draw extends the player's same set of *Club Keno* and *The Jack* numbers. *Club Keno* players can pick their own numbers or use the easy pick option.

This easy promotion is sure to be popular with players. All terminals and self-serve equipment will be preloaded. Selecting *The Jack* option on a five-draw wager will automatically generate the sixth draw on the same ticket.

Players win *The Jack* jackpot by matching all eight *Jack* numbers to the 20 numbers drawn. Additional prizes can be won for matching at least four numbers. Players can play and watch *Club Keno* at their favorite hangouts, purchase tickets anywhere Lottery is sold, and watch the drawings using the Michigan Lottery website or mobile app.

Player's Club *Blazing 500s* Giveaway

Blazing 500s is still burning HOT, with 500 hours of winning

ending Saturday, January 10 at 9 am. *Blazing 500s* winners receive winning notifications to their registered Player's Club e-mail address. The e-mail contains a printable voucher with a barcode that can be scanned and paid by any claim center, authorized payment center, or Lottery retailer. The winners list is published on www.michiganlottery.com and is updated hourly during the promotion.

Players can double the power of the non-winning tickets entered into their Player's Club account through 8:59 am on January 10. For every \$10 in non-winning Michigan Lottery tickets submitted online, players will receive TWO giveaway entries: one into *Play It Again* for the chance to be a \$1,000,000 finalist, and one into *Blazing 500s* for a chance to win \$500. A player may only be selected as a winner one time during the current *Blazing 500s* promotion.



New Instant Tickets

New instant tickets as of January 2: *Family Feud* (\$2), *Crown Jewel 7s* (\$5), and *\$500,000 Money Maker* (\$10). New as of February 5: *Cloud 9* (\$1), *Hearts* (\$2), *Spades* (\$2), *Clubs* (\$2), and *Diamonds* (\$2). The release for these tickets is subject to change. Retailers are reminded to activate instant game tickets before putting them on sale to ensure players can redeem winning tickets.

Instant Tickets Set to Expire

Expiring January 7: IG 435 *Multiplier* (\$2), IG 439 *Red Hot & Blue 7s* (\$5), IG 445 *Triple Win* (\$2), IG 449 *Cashword* (\$2), and IG 450 *Tax Free Cash* (\$20). Expiring February 4: IG 430 *Ultimate 7s Bingo* (\$2), IG 437 *Gold Rush* (\$2), IG 444 *Casino Cashword* (\$2), IG 448 *Fortune Of \$50s* (\$1), IG 457 *Red 7s Multiplier* (\$2), IG 458 *Far \$50s* (\$1), IG 460 *Cash in Hand* (\$2), IG 469 *Wild Time Mania* (\$5), and IG 470 *Sky's The Limit* (\$5).

In fiscal year 2012, the contribution to schools was a record \$778.4 million. Since its inception in 1972, the Lottery has contributed over \$17 billion to education in Michigan. Visit the Lottery at www.michiganlottery.com. ■■

◀ JAN 14 - FEB 10 ▶

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resell your
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- You earn up to 20% higher sales commission on Jack Pack tickets!
- Club Keno and The Jack are played every 4 minutes, offering high traffic and sales potential for your business!
- Jack Pack is valid for up to 50 draws on the same ticket! (Example: 15 draws with The Jack = 3 free draws)

Purchase a 5-draw Club Keno ticket with The Jack, get a 6th consecutive draw free on the same ticket. Offer valid up to 50 draws. All wager amounts per draw are eligible. The Club Keno mark is a registered trademark of GTECH Corporation. Overall odds of winning Club Keno are from 1 in 4 to 1 in 17. Overall odds of winning The Jack: 1 in 9.77. If you bet more than you can afford to lose, you've got a problem. Call 1-800-270-7117 for confidential help.





**Bruce
STEVENSON**

Superintendent, Ohio Department of Commerce, Division of Liquor Control

Ohio's Taste of Success

Changes in Ohio liquor law this past year opened up new opportunities for alcohol manufacturers to put the sense of taste to the test. Offering tasting samples is a great way of introducing customers to new brands, products, flavors, or just something different than their usual purchase. Whether its beer, wine or spirits, Ohio consumers are not necessarily drinking more, but want to try new and unique items. The opportunity to taste products helps inform and educate customers, and provides a vehicle for business growth in Ohio.

Ohio's 175 wineries have offered tasting samples for many years, and it's proven invaluable for showcasing their world-class wines. Now, thanks to support from Governor Kasich's Common Sense Initiative, visitors can sample the products at Ohio's 82 breweries. This was especially beneficial to small craft breweries, an industry that is growing significantly.

Beer and wine samples are offered at many local wine shops, carry-outs, grocery, and convenience stores. Microdistilleries are becoming popular, and their numbers increased in Ohio in 2012 from just two to 14, with a dozen more on the horizon. The option to offer samples of their unique products to visitors is one of the keys to their success.

Until the last year's law changes, spirits samples weren't allowed by any Ohio retailers. Now customers can taste various spirits products at Contract Liquor Agencies throughout Ohio. With a tasting permit, the 460 private Ohio Contract Liquor Agencies can host five events each month offering the sale of limited tasting samples of spirituous liquor products. This provides a venue for manufacturers to introduce new products and an enhanced shopping experience for customers.

Tasting events must be approved by the Division of Liquor Control, and can last no longer than two hours. A sample size is .25 ounces, with a limit of four samples (totaling one ounce) per person. Events are limited to the spirituous liquor sales area of the store, conducted by marketing professionals representing the spirits supplier or manufacturer who have received alcohol server training to ensure compliance with Ohio's liquor laws.

Tasting events all over the state have been very successful. In less than a year, almost 1,200 tasting events have been conducted and more than 9,000 Ohio consumers participated. Some of the new and unique items sampled include: Pinnacle Cookie Dough, Cotton Candy, and Pumpkin Pie; Red Stag Spiced; Oyo Vodka and Oyo Vodka flavors; Bacardi Wolfberry; Fireball Cinnamon Whiskey; Hennessy VS and Black; and Rogue Malt Whiskey to name a few.

Tasting events are a great way to help educate Ohioans on the latest trends in the industry, and we anticipate the number of tasting events and locations will increase in 2013 as more new items are introduced. We take pride in listing a wide and diverse selection of spirits for our customers and in being at the forefront of the marketplace when it comes to new items and innovation.

Information on all products available in Ohio, as well as where to buy them, can be found at www.com.ohio.gov/liqr. Business friendly regulations, coupled with our commitment to excellent customer service, will enable businesses to create new jobs and keep Ohio moving in the right direction. If you have questions or need assistance, contact the Division at (614) 644-2360. ■■■



Tasting events are a great way to **help educate Ohioans on the latest trends** in the industry.



THE VOICE OF INDEPENDENT RETAILERS

AFPD MEMBER EXCLUSIVE



COUPON REDEMPTION

Make money and save time by letting the AFPD professionals handle your coupons!

The AFPD Coupon Redemption Program eliminates a retailer's time consuming and costly chore of sorting, counting, and mailing coupons to individual manufacturers. It also reduces the volume of accounting records retailers must keep, leaving you with more time to effectively manage your retail business.

Plus AFPD will PAY YOU 2¢ for every valid coupon you redeem through us!

(Must redeem minimum of 500 valid coupons per year to qualify for the 2¢ per coupon rebate)

Our program is simple. Here's how it works:

- Fill out a coupon questionnaire on your store and return it to the AFPD office.
- You package and mail your coupons to the Oklahoma Food Industry Coupon Redemption Service (OFICRS) office weekly or monthly (mailing labels are provided).
- We take care of the coupon sorting for you.
- We then send you a check for the amount of the coupons redeemed, minus a 20% security deposit for any potential charge backs, within 6 to 8 weeks from the time we receive your coupons.
- You will be given on-line access to view all of your coupon activity including shipments, charge backs and checks, in real time!
- We will not redeem any coupons which have been expired more than 90 days (the manufacturer's grace period).
- Annually, we will release the majority of the security deposit you have remaining.
- **BONUS:** If you meet the minimum 500 valid coupons sent per year requirement, we will also send you a check for 2¢ for every valid coupon you redeemed through AFPD at the end of the year.
- Should a problem occur, our dedicated staff is here to assist you.

Making coupons allows you to stay competitive, and now, through the AFPD Coupon Redemption Program, **will allow you to make even more money!** We do all the work, and you **GET PAID!**

The AFPD Coupon Redemption Program has been successful for more than 40 years. We hope you will take advantage of our program and allow us to make money for you today!

To get started today, call the AFPD office:
(800) 666-6233

Annual 2¢ rebate chart ABOVE & BEYOND your regularly redeemed coupons	
VALID COUPONS	ANNUAL REBATE
500	\$10
1,000	\$20
2,000	\$40
4,000	\$80
6,000	\$120
8,000	\$160
10,000	\$200



Marvin Poota: AFPD is Our Voice

Mmmm...is that bacon and coffee we smell? But nobody is open at 1:00 am! That might be true in some small cities, but at Wixom BP in Wixom, Mich., owner Marvin Poota's team is already cracking eggs and making fresh coffee. No gas station food here—"our extensive breakfast crowd is drawn by the smells," Poota explains. "We make everything from scratch, nothing is frozen, and our customers take notice. They especially like our breakfast pizza made with homemade dough."

In 1972, Sami Poota bucked tradition, moved his family from Detroit, and bought an existing station near the Wixom Lincoln-Ford plant. These days, Sami Poota still works a few days a week, while Marvin and his four brothers run three locations, including the BP station and a convenience store in Wixom, plus a convenience store in Novi. "The plant closed down in 2007, and sales dropped," Poota says, "but our food-service program has helped us survive."

Poota has day-to-day responsibility for the Wixom BP gas station, a 3,200 square-foot store with a full kitchen—and the only place in town serving breakfast before 5:00 am. In addition, Poota and his 11 employees provide lunch to a loyal base of customers, many from the small manufacturing plants in the area. There's a lot to choose from, including hot and cold sandwiches, homemade meat loaf, and a folded pizza—"our unique, single-serving version of a calzone, with our homemade dough," he says. "Our customers also appreciate hearing Christian music and enjoy our nativity scene at Christmas, a tradition started by my father many years ago."

Family and community are very important to Poota. As busy as he is with four children ages six to 13, he serves on the Wixom Downtown Development Authority, donates to schools and churches, and works with Hospitality House to feed the hungry. The family also participates in the Adopt-a-Refugee Family program that was founded in mid-2007 to help families—mostly Christians—forced from their homes, persecuted,

and even murdered in war-torn Iraq because of their religious beliefs. The program has sent nearly \$2.5 million to help more than 100,000 refugees who are now living in Lebanon, Jordan, and Syria, where civil war has made the need more critical. "Adopt-A-Refugee Family gives 100 percent of the money directly to a specific refugee family," Poota says. "All the administrative costs are covered by donations, and you can even communicate with the family you are helping."

Sami Poota joined AFD in the early 1980s, and his sons have followed his example. "I haven't personally been very involved because my kids are still at home. But I'm definitely interested," Poota says. "AFPD is awesome—they are our voice in Lansing and Washington." Wixom BP uses the Monster Energy program and both c-stores save money with the Nestlé ice cream and Arizona beverage programs. "The programs are a good bonus," Poota says, "but the real benefit is the support AFPD gives us in dealing with change, especially changes in laws and regulations."

"I think a hot button for Michigan AFPD members in 2013 will be liquor licenses. Right now it's a free-for-all," Poota explains. "It's just too easy to get a license now. Anybody can grab one with minimal payment. It's a real concern, especially for long-time liquor stores who don't carry other products." The Wixom gas station doesn't carry beer and liquor, although the c-stores do, but Poota expects he will have to add it to the gas station soon. "It seems like liquor and beer are becoming just another thing you have to carry," Poota says he is counting on AFPD to work hard to protect independents. "We always favor less government," he says. "When government gets involved, small business usually suffers."

His resolution for 2013? "I'm thinking about expanding, maybe bump the store up another 1,000 square feet. We've outgrown our space, and the way alcohol is going, we'll have to do to compete. There are a lot of products we could carry if we had more room." ■■■

"The programs are a good bonus, but the real benefit is the support AFPD gives us in dealing with change, especially changes in laws and regulations."

—Marvin Poota



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*Applications are available beginning January 1, 2013.
Deadline to apply: March 31, 2013.*



**Paul
CONDINO**

AFPD Vice President, Government Relations

The More Things Change, the More They Stay the Same

President Obama won re-election with the support of a majority of the electorate in both Michigan and Ohio, where voters decided the election by putting President Obama over the top in terms of the Electoral College.

While Democrats picked up a couple of controversial seats in the United States Senate—and continue to maintain the majority edge there—in the U.S. House, Republicans retain their strong majority.

In the U.S. Senate, Debbie Stabenow and Sherrod Brown retained their seats in Michigan and Ohio, respectively. Every incumbent in Michigan won re-election to the U.S. House; in Ohio, Republicans lost two seats because of the 2010 census, but maintained their majority control by a margin of 12 Republicans and four Democrats.

No matter where we each stand on the President's re-election, the dilemma of the "fiscal cliff" remains. The questions immediately following the election became "can any of them work together?" and "will economic decisions necessary for the country's progress get made with the same actors in control?" Our elected officials in Washington literally have the lives of American families on the line with the decisions they face in the 113th Congress.

Michigan State Election Results

In Michigan, Republicans retained control of the House by a 59-51 margin—their majority reduced by the defeat of five Republicans. Speaker of the House Jase Bolger narrowly won re-election to his House seat. One highlight: Republican Klint Kesto won the battle in the newly-drawn 39th District, becoming the first Chaldean elected to the Michigan House.

Bolger easily won re-election as Speaker of the House, and Rep. Tim Greimel (D-Auburn Hills, Pontiac) will be the next House Minority Leader. AFPD has strong relations with both Speaker Bolger and Minority Leader Greimel.

Lame Duck—Michigan

In a historically wild lame-duck session, controversial legislation made Michigan the 24th "right-to-work" state, giving workers a choice as to whether they want to join a union. Other landmark legislation included an Emergency Manager law for

**Our elected officials in
Washington literally have the
lives of American families on the
line with the decisions they face
in the 113th Congress.**

municipalities and school districts that cannot pay their bills; abortion clinic code and regulation restrictions; and creation of a Detroit Lighting Authority charged with restoring more than 40,000 non-functioning street lights in Detroit. Gov. Snyder passionately vetoed a gun bill to allow those with extra training to carry guns into

schools and churches.

Another important bill signed into law eliminates the the Personal Property Tax (PPT). This law repeals the tax on old or antiquated manufacturing machines and facilities that have been taxed for 50-60 years throughout Michigan.

Ohio State Election Results

There were no significant legislative changes in Ohio. In fact, the Republican majority picked up a seat in the House, creating a 60-39 majority, and the Senate remains at a Republican majority of 23-10. From AFPD's point of view, the results are optimal: Candidates supported by the AFPD PAC all won re-election, and Senators supported by AFPD in Ohio—specifically Faber, Patton, and LaRose—are expected to become part of the next leadership team in the Ohio Senate.

Lame Duck—Ohio

While the lame-duck session in Ohio's 129th General Assembly was not nearly as wild as in Michigan, important changes in the criminal law were sent to Governor Kasich for signature. The legislature passed Roberta's Law—named after a young murder victim—requiring notification to the victim and victim's family prior to the pending release of the criminal offender, and the Arson Offender Registry requires those convicted of arson to be listed in a registry similar to sex offenders. Both measures were quickly signed into law by Governor Kasich.

Lame duck sessions have now ended in Michigan and Ohio, but the sessions beginning later this month promise to be controversial and action-filled—and the stakes have never been higher. AFPD's Government Relations team will be on the job to keep members fully advised of the important outcomes in 2013. ■■■



AFPD Selects Volunteer Energy

Michigan gas supplier to offer members discounted rate

Ann Arbor, Michigan—Volunteer Energy, Michigan's fastest growing natural gas supplier, has been chosen to provide a new savings benefit for AFPD members. "We're thrilled to have been selected as the preferred gas supplier to AFPD members," said Shawn Hall, Michigan Regional Sales Manager for Volunteer Energy. "We've been working closely with businesses throughout the state for several years now, and we couldn't be happier with our new partnership," he said.

Volunteer Energy serves tens of thousands of business and residential gas customers across the state. The energy supplier's bright orange logo is well known to many Michiganders due in part to their sponsorship affiliations with the Red Wings, Lions, Grand Rapids Griffins and the University of Michigan. In addition, Volunteer Energy is heard daily on WJR's Paul W. Smith show. "Volunteer Energy is committed to Michigan in a big way," said Hall.

"We couldn't be more pleased to help our members save money through this partnership with Volunteer Energy," said

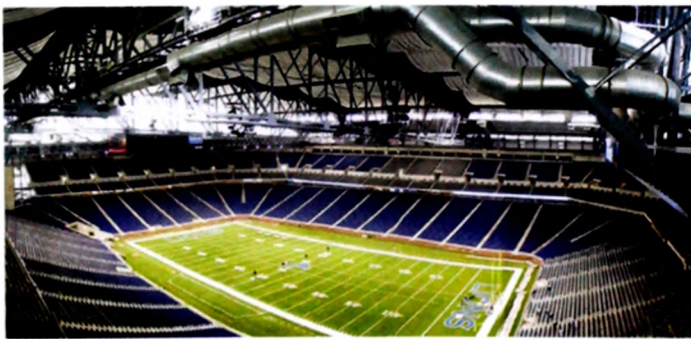
Auday Arabo, President and CEO of AFPD. Arabo conducted an extensive review process in order to select the best provider who could secure low gas rates for members. "Our members trust us to bring them value, and we feel we've done that with the addition of Volunteer Energy," Arabo said. "If a member is using natural gas, they can probably cut their rate. And it

doesn't cost anything to do a rate comparison, so members have nothing to lose," Arabo said.

The program is currently in effect, so any AFPD members in the DTE Energy, Consumers Energy, Michigan Gas Utilities and SEMCO service areas can now contact Volunteer Energy at 734-548-8000 to enroll in the

program. There is no sign up fee and no cancellation fee. The member is only obligated on a month-to-month basis.

About Volunteer Energy—Volunteer Energy is a rapidly growing alternative energy supplier with corporate offices in Pickerington, Ohio, and a regional office in Ann Arbor. Founded in 2001, Volunteer Energy provides natural gas and electricity to over 100,000 businesses and residents across the Midwest.



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Jerry Haines, Director of Marketing (614) 729-2073 • www.volunteerenergy.com.

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Michigan is one of ten states with a bottle-deposit law. The original bottle deposit system was created 36 years ago with a voter approved ballot initiative in November of 1976. In 1989, after the system had been in place for 11 years, the law was revised by the Michigan Legislature to expand the 10-cent deposit to wine coolers and mixed spirits.

However, overall recycling rates in Michigan have dropped. In a study released by the Michigan Recycling Coalition, Michigan is well below the Great Lakes states' average of 26 percent and the reasons for this varied, including the lack of curbside programs, low landfill fees, and declining markets for recycled materials.

AFPD is the lead Association in seeking the repeal evolution of the "bottle bill" with a Statewide Comprehensive Recycling Plan. Through our efforts, a coalition is forming and legislation will be introduced in the near future working to bring Michigan recycling into the 21st century and out of your stores, to be replaced by a statewide, comprehensive recycling plan.



WE NEED YOUR HELP!

AFPD is asking for donations to help with our efforts toward a comprehensive recycling plan.

Name: _____

Payment method:

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☐ \$1,000

☐ \$10,000

☐ \$5,000

☐ Other \$ _____

Signature: _____

For more information, contact Auday Arabo at (800) 666-6233 or email aarabo@AFPDonline.org

Save Money by Choosing the Right Group Rating Program

At this time each year, you may be approached by several Ohio workers' compensation group rating programs encouraging you to apply for their program. Choosing the right workers' comp savings program can be a difficult task for an employer already busy running their business. Picking a program with high savings is important, and your business should be reviewed for all available savings programs.

Why Do Employers Need Group Rating?

Group Rating is one avenue for significant savings on your workers' compensation premiums. CareWorks Consultants' (CCI) group rating programs have saved participants more than \$2 billion in workers' compensation premiums since group rating began in 1991. In 2012 alone, more than 200 AFPD members are projected to save \$430,000 on their premiums. For every \$1 spent in fees to participate in a CCI group rating program, the average participant saved \$10 in workers' compensation premiums, a 1,000 percent return on investment.

Group Stability

Currently, 32,000 companies participate in a CCI-administered group rating program. We are one of the largest TPAs in Ohio. It is important to belong to a large group rating program because the larger the group, the less vulnerable it is to projection fluctuations. Last year, our projected rates averaged within two percentage points of the actual rates.

Administrative Services

Administrative services are an important aspect to review when choosing a group rating program. When you join a CCI group rating program, you are hiring a team of experts to man-

age your claims and contain claims costs. Incurring excessive claims may cause an employer to be removed from a group rating program. Some TPAs may offer maximum savings, but provide less-than-adequate claims service. Therefore, a company may save the maximum one year, but incur a few claims which are not properly managed, and subsequently be removed from group rating altogether the next year.

CCI offers claims representation, rating analysis, hearing representation, and unemployment consultation to all group rating members. We are involved in the everyday account management of your workers' compensation needs. We go the extra mile, employing powerful cost-control techniques that help our clients continue to qualify year after year.

It Pays to Compare

All companies should annually review their group rating status. If your company is currently enrolled in another group rating program or did not qualify for group rating last year, we encourage you to take a look at the AFPD group. A company that did not previously qualify due to penalty rating may qualify this year.

How Do I Enroll?

Contact AFPD/CCI Program Manager Theresa Passwater at (800) 837-3200, ext. 7248 or by email at Theresa.passwater@ccitpa.com.

You can also visit www.careworksconsultants.com/groupratingapplication/AFP to obtain a group rating application. Your no-cost, no-obligation analysis of potential premium savings through the AFPD group will be mailed to you within a week. The deadline to join the AFPD group is February 24, 2013. ■■■

In 2012 alone, more than
200 AFPD members are
projected to
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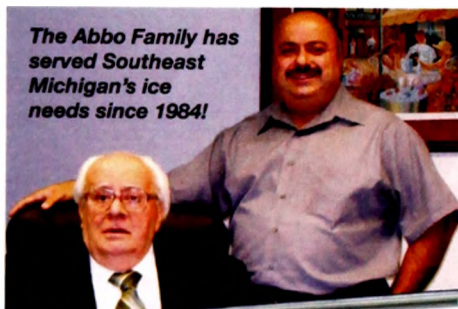
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Shoveling snow can raise blood pressure and **dramatically increase people's risk** for a heart attack.

Snow Shoveling Poses Heart Risks

By Mary Elizabeth Dallas

As temperatures fall during the winter months, the risk for heart attacks rises for people with heart conditions and those engaging in rigorous physical activity.

"When the temperature outside drops, our blood vessels narrow to prevent our bodies from losing heat," says Dr. Holly Andersen at the Ronald O. Perleman Heart Institute of the New York-Presbyterian Hospital/Weill Cornell Medical Center. "This is a natural response that can also put people with heart conditions and those involved in strenuous exercise at greater risk of having a heart attack."

Many people are unaware of the dangers that low temperatures and winter storms can pose to their hearts, cautions Andersen, who is director of education and outreach at the medical center. Shoveling snow, for example, is one of the most exhausting and risky activities people do in the winter since it can raise blood pressure and dramatically increase people's risk for a heart attack.

To protect your heart health this winter, Andersen offers the following safety tips:


- Stretch and warm up your muscles with light activity before engaging in rigorous physical activity, such as shoveling.
- Wear a scarf over your mouth and nose to warm the air you breathe. Dress in layers and cover up with a windproof and waterproof outer shell.
- Instead of lifting a shovel, push it to remove snow.
- Pace yourself and take breaks while you are shoveling snow.
- Enlist a friend to help you shovel. This way you will have less work to do and will not be alone in case of an emergency.

Anyone who is overweight, older than 50, or has suffered a heart attack should talk to their doctor before shoveling snow or starting a new exercise program.

More information

The U.S. National Heart, Lung, and Blood Institute has more about heart attack prevention at www.nhlbi.nih.gov/health.

Mary Elizabeth Dallas is a writer for Blue Cross Blue Shield of Michigan's online health and wellness news, HealthDay.



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First Data Independent Sales, Steven Abro	1-877-402-4464
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Fisher Pnnting	(708) 598-1500
International Outdoor	(248) 489-8989
Michigan Logos	(517) 337-2267
Proforma Commerce Solutions	(313) 207-7909
Walt Kempiski Graphics	(586) 775-7528

PRODUCE DISTRIBUTORS

 Heeren Brothers Produce	(616) 452-2101
Ace Produce	(248) 798-3634
Jemd Farms	(734) 992-2043
Tom Macen & Son, Inc.	(313) 568-0557

REAL ESTATE

American Business Broker	(614) 944-5778
Judeh Tax Appeal Team	(313) 277-1986
Signature Associates - Angela Arcon	(248) 359-3838

REFRIGERATION & REFRIGERATION SOLUTIONS

Phoenix Refrigeration	(248) 344-2980
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REVERSE VENDING MACHINES/RECYCLING

TOMRA Michigan	1-800-610-4866
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SECURITY, SURVEILLANCE & MORE

Central Alarm Signal	(313) 864-8900
Gulfcoast Loss Prevention	(727) 776-3429
US RAC, LLC	(248) 505-0413
Whole Armor Reliant Services LLC	(313) 930-5464

SHELF TAGS/LABELS/MARKETING

egi Solutions	(586) 978-9630
JAYD Tags	(248) 730-2403
Saxon Inc.	(248) 398-2000

SODA POP, WATER, JUICES & OTHER BEVERAGES

 Arizona Beverages	(810) 360-0671
 Cintron Beverage Group	(248) 659-2051
 Intrastate Distributors (Snapple)	(313) 892-3000
 Monster Energy Company	(586) 566-6460
 Nestle Waters Supermarket Program	(734) 513-1715
7UP Bottling Group	(313) 937-3500
Absopure Water Co.	1-800-334-1064
Buckeye Distributing (AniZona)	(440) 526-6668
Coca-Cola Refreshments	Auburn Hills (248) 373-2653
.....	Belleville (734) 397-2700
.....	Metro Detroit (313) 868-2008
.....	Port Huron (810) 982-8501
Coca-Cola Refreshments - Cleveland	(216) 690-2653
Faygo Beverages, Inc.	(313) 925-1600
On Go Energy Shot	(248) 470-4300
Pepsi Beverages Company	Detroit 1-800-368-9945
.....	Howell 1-800-878-8239
.....	Pontiac (248) 334-3512

SPECIALTY FOODS

Cousin Mary Jane	(586) 995-4153
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TOBACCO COMPANIES & PRODUCTS

Altra Client Services	(513) 831-5510
R J Reynolds	(336) 741-0727
S & E Distributor, Inc. (e-cigarettes)	(248) 755-8926
Westside Vapor (e-cigarettes)	(614) 402-0754

WASTE DISPOSAL & RECYCLING

National Management Systems	(586) 771-0700
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WINE & SPIRITS COMPANIES

Bacardi Martini U.S.A.	(734) 459-2764
Beam Global	(248) 471-2280
Cana Wine Distributors	(248) 669-9463
Constellation Brands	(248) 349-5164
Diageo	1-800-462-6504
Heaven Hill Distilleries	1-800-348-1783
KCTS-Awesome Brands	(248) 549-0054
Remy Cointreau USA	(248) 347-3731
Treasury Wine Estates	(734) 667-3515

WINE & SPIRITS DISTRIBUTORS

Great Lakes Wine & Spirits	(313) 867-0521
National Wine & Spirits	1-888-697-6424
.....	1-888-642-4697



indicates supplier program that has been endorsed by AFD.

*** Indicates supplier only available in Michigan**

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

Calendar



—February 8, 2013—

97th Annual Trade Dinner & Ball

Diamond Center
Suburban Collection Showplace
Novi, Mich.

—April 9 & 10, 2013—

29th Annual Innovations Trade Show

Burton Manor
Livonia, Mich.

—As Requested—

TIPS Training

AFPD Bottom Line (USPS #2331; ISSN 0894-3567) is published monthly with one annual special edition by AFPD—The Voice of Independent Retailers, at 5779 W. Maple Rd., West Bloomfield, MI 48322. Material contained within *AFPD Bottom Line* may not be reproduced without written permission from AFPD.

Periodicals postage prices paid at Pontiac, MI and additional mailing offices.

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

POSTMASTER: Send address changes to *AFPD Bottom Line*, 5779 W. Maple Rd., West Bloomfield, MI 48322.

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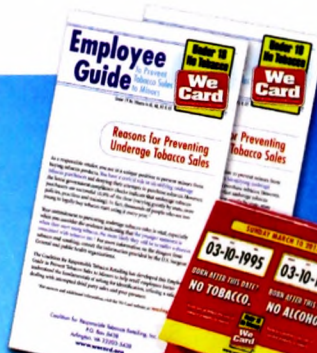
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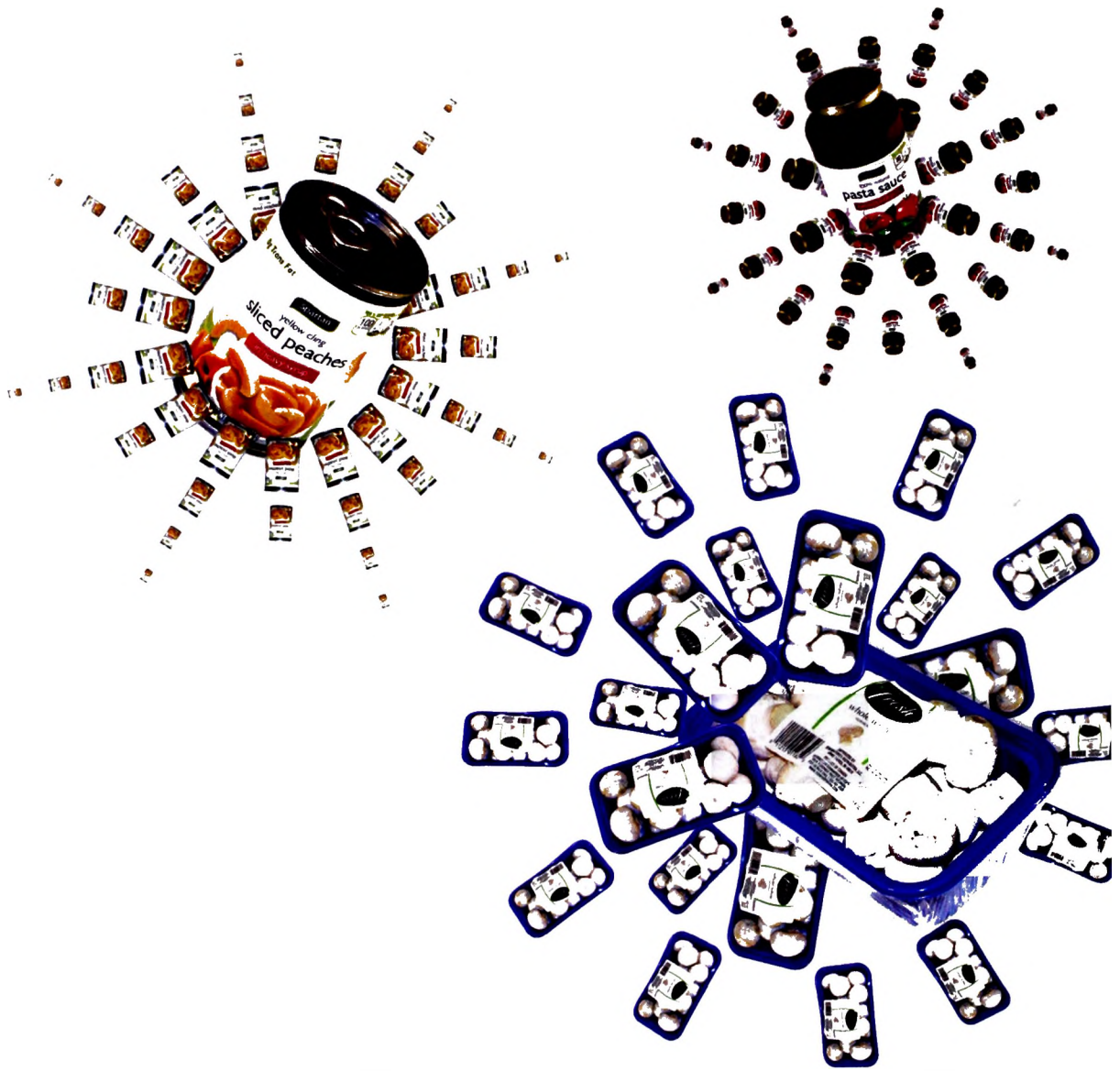
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