

BottomLine



THE VOICE OF INDEPENDENT RETAILERS // VOL. 27, NO. 12 // DECEMBER 2016

Touting Charitable
Contributions

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Thank You!

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THE VOICE OF INDEPENDENT RETAILERS
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features



CHAIRMAN'S MESSAGE // **I ENJOYED EVERY MOMENT**

Time really does fly when you are busy or when you are having fun and the last two years as AFPD Chairman of the Board have been both. I cannot tell you how much work and detail Auday Arabo, our President & CEO and his entire staff do on a day in and day out basis. Auday has assembled a staff that is second to none in our industry.



SPECIAL FEATURE // **A BIG WIN FOR BELLINO**

AFPD, the voice independent retailers, now has a voice in Lansing as member Joe Bellino, Jr. won his campaign for the Michigan State House in the 17th District. This district covers the north-eastern part of Monroe County, and three areas of Wayne, Sumpter, Rockwood and Flat Rock.



COVER STORY // **TOUTING CHARITABLE CONTRIBUTIONS**

As independents, and as part of AFPD, store owners often contribute to the communities in which they serve, however they don't always communicate that message.



chairman's message

JOHN DENHA // AFPD CHAIRMAN

I Enjoyed Every Moment

Time really does fly when you are busy or when you are having fun and the last two years as AFPD Chairman of the Board have been both. I cannot tell you how much work and detail Auday Arabo, our President & CEO and his entire staff do on a day in and day out basis. Auday has assembled a staff that is second to none in our industry. From Dan Papineau to Ed Weglarz and the entire staff in Michigan and Ohio, I want to say thank you for what you do for AFPD and our members. I know you do not hear that enough because people only call into the office when they have an issue.

I would also like to thank the entire volunteer Board of Directors at AFPD as well as the AFPD Foundation. You made my time as Chairman very enjoyable and fulfilling. Most of all I would like to thank my beautiful wife for always being there for me, as well as my four beautiful kids. You are the reason I work so many hours to provide for a better life and opportunity for you. Just like my father, Mike Denha, has done for me and my brothers and sisters. It is not easy being a second generation grocer, but my father has always been there for me.

When I took over as Chairman of the Board, I set up eight goals for my two year term.

- I wanted to accomplish 2 mergers *(we had a few discussions, but it never made sense for us)*
- Conduct regional meetings *(this never worked out to our increasing geographic size now having 3 offices with members in 12 states)*
- Work on putting an SDM cap in place in Michigan and movement on the Bottle Bill *(these two items were not accomplished, but not everyone understands or appreciates a good compromise, but they will in time)*
- I wanted to make sure we protected the ½ mile rule and the minimum markup *(we did this yet again, but we were unable to move a bill to codify the ½ mile rule into state law)*
- To strengthen relationships with vendors and establish stronger vendor programs *(we continue to do this well, annually)*
- Make better use of the AFPD offices *(we have started to do this better)*
- Achieve quality membership recruitment *(the quality of our members is at an all-time high)*
- Bring on more active AFPD members on the board *(this continues to be a major issue because everyone is so busy, but you need to make time to protect our industry. Information is power)*

In addition I was very proud of the fact that we gained over 150 new members in the Chicago Metro area and now have a Chicago Metro advisory board of directors that meets every two months and seems very active. Chicago is one of the areas we will focus on in the future for growth. The Chicago Metro expansion would not have been possible without Damon and Anton Marano from the Anthony Marano Company as well as AFPD Board member Brad Miller from Supervalu. I really do not know how Auday and his staff travel and do everything they do.

I wish there was a way to show you how much AFPD gets done on a daily basis. Even when I was on the board of directors, I had no idea of the depth of their work until I became the Chairman. Thank you for all the support and always reading my column. I hope to have the honor of running for Chairman again in the future, but in the mean time I will stay committed to the AFPD board and the AFPD membership. AFPD only exists to serve and protect our industry! God Bless. ■

EXECUTIVE COMMITTEE

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Clifton Denha	Convenience/Liquor Store Vice Chair, Wine Palace
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Frank Ayar	Walter's Shopping Place
Al Jonna	Picnic Basket/Wine Merchants
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Ziad Koza	High Pointe Oil
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Brian Pizzuti	RNDC of Michigan
Mike Quinn	Pepsi Beverages Company

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Jim Hooks	Kroger of Michigan

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Andrea Meram	Receptionist
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Karla Atchoo	Accounting Consultant, Karla Atchoo & Associates, Inc.
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AFPD's Annual Turkey Drives help Local Communities throughout the Midwest

■ BY AVERY MCGOWEN // DENHA MEDIA & COMMUNICATIONS

On Friday, November 18th, with unusual temperatures in the 70's, more than 80 Michigan-based charities picked up more than 6,000 turkeys from the 36th Annual High Five Turkey Drive. Other items distributed were soft drinks, Thanksgiving side dishes, and winter outerwear. The success of the Turkey Drive provided more than 6,000 families with their Thanksgiving dinner necessities. Once again, the event took place at Motown Snack Foods, where it's been held for several years. Along with the Detroit-Metro area, the Midwest Trade Association also hosted drives in Mt. Pleasant and Lansing, Michigan, Cleveland and Columbus, Ohio and Chicago-Metro, Illinois.



Cars started lining up outside of Motown Snack Foods at as early as 6:30 a.m. and distribution lasted until around 1 p.m. It's easy to see why so many sponsors and volunteers come back each year. "Thanks to all of our generous contributors, our recipients are able to have a hot meal this Thanksgiving. We live in the United States, the greatest country in the world. No one should go hungry, especially around the holidays," said Auday Arabo, President and CEO of the AFPD. Volunteers from

organizations such as Blue Cross Blue Shield of Michigan, DTE Energy, and Faygo were in attendance to help distribute goods.

As the holiday season approached, Metro Detroit food shoppers saw the return of the Paper Cutout Turkeys at their local grocery stores. The program enabled AFPD to raise money for the Thanksgiving turkeys. As a result of the program, 860 turkeys were distributed by members throughout Illinois and 510 turkeys were distributed in Mt. Pleasant, Michigan. Along with retailer participation, suppliers like Pepsi joined in helping to raise funds. Participants in the program donated money and in return personalized their paper turkey where it hung on display. "Paper turkeys were a fun and simple way to raise funds while sending a message to customers and the community that you are involved and care about feeding the hungry," said Arabo. The Paper Turkey Program started in September and continued until Friday, November 11th. The program has given the AFPD Turkey Drive Committee another way to donate more than 80,000 turkeys to families over the years.

Recipients of the donated items included COTS, Forgotten Harvest, Gleaners, NAACP Pontiac, Oakland Family Services, and New Destiny Christian Fellowship Church. Greg "This is the ho, ho, ho, in the Christmas cheer and Thanksgiving season," said Rev. Horace L. Sheffield III, Pastor of New Destiny Fellowship Church. "There is more need than we can meet and this is about the needy and not the greedy. We have worked with AFPD for years and we look forward to this partnership with them every year." Another recipient, Greg Smigielski, from the Hartland Senior Center, says that "The turkeys mean a lot to our senior community. Other than the turkeys, this donation really shows the love that you're receiving. It's such a crucial time in the world, where it should be all about more love, and less hate. It's a great way to show that."

The event in Lansing, Michigan was held later that afternoon and saw 480 turkeys donated. The 7th Annual Ohio Turkey Drives, held in both Cleveland and Columbus, happened the previous day on Thursday, November 17th. In total, 420 turkeys were distributed to the local Ohio communities. ■



ASK THE MEMBER //

What Does Volunteering at the AFD Turkey Drive Mean For You?



"You just have to be thankful. This time of year is when we are able to give back to the communities in which we serve. We're giving back to the communities in efforts like this."

— **TODD TURFE** // DTE ENERGY



"I'm volunteering because I want to help others. I'm fortunate enough to have food and money and I want to help others this year. With the economic times, I'm fortunate to be able to help others."

— **JEANELLE SMITH** //
BLUE CROSS BLUE SHIELD OF MICHIGAN



"I'm here because I want to help the community and this is a good thing that we do. We provide lots of help and volunteers to make sure everybody can have a nice feast for Thanksgiving."

— **KIM KRASNODEMSKI** // DTE ENERGY



"It's important because we see and know that there are people who are hurting and we want to do whatever we can to give back. It's such a great time because around the holidays, no one should go without a meal. Whatever we can do with our time, we just love it. It's absolutely wonderful to do this every year."

— **LOIS DENT** //
BLUE CROSS BLUE SHIELD OF MICHIGAN



"We are just so lucky to have the opportunity to volunteer and to help our communities. We work day in and day out in our office and it's kind of nice to get out and see our customers face to face and help them, especially around the holidays. To just make a difference and hopefully make everybody's day a little better."

— **KELLY GARDNER** // DTE ENERGY



"Part of Blue Cross and Blue Shield's mission is to support our communities and this is, obviously, I think, a really good demonstration of how we do that. We are out here today to help get turkeys and other things to folks who need it for Thanksgiving."

— **AARON MACDONALD** //
BLUE CROSS BLUE SHIELD OF MICHIGAN



"There are so many reasons why we volunteer, especially around the holiday season. It is a time for us at DTE to remember that there are those who are less fortunate and, for us, we really want to reach out."

— **DANA DAVIS** // DTE ENERGY



"I like coming out because it's the spirit of Thanksgiving and helping others who are less fortunate, just gives me a really good feeling doing this event. I've been doing this ever since we've been involved."

— **TERRY RUSH** //
BLUE CROSS BLUE SHIELD OF MICHIGAN

AFPD'S ANNUAL *High Five* TURKEY DRIVE

AFPD warmly thanks these sponsors who provided goods and services to our 2016 Turkey Drive!

Your generosity is truly appreciated and will make a real difference in the lives of individuals and families in need!



Blue Cross
Blue Shield
of Michigan

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FOOD DISTRIBUTORS



Dairymens



DTE Energy

DIAGEO

socksgalore



Eby-Brown
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Corner
Market



Broadway
Market & Cafe



Americana
Foods

Angelo Caputo's
Fresh Markets

Wayne County
Executive

Easy Pick
Mini Mart

Pete's Fresh Market

Rich's Mini Mart

IAK Petroleum

AFPD warmly thanks these companies and individuals for their donations toward our 2016 "High Five" Turkey Drive. With your help, we provided 6,000 needy families with turkeys for their Thanksgiving dinners!

COMPANIES

7 Mile Foods	East 55th Shell	IAK Petrol Inc.	Mike's Fresh	Solway Interests, LLC/Pet
10 Southfield Sunoco	East 8 Mile Plaza LLC	Imperial Fresh Market	Oakland Liquor Party Store	Supplies Plus
Apollo Market	Family Food	Imperial Supermarket #2	Palace Super Market	Suburban Liquor Shoppe
Arts Liquor, Fine Wine	Family Foods Market	IN-N-OUT	Park Lane Cork & Bottle	Treasure Island
Belmont Shopping	Firestone Mini Mart	Kassab's Town & Country	Park Place Wine Shop	University Foods
Busatti's Liquor Store	Food Max Supermarket	Kiwi's Conveniences	Parkway Foods	US Quality Supermarket
Carry Out Express	Fresh Choice Marketplace	Krown Market	Prince Fine Wine & Liquor	Victory Liquor
Cloverleaf Sunoco	Greenfield Super Market	Lake Lansing Road Mobil	Rusko's Service Center	Ware's Pharmacy
Cork & Rye	H&H Mobil	Majestic Market	Savon Foods Superstore	Wayne County Executive
Diane's Party Store	Harbor Springs IGA	Metro Food Center	Schuster's Service Center	Outreach
Dixie Party Store	Hartland Mobil Inc.	Michael Aces Baseball Club	Shell Station	Whitehall Shell
Eagle Express Liquor & Deli	Hills Fine Wine & Spirits	Michigan Aces Baseball Club		Wine Depot

INDIVIDUALS

Andrea Zajac	Chrstine Reo	Gary Whelan	Karen McCumber	Margaret Stemmler	Ronald E Bruner
Angela Steinhauer	Clare Wilbur	Gayl Parker	Karen Pietrzen	Margaret Trayler	Ronald Lewis
Anita Leathers	Cristina McDermott	George Orban	Kathleen Hanlin	Marianne Clone	Ronald Sondergeld
Ann Glazier	Cyndi Murphy	George Walter	Kathleen McAuliffe	Mark Fish	Rosemarie Scott-Collins
Anne Corgan	Cynthia MacKenzie	Gerald Crane	Kathryn Olson	Mark Hartgerink	Sally Beauchine
Arnold Raeder	Cynthia Straus	Geraldine Giletto	Keith S Peterson	Mark Premer	Sandi Nelson
Barb Mooney	Dan McNeal	Gerry Kinnison Jr	Kelly Losey	Marlene Walling	Sandi Waite
Barbara McNeice	Dan Zimmerman	Harvey Clark	Kent Sparkia	MARSHA SNYDER	Sandra L. Custer
Barbara Willson	Daniel Johnson	Jacqueline Payne	Kimberly Mandeville	Mary Bremigan	sheila balliet
Beatrice Schram	David McBride	James A Keesler	Kirk Dethlefsen	Mary Fox	Sherri Hawkins
Beverly Stevenson	David Pons	James Elowsky	Lane Allen	Mary Galilei	Sophie Jeffries
Bonnie Barnes	David Underwood	James Rigas	Lanette Every	Michael Dankert	Spencer Johnson
Breanna Bukowski	David Wiseman	James Stewart	Larry Bell	Mike Ingraham	Steve Truman
Brenda Monroe	Dawn Pray	James Swisk	Laurie Dachtler	Mindy McLellan	Steven Courser
Brenda Norris	Deb Camm	Jan Cool	Laurie Lorish	Nancy L Bottomley	Sunita Mahdavi
Brian Fowler	Debby Ranklin	Janice Williams	Lee Brown	Norman Ion	Susan Engels
Bruce Barrows	Deborah LaManna	Janis Britten	LeeAnn Kendall	Pamela Nelson	Susan Quinn
Bruce Britten	Dee Norton	Jeff Joy	Leslie Bellmore	Pamela Reed	Teresa Thornburg
Bryan Griffin	Dennis Whiteherse	Jeffrey Flynn	Linda Kuepfer	Patricia Gamel	Theda Dyer
Carla Luberto	Donald Weir	Jeffrey Setla	Linda Lowry	Paul Blonshine	Thomas and Cathy
Carol Richardson	E. Kathryn Bair	Jennifer Schroeder	Linda Schmitt	Paul Higbee	Norton
Carolyn King	Elaine Wall	Jeremiah Foley	Linda Schwartz	Paula Mckay	Thomas Burt
Cathy Wollpert	Emily Koryto	Jerry Kokx	Linda Storch	Peggy Donahue	Thomas Parker
Cecelia McDade	Enrique Perez	JoAnn Petrovich	Lisa Cox	Philip Meyer	Tiffany Hauser
Celia Van De Moortel	Eric Eby	Joanne Emrick	Lisa Seyfried	Priscilla Flynn	Tobin Emrick
Charles Whitcomb	Ernest Rawson	John Kuchar	Louis Bosarge	Rex Ellis	Virginia Martin
Charlotte Murphy	Franklin Tate	John Nicholas	Luke Munn	Rich Bratschi	William C Fargus
Chris Waugaman	Fred Barton	Joseph Kirby	Lynn Goedert	Rita Ackerman	William Fowler
Christine Rogers	Gail Hebert	Judith VanPeenen	Lynna Decator	Robert Hanna	William J Mattila
Christopher Izzo	Garry Calton	Julie Spyke	Marc Olenzek	Robert Norton	William Monks
			Margaret Baldwin	Roger LaBonte	William Penn





government relations update

DAN PAPINEAU // AFPD DIRECTOR, GOVERNMENT RELATIONS

Election Breakdown

What does this election mean for members of AFPD in Michigan, Ohio, and Illinois?

On a national level all three states will likely see a dramatic reversal from what they have been experiencing over the last several years. The Trump administration is expected to be more business friendly than the Obama administration, but what exactly does this look like, many are unsure.

Hopefully we will see an end or dramatic change to detrimental policies that have already been put in place like the expanded overtime rule and the Affordable Care Act. Additionally, we should see an end to the constant threat of more policies that shrink your bottom lines and restrict your ability to operate your business as you see fit.

Having a Republican controlled US House and Senate may end the gridlock the country has seen for so many years. Having one party control congress and the presidency will make things much easier when advancing policy.

While we are not clear on what Mr. Trump has in store for the country, I am sure whatever it is it will be interesting.

For Michigan, not too much should change. The State House was the only pertinent body up for election on a state-wide level. Surprisingly, Republicans hold the exact same majority they had for the last two years, 63-47. The only thing that changed was that the Republicans lost a seat in the downriver area around Trenton but they picked up a seat in Monroe. The seat Republicans took was that of AFPD's own, Joe Bellino, Jr., former chairman of the board. Joe worked hard and was the only candidate to knock off an incumbent this cycle. It will be great to have one of our own serving in the Michigan Legislature.

Democrats had high hopes to take the majority in the State House. The fact that they did not pick up even one additional seat led to the resignation of Minority Leader, Tim Greimel from Auburn Hills. Sam Singh from East Lansing has been elected the new leader of the House Democratic Caucus. State Representative and AFPD ally Christine Greig from Farmington Hills was named Democratic Floor Leader, arguably the second most influential minority leadership position.

For the Republicans, current House Speaker Kevin Cotter is term limited and Representative Tom Leonard from Dewitt was elected to lead the caucus next year as Speaker of the House. Also important, but yet to be announced are House committee assignments. Throughout the next 2 months we will be keeping a close eye on who gets appointed to key committees that effect our membership.

Illinois experienced a very intense political season with record breaking spending. With members of the Illinois House and Senate up for election as well as several other key statewide races there was no shortage of action in Illinois this election year. While there were some significant results, it appears that not much will change in Illinois politics over the next few years. Republicans picked up 4 seats in the House; however, Democrats still maintain a large majority that gives the significant veto power over Governor Rauner. Republicans picked up 2 seats in the Senate; however, again Democrats still have a wide majority.

Rauner's significant spending in legislative races appeared to have moved the needle in the state House and geared up the state for a brutal gubernatorial election in two years. In two years, Governor Rauner will be on the ballot and some say the Governor's race will be a tough battle as Governor Rauner may well spend upwards of \$100 million to win reelection in a Democratic state during a Republican Presidential midterm election.

While Governor Rauner may have been successful in gaining Republican seats in the Illinois legislature he took a big blow with the loss of Republican Leslie Munger who he was backing and heavily supporting financially for state comptroller. In what many viewed as a proxy war between Rauner and House Speaker Michael Madigan the Democratic comptroller candidate, Susana Mendoza, an ally of Madigan, won by about 4%.

Ohio, a state where Trump won by a pretty large margin, continues to see more Republicans getting elected in a legislature already controlled heavily by Republicans. Terry Fleming's report will provide better and more in depth insight into what the election in Ohio means for the members of AFPD.

Hopefully by the time you read this report the country will have begun to unify and accept the results of this year's election. It was definitely an interesting election and I know a lot of people were either pleasantly or unpleasantly surprised by the results. Let's look forward and hope for a prosperous next several years where your businesses grow and you achieve the goals you set out to accomplish. ■

"HOW CAN BEING MORE ENERGY EFFICIENT HELP MY BUSINESS?"

Warmer weather may make it hard for businesses to save money on their gas and electric bills while still keeping employees and customers cool. That's why DTE Energy wants you to know what you can do to accomplish both goals. Programming thermostats to automatically adjust the temperature during unoccupied periods and installing motion sensor lights in less used areas are easy ways to save without sacrificing comfort. Replacing incandescent lights with compact fluorescent or LEDs will result in even more energy savings. Together, we can reduce energy waste and help your business thrive.

For more tips and ways to save, visit dteenergy.com/savenow.



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A Big Win For Bellino



AFPD, the voice independent retailers, now has a voice in Lansing as member Joe Bellino, Jr. won his campaign for the Michigan State House in the 17th District. This district covers the north-eastern part of Monroe County, and three areas of Wayne, Sumpter, Rockwood and Flat Rock.

"First of all my training on the AFPD board and my college board of trustees has helped train me for this giant step," said Bellino.

Bellino's decision to run for office stems from his frustration over the way the state is run. He believes others echo his feelings and are just as upset and disillusioned as he is, which is why he decided to step up to the plate and throw his hat in the ring. "I ran for office because I think with my life experiences, I can make a difference

in this House seat," said Bellino. "I'm truly a blue-collar guy from a blue-collar family and the small businessman; and AFPD members in our district and in our state are a big concern of mine."

In order to level the playing field for all businesses in the state, large and small, Bellino's campaign was focused on balancing the voices heard in Lansing to include those from independent retailers. "I think our budget has 12,000 line items in Michigan, and we need to have a few lines for the small store owner and small gas station owner, so the big box stores don't trample us," explained Bellino. "We need to have a voice in Lansing and D.C. for the small businessmen who are paying a lot of taxes, raising families and employing people."

AFPD President and CEO, Auday Arabo, echoed Joe's feelings about the independent retailer needing a louder voice in Lansing. "We spend thousands of dollars every year, trying to get to elected officials and educate them on our issues, but to have one of our own in there so he can educate his fellow colleagues, it's a wonderful thing," said Arabo. "Joe Bellino's election victory is arguable one of the most important wins in AFPD's 106 year history."

Bellino's knowledge of the issues that are important to the small business owner is not from looking at them from the outside. He's looking at it from the inside, having grown up the industry and around AFPD. "AFPD has been in my family for a long, long time and these are my people. I love that I've gotten great support from the store owners to the wholesalers and from

the ice guy to the liquor guy. They are all concerned about the voice in Lansing and they know I'll be reasonable, responsible and honest in the decisions I make."

"With me in Lansing, our industry will have a voice," said Bellino. "In Michigan, we talk about cars, manufacturing, tourism, and many other economic movers. This is rightly so but our industry — the food industry — gets lost in it all."

The processing, growing, transporting and selling of food and Alcoholic beverages is never on the top of the agenda, noted Bellino. "Yet we are major economic engines in this state. We need to keep this industry vibrant, growing and a leader of job creation."

Bellino now gives the industry a louder voice in Lansing. Raised in a wholesale business, running a 62-year old family business and being past chairman of AFPD has prepared Bellino for his new elected position. "A small family investment in the Kellogg Company back in its infancy, created the capital to enable me to buy my market and send a lot of children in my family to college."

Bellino campaigned on car insurance reform and getting rid of the tax on pensions. However, schools and the food industry will be a priority for the state rep-elect. "I thought I had lost the election three weeks before the vote, but I kept working hard and wanted to have a close race," he said. "I believe my persistent and the Trump Train brought us over the top. I love the food and beverage industry and I will do my best to not take my eyes off the prize!" ■

LIBERTYUSA

a division of **Eby-Brown**

Eby-Brown Announces Expansion through Acquisition of Liberty, USA

Naperville, Illinois – Eby-Brown Company, LLC announced today they have reached a definitive agreement to purchase the assets of Liberty, USA located in West Mifflin, Pennsylvania. Eby-Brown is the largest privately held convenience store distributor in the United States with annual revenues in excess of \$5 billion and services retail accounts throughout the Midwest and Southeast. Liberty, USA is the largest independently owned convenience store supplier in Pennsylvania servicing 2,000 retail customers in the Midwest, Northeast and East Coast. The purchase strengthens Eby-Brown's presence within the state of Pennsylvania and extends its distribution network into the Northeast. "We are thrilled to welcome the wonderful people of Liberty, USA to the Eby-Brown family. Both Eby-Brown and Liberty, USA are multigenerational family businesses that have grown through a focus on delivering excellent service and innovation to customers. We look forward to combining two talented teams and are excited to work together on developing new solutions and services that benefit our customers," said Thomas Wake, Co-President of Eby-Brown. We will maintain both companies' commitment to service excellence while delivering increased value with best-in-class category management programs, promotional offerings, and sophisticated technology." Upon closing the transaction, the Pittsburgh facility will operate as Liberty, USA a Division of Eby-Brown.

Eby-Brown

Delivering Solutions Daily



THE VOICE OF **INDEPENDENT** RETAILERS

Take Advantage of **AFPD's** **GROUP PURCHASING POWER!**

NEW EBY-BROWN CUSTOMERS:

- Receive a 2% rebate on all purchases (excluding tobacco). Rebate checks are sent quarterly by AFPD.
- AFPD membership fees paid by Eby-Brown.
- Access to AFPD/Eby-Brown Chain Buying Book.
- Access to AFPD approved national and local programs (where applicable).

CURRENT EBY-BROWN CUSTOMERS:

- Must qualify for the 2% rebate (excluding tobacco) and paid membership fees at the discretion of the Eby-Brown sales management team. Rebate checks are sent quarterly by AFPD.
- Access to AFPD/Eby-Brown Chain Buying Book.
- Access to AFPD approved national and local programs (where applicable).

GENERAL REQUIREMENTS:

- \$3,500 minimum delivery required (including tobacco).
- Must purchase from Eby-Brown weekly to qualify.

**This program provides a
customized marketing plan and
competitive retail pricing that is
sure to help you increase sales
and build a better bottom line.**

Subject to pre-qualification by a Eby-Brown sales representative, quarterly sales to be evaluated.

TOTAL VALUE TO YOU:

\$2,080	2% Rebate* (annual total paid quarterly)
\$500	AFPD Membership Dues (paid by Eby-Brown)
\$1,500	Chain Buying Book Average Savings
\$2,500	Est. AFPD Member Program Savings
\$6,580	Total Member Benefits PER LOCATION

* Based on \$2,000 non-tobacco purchases weekly



michigan liquor

ANDREW DELONEY // MICHIGAN LIQUOR CONTROL COMMISSION

Liquor Licensees Reminded to Stay Safe this Holiday Season

The holidays are a time for fun and celebration with family and friends. Many will choose to include the consumption of alcoholic beverages as part of their celebration, generating increased sales and bigger crowds in area restaurants, taverns, and other businesses. Michigan Liquor Control Commission (MLCC) Chairman Andy Deloney is offering tips for the state's 17,000 liquor licensees to help ensure a safe and prosperous holiday season.

"Michigan's liquor licensees contribute billions of dollars to the state's economy and help create thousands of good-paying jobs," said Deloney. "The key for Michigan's licensees is to make sure to stay in compliance with the law to ensure their guests are served safely and responsibly, and to avoid fines and penalties for violations. They should continue to educate staff so they know and apply policies consistently. This will make sure to give their business the best chance to grow while keeping their patrons and establishments safe." Here are some tips for Liquor Licensees:

SERVING MINORS/CHECKING IDENTIFICATION

Licensees have a legal obligation to determine whether a patron is 21 years or older before selling or serving alcohol to them. Asking for valid identification is easy and will prevent violations.

Deter the use of false identification (ID) by informing minors that under Michigan law, an attempt to purchase liquor by using a false ID is a misdemeanor and is punishable by imprisonment and civil fines.

Other ways that minors can access alcohol is through friends and family who are of legal drinking age. That's why the MLCC has teamed up with the "21 to Buy, Not Supply" campaign to help prevent minors from obtaining alcohol.

Many may not know that this is a major offense that can lead to \$1,000 in fines and up to 90 days in jail. While some may be tempted to let minors drink during the holidays, the punishment – and the danger – is not worth the risk.

INTOXICATED CUSTOMERS/OVER-SERVING

Michigan law prohibits licensees from selling or serving alcoholic beverages to individuals who appear to be intoxicated. They are also prohibited from allowing an intoxicated person to consume alcoholic beverages on their licensed premises. It is the licensee's responsibility to make certain that no one becomes intoxicated in their business, and that any intoxicated person who enters their establishment is not allowed to purchase or consume alcohol.

There are serious penalties for selling alcoholic beverages to intoxicated individuals, including criminal penalties, fines and possible license revocation. The licensee may also be held liable in civil suits when the sale or furnishing of alcoholic beverages is found to be the proximate cause of damage, injury or death of an innocent party.

More importantly, however, selling and serving alcoholic beverages to visibly intoxicated individuals is extremely dangerous, and could mean severe harm to the intoxicated person and those around them.

It is extremely important that staff remain vigilant while on the job to make sure they are aware when a patron has had too much to drink. There are many excellent training courses available to help licensees and their employees learn how to better identify intoxicated individuals. Contact the MLCC regarding server training programs.

OVERCROWDING

Capacity is not just a head count. Overcrowding can lead to altercations and obstructed exits, and is a safety and fire hazard. Know your establishment's capacity level to ensure a safe and enjoyable time for your guests.

Have management and staff observe if people are moving freely around the establishment. If the capacity of your business has not been determined by local authorities, please check with the MLCC for the specific guidelines found within the liquor code.



Gift Card Program Gives Back not Just During the Holiday Season

■ BY KRIS HARRIS // DENHA MEDIA & COMMUNICATIONS

With the holiday season upon us, it's a time of thinking of others and giving back. From AFPD events like the High Five Turkey Drive to others like the Salvation Army Red Kettle drive, members have various ways to show their support to the local community. However, giving back isn't just seasonal for some.

The Great Lakes Scrip Center (GLSC) has created a program that is designed to help raise money for non-profits and groups that range from schools to churches, and from sports teams to music and band programs.

GLSC's program, launched in 1994, has helped raise more than \$500 million dollars over the years. Money raised has helped support the more than 17,000 participating organizations located throughout the country. The program is unique in that it creates a specific connection between shoppers and retailers that helps local organizations. Approved organizations create a Scrips programs that allows them to buy gift cards at a lower amount than their face value. The gift cards are then sold to shoppers, who wish to support the organization, at face value. The difference between the two amounts goes directly to the organization.

One of the benefits of the Scrip program is that it can heavily influence shopper behavior, as some consumers actively seek out retailers who will help them earn money for their favorite nonprofit organizations. "Scrip cards are very popular around the holidays. They can be purchased as gifts, or they can

be used to purchase gifts," said Jennifer Zanon, Co-leader of Parent Teacher Group and Scrip Coordinator at St. Fabian Catholic School.

Companies who partner with GLSC, have access to their more than 5 million active and involved families across the nation who are looking for opportunities to shop with Scrips. Retailers also receive email exposure to approximately 300,000 households at the time they announce the store program has launched. The program also helps a retailer's marketing communication activities and, since GLSC does all the work, no additional effort is needed by the owner.

Local organizations need only to promote they are participating members of Scrips, to begin receiving the benefits of the program. "We make physical scrip cards available for our parents and parishioners to purchase on a regular basis," said Zanon. "We feature popular retailers that we know people like and frequent, as well as ones that offer good rebates. Parents can also sign up for electronic gift cards and use them on the spot at their favorite restaurants and other retailers."

GLSC has changed traditional fundraising, from cookie drives and candy sales, in a way that allows for potentially greater profits in a shorter period of time. This new way of fundraising could, in turn, begin to close the door on door-to-door drives.

Although the program is not yet available for independent retailers, AFPD President and CEO, Auday Arabo is taking the initial steps needed to see how a program can be developed for AFPD members. ■

HOURS OF OPERATION

Licensees need to ensure management and staff knows and understands Michigan's laws regarding hours of operation during the holidays.

CHRISTMAS: The sale of alcoholic beverages must end on Christmas Eve, December 24th, by midnight and may not begin again until 12:00 noon on Christmas Day, December 25th. Normal legal hours for alcohol sales resume on December 26th.

NEW YEAR'S: For on-premises licensees, the sale of alcoholic beverages is prohibited between 4 a.m. and 7 a.m. on New Year's Day, January 1st. Off-premises licensees are prohibited from selling alcoholic beverages between 2 a.m. and 7 a.m. on New Year's Day, January 1st.

IMPORTANT ROLE

During the busy holiday season, liquor licensees should maintain a heightened sense of awareness of potentially illegal activity, including violence, drugs, and gambling.

Maintaining control of the premises is the licensee's responsibility. Keep order and control of the premises by constant observance of patrons and situations. Establish a policy and procedure for staff to report suspected illegal activity to management. Licensees do not have enforcement authority, and cannot arrest anyone. However, employees can demand that a customer leave the premises. If the situation appears threatening, call the local police.

Our licensees play a very important role in the state's economy. By educating their employees on how to comply with Michigan's liquor laws, job providers can continue to grow their business and protect patrons. Licensees can find more information on the MLCC website: www.michigan.gov/lcc. For further questions, contact the Commission at (866) 813-0011 or mlccinfo2@michigan.gov. ■



michigan lottery report

M. SCOTT BOWEN // MICHIGAN LOTTERY COMMISSIONER

Preliminary Results Show Record 2016 Fiscal Year for Michigan Lottery; Retailers Receive Record Commissions

The preliminary results for the Lottery's 2016 fiscal year, bring very good news for retailers, the Lottery, and most importantly, public education in Michigan.

Preliminary numbers show that Lottery sales broke the \$3 billion mark for the first time. This impressive record is the result of teamwork between the Lottery and its 11,000 retailers across the state. The 2016 figures show a record \$3.1 billion in Lottery sales, topping the previous record set in 2015 by about \$200 million. Retailers also enjoyed a record year in 2016,

with commissions hitting a record of more than \$231 million, up about 14% from the previous record of \$203.6 million set last year.

The Lottery's instant game portfolio was once again a major part of our 2016 success. Instant games remain a favorite for the most loyal Lottery players, as well as casual players. The Lottery's team puts a great deal of focus and effort into developing instant games that will attract players to retailers and boost sales. That work paid off in a big way in 2016, with total sales of instant games surpassing \$1 billion for the second-straight year. Instant game sales increased an impressive 12% over 2015.

The hard work of retailers and the Lottery also led to a record contribution to the state's School Aid Fund. Preliminary figures indicate the Lottery's contribution to the School Aid Fund will be about \$888 million, marking 10 straight years of \$700 million-plus contributions to support public education from the Lottery. Since it began in 1972, the Lottery has provided more than \$20.5 billion to support public education in our state.

The record results in 2016 wouldn't have happened without each retailer's hard work and commitment to the Lottery's mission. We're excited about the opportunities 2017 presents, and look forward to working with retailers to break even more records!

LOTTERY COMMISSIONER UPDATE

As you may have heard, I have announced that I will step down as Commissioner of the Michigan Lottery in February after nine years of service.

Serving as the Commissioner of the Michigan Lottery has been a great honor and wonderful opportunity. The Lottery's success during my tenure reflects the hard work and dedication of the Lottery employees and its retailers, who are proud to carry out the agency's mission of providing funds for public education in our state. The Michigan Lottery consistently ranks as one of the top-performing lotteries in the nation because of their combined efforts.

I would like to personally thank you for all of your hard work and dedication during my tenure as the Lottery Commissioner. ■

PULL TAB TICKETS // INSTANT TICKETS

NEW PULL TABS TICKETS:

On sale December 6th:

- MI 576 – Reel Time 50¢
- MI 563 – Snow Much Money \$1
- MI 587 – \$2,000,000 VIP \$5

PULL TABS GAMES SET TO EXPIRE:

Expiring December 12th:

- MI # 540 – \$1,000,000 Riches \$5
- MI # 544 – Ben's Bills \$1
- MI # 546 – Dice Night 50¢
- MI # 548 – Cash Vault 50¢
- MI # 544 – Luck Loot \$2

Expiring January 9th:

- IT 854 – Cashin' In \$1
- IT 855 – Happy Hour \$1
- IT 856 – Spin to Win \$2
- IT 857 – Ultimate Slots \$5
- MI 537 – S'more Money 50¢
- MI 550 – \$200 a Week for Life \$1
- MI 551 Criss Cross Cash \$2

NEW INSTANT TICKETS:

On sale DECEMBER 6TH:

- IG 773 – Jelly Belly Candy Blast \$2
- IG 789 – Winter Lucky Times 10 \$5
- IG 798 – Double Bonus Cashword \$10

INSTANT GAMES SET TO EXPIRE:

Expiring December 5th:

- IG # 672 – Tripling Red Bingo \$1
- IG # 710 – Cash Flurries \$2
- IG # 721 – \$100 Grand Cashword \$5
- IL # 001 – Online Game Card \$20

Expiring January 3rd:

- IG 711 – \$300 Grand Cashword \$5

TICKET ACTIVATION: Retailers are reminded to activate all game tickets before putting them on sale to ensure winning tickets may be redeemed by players.

Have a Happier Holiday!



SET YOUR HOLIDAY SALES AGLOW

As temperatures drop this holiday season, watch your sales rise with new Michigan Lottery holiday instants. Customers will light up at the chance to win up to \$500,000, with more than \$56.5 million in total cash prizes. You will too, with more than \$6 million in retailer commissions.

Last year, holiday ticket sales were \$7.3 million — 14% higher than the year before. So stock up today, because holiday instants offer big fun, big winnings and big sales to make everyone's holiday happier.



michigan food safety report

KEVIN BESEY // MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT DIRECTOR

Holiday Reflections – A Food Safety Year in Review

I hope this column finds you happy, healthy and enjoying the holiday season. As we approach the end to another year, I want to take the opportunity to reflect on all the accomplishments we as partners in food safety have had in 2016.

When the Governor declared an emergency in Flint due to concerns about elevated lead levels in water, MDARD food inspectors worked in close partnership with the Genesee County Health Department and the restaurants, grocery stores, food service operations and other licensed food businesses located in Flint to assure all food establishments in the city were not serving lead contaminated water. These cooperative efforts helped protect the public from potential lead exposure, and helped assure consumers the water in food establishments was safe, reducing the negative effect of the crisis on businesses. Staff has inspected and sampled 381 food establishments in Flint multiple times throughout 2016 to obtain and assure continued compliance. Compliance checks will continue in Flint until the system is declared safe.

When potential food safety problems were discovered in products produced at a large Northern Michigan food processing plant, MDARD food inspectors conducted a joint investigation with the U.S. Food and Drug Administration to make sure food safety laws were being followed. The investigation resulted in a large, national product recall, extensive product testing and significant operating improvements at the plant. The plant is now operating safely and is planning to expand in Michigan.

To provide for a more comprehensive food safety approach, gain efficiencies, and reduce cost for businesses, the vending inspection program was moved from local health departments to MDARD. This gives MDARD the ability to provide systematic food safety oversight of the entire business, from storage and product preparation to transportation and machine locations. Under MDARD's program, vending businesses only

need to license base vending locations instead of each individual machine location, resulting in the elimination of 3,000 individual machine location licenses. Costs to industry have been significantly reduced, with some companies seeing a 75% cost reduction.

To assure food safety at the farm level, MDARD's Food Safety and Inspection Program secured funds and began developing a statewide produce safety program to implement the national Food Safety Modernization Act Produce Rules. Total year one funding included a \$700,000 FDA Produce Safety Grant and \$300,000 in general funds. The first year of the program will include food law updates, industry education and training, and infrastructure improvements.

Through support from industry, MDARD's food inspection efforts were strengthened in 2016 to improve food safety and customer service, and help food establishments start and grow in Michigan. Five additional food inspectors were added; a new licensing and inspection program was implemented; and a three-year process was completed to provide all division staff with current technology needed to do their jobs effectively and efficiently, including smartphones, laptop computers and portable printers. To improve productivity during Michigan's harsh winter months, six northern Michigan food and dairy inspectors were assigned vehicles with four-wheel drive capability, resulting in more time on the road inspecting food facilities and dairy farms.

The Dairy Safety and Inspection Program added a second Laboratory Evaluation Officer and a second Dairy Pasteurization Specialist, to help meet the inspection and compliance assistance demands of this growing sector of Michigan's food and agriculture industry. Among services provided to the industry in order to meet regulatory requirements, dairy staff conducted extensive training for milk haulers and samplers, and assisted multiple small and large dairy processors to start up and grow in our state. Two major expansions included Continental Dairy and fairlife in West Michigan. Michigan now ranks fifth nationally in milk production.

To assure quantity, quality and timeliness of work is regularly measured and constantly improved, all quality assurance functions across the Food and Dairy

The Possible Trump Tax Plan

■ BY RANDALL A. DENHA, ESQ.*

Division were merged into one unit. A quality assurance manager was added to audit internal food program activities. The food program also attained 90% compliance with the FDA's Voluntary Manufacturing Food Regulatory Program Standards. Full compliance with these standards is necessary to assure Michigan's food safety program is deemed to be equivalent to FDA federal standards.

Most recently, Michigan and California led state response efforts to a nationwide recall of frozen strawberries imported from Egypt due to potential Hepatitis A contamination. MDARD, the Michigan Department of Health and Human Services and FDA coordinated efforts with the state's 45 local health departments and a large Michigan distributor to identify where the recalled strawberries were distributed. Once distribution sites were identified, inspectors were able to determine who may have consumed the strawberries and local health officials were able to administer prophylaxis for Hepatitis A to prevent illness. Kudos to the food distributor who recognized the seriousness of the situation and, as a good corporate citizen, willingly shared distribution records to aid in the investigation. Effects of this outbreak are still being tallied, but this case truly highlights the importance of each component of our nation's food safety system and the need for partnership during response efforts.

As we reflect on our 2016 successes, it's very clear they would not have been possible without our industry partners and the strong relationships we have with food industry and public health regulators at the local, state and federal levels. You all are crucial to our success. I look forward to working with you in 2017 to continue our efforts to provide a safe, wholesome food supply to Michigan consumers. ■

After what seemed to be the longest election cycle in recent memory (in no small part due to constant media coverage), which saw jabs, upper cuts and occasional knock-outs on the campaign trail, the American public has elected Donald Trump as president of the United States. While he, along with a Republican controlled House and Senate, could affect tax policy, it remains to be seen whether President-elect Trump will preside over significant tax reform. Nonetheless, several areas of tax could be affected, especially in the areas of corporate, individual and estate and gift taxation, among a few to name.

Below are key aspects of President-elect Trump's proposed tax policy and how they will affect your bottom line if Congress should approve them.

CORPORATE TAX

- Reduce the top corporate tax rate from 35% to 15%.
- Reduce or eliminate unspecified loopholes that benefit special interests as well as deductions made unnecessary or redundant by the new lower corporate tax rate.
- Allow manufacturing firms immediate expensing of all new business investments in lieu of a deduction for interest expense.
- Eliminate the corporate alternative minimum tax.
- For investment managers, tax income from carried interests at ordinary income rates.

INDIVIDUAL TAX

- Create three tax brackets with rates of 12%, 25% and 33%.

- Eliminate the tax on net investment income.
- Cap the capital gains tax rates at 20% with a lower rate for individuals not in top brackets.
- Close unspecified "special interest tax breaks" and cap deductions at \$100,000 for single filers and \$200,000 for married filers.
- Eliminate the individual alternative minimum tax.
- Implement new dependent-care savings accounts to be used for child care, after-school enrichment programs and school tuition, as well as in-home nursing and nursing home care for elderly dependents.
- Increase the standard deduction to \$30,000 for joint filers and \$15,000 for single filers with personal exemptions eliminated.

ESTATE AND GIFT TAX

- Permanently eliminate the federal estate tax.
- Subject capital assets exceeding \$10 million held at death to income tax, and disallow contributions of appreciated assets into private charities established by the decedent or their relatives. ■

**RANDALL A. DENHA, J.D., LL.M., principal and founder of the law firm of Denha & Associates, PLLC with offices in Birmingham, MI and West Bloomfield, MI. Mr. Denha continues to be recognized as a "Super Lawyer" by Michigan Super Lawyers in the areas of Trusts and Estates Law; a "Top Lawyer" by D Business Magazine in the areas of Estate Planning and Tax Law; a Five Star Wealth Planning Professional; Michigan Top Lawyer; New York Times Top Attorney in Michigan and a Lawyer of Distinction in the areas of Estate and Tax Planning. Mr. Denha can be reached at 248-265-4100 or by email at rad@denhalaw.com.*



ohio lobbyist report

TERRY FLEMING // TC FLEMING & ASSOCIATES

Ohio Legislative Update

Mercifully, the elections have come to an end and in Ohio it was a great night for the GOP. It was a clean sweep across the board and it all started with the

Presidential race. While Donald Trump was expected to win a very close race, instead he won by a whopping 52-44 margin over Clinton.

No surprise in the U.S. Senate race as incumbent Republican Senator Rob Portman won by a historic margin of 19 points over former Democratic Governor Ted Strickland. As predicted, all 16 incumbent Ohio Congressmen won so Republicans still have a 12-4 advantage in Ohio's Congressional Delegation.

In the only statewide race all three Republican Candidates won Ohio Supreme Court races, although one may be subject to a recount, but if the numbers hold Republicans will maintain a 6-1 margin on the court. It gets even better for Republicans as they gained one seat in the Ohio Senate to take an unheard of margin of 24-9 and they picked up one seat in the House which makes it an all-time record of 66-33.

On a more important issue to AFPD members, the Ohio EPA notified AFPD that they have petitioned the U.S. EPA to remove the requirement of 7.8 RVP Fuel for summer time use in certain areas of Ohio. The request was made as part of the Ohio State Implementation Plan (SIP). AFPD along with other interested parties met with Ohio EPA Air Director Bod Hodenbossi and Assistant Director Laura Powell last spring requesting that this be done. Ohio EPA is very confident that the SIP will be agreed to by U.S. EPA. We will keep members advised of the outcome of this very important issue. AFPD's long standing relationship with Ohio EPA has served us well.

The Ohio Department of Liquor Control announced that Amazon Prime now applied for



C1, C2 and D6 liquor licenses for its locations in Columbus Ohio. If approved these permits would allow for delivery of Beer and Wine in Ohio. Anyone who currently has these permits may offer home delivery of Beer and Wine.

Speaker of the House Cliff Rosenberger has announced that he intends to end this session of the House on December 8th. It's unlikely he will sine die in case they have to come back for emergency measures. The President of the Senate has not indicated when he'll close down shop. All bills not passed this year are dead and you have to start from scratch with new General Assembly in 2017. It appears that the only bill of significance, albeit minor, currently being considered is HB 341. If you provide towing service in Ohio then this bill is one you will support. It has passed the House and is awaiting action in the Senate. AFPD believes it will move, but is uncertain of whether Governor Kasich will sign or veto.

On the tobacco front, a number of groups have indicated they will seek a tax increase next year and it's almost a certainty that a group in Cleveland will place a ballot issue before Cleveland voters next spring. AFPD continues to be part of large coalition opposing any attempt to raise taxes on tobacco products.

Lastly we believe AFPD members have had a very good year and we pledge to continue to fight on your behalf next year. We wish each and every member and their families a very Merry Christmas. ■



Safe & Responsible Holiday Alcohol Sales

The 2016 holiday season is here and it's time for holiday parties, family gatherings and other celebrations. Retail permit holders can help make the holiday season fun and safe for everyone by preventing underage drinking and sales to intoxicated individuals. Whether your business is a bar, restaurant, convenient store, wine shop or grocery store, social responsibility is important, especially during this festive time of year. The Division is here to help you promote and practice safe and responsible sales.

Ohio retail permit holders are on the front lines and must be extra vigilant to prevent underage sales. As a permit holder, it is your responsibility to educate your employees and make that sure they receive the proper training. Selling alcohol to anyone under the age of 21 or an intoxicated individual is not only a violation of Ohio law, but the consequences can be and devastating to your community and business. It can result in citations against your permits that will jeopardize your ability to sell alcohol in the future, may subject you to the termination provisions of your agency contract, and can result in criminal charges and penalties.

HERE ARE TWO STEPS YOU CAN TAKE TO ENSURE THE RESPONSIBLE SALE OF ALCOHOL

1 Always thoroughly check the identification of all young people attempting to purchase alcohol. Checking IDs not only can help prevent an illegal sale, it also can protect your business. Ohio law provides an affirmative defense that protects permit holders who make a bona fide attempt to verify that a customer is at least 21 years old by checking a valid form of identification (an Ohio driver's license, an official state of Ohio identification card, a military identification card issued by the U.S. Department of Defense or a passport). There also is an affirmative defense when using an automatic identification reader/scanner. Such devices are great tools to help verify not only the age of a customer but also the authenticity of the identification.

2 Pay attention to the products that you are selling. There are items such as some energy drinks that contain alcohol, and other alcohol products with non-traditional packaging that may look similar to non-alcoholic products. Make sure that products which contain any alcohol are sold only to those customers who are over the age of 21.

Selling alcohol is a privilege that comes with great responsibility. Help protect your community and your business by making sure your employees know the law and understand the seriousness of practicing safe, legal and responsible alcohol sales. We can help by providing educational materials and other resources to help train employees. Information and resources are available on our website at www.com.ohio.gov/liqr. ■





illinois policy watch

DAN PAPINEAU // AFPD DIRECTOR, GOVERNMENT RELATIONS

Chicago's Bag Tax

On November 16th the Chicago city council approved a tax on all carryout bags provided to retail customers. The tax will go into effect January 1, 2017.

This article is intended to provide further details on the tax and provide clarification to the retail community within the city of Chicago.

The tax is set at a rate of 7¢ per bag of which the retailer is allowed to keep 2¢ per bag. The tax is levied on all retail “checkout bags”. Checkout bags, being either paper or plastic, are defined as only the bags given to customers at the checkout counter/lane. Paper or plastic bags used by customers within a retail store to package loose bulk items, such as fruit, vegetables, nuts, grains, candy, cookies, or small hardware items are not subject to the tax. Furthermore, plastic or paper used to wrap meat, fish, frozen foods, or bakery items are also not subject to the tax. Also not taxable are items containing multiple bags like garbage bags or food storage bags with resalable openings. As you can see, the bags that are subject to the tax are the traditional ones, paper or plastic, provided to customers to carry their purchased items out of the store.

In some instances, a retailer will give the carryout bag to a customer free of charge and in other cases the retailer will charge for the carryout bag. If a retailer provides the carryout bag free of charge, then the retailer has two options for complying with receipt requirements. First, the retailer can separately itemize the tax on the receipt and pass along the tax to the customer. Second, they could absorb the tax themselves and not print the tax on the receipt. For retailers who charge for carryout bags provided to customers the receipt must itemized on the tax.

As you can see from the receipt requirements, a retailer, if they give carryout bags free of charge, can pay the tax for their customers. There is no requirement, in this instance, for the retailer to pass the tax on to the customer. If a retailer does charge for bags, then the tax must be passed along to the customer.



Bag wholesalers are responsible for collecting the tax and retail stores within the city are responsible for paying the tax. Fail to pay the tax will result in a \$100 penalty per business location. The penalty can be waived for good cause. The city comptroller will dictate the filling and forms for paying the tax as they see fit. Additionally, the city comptroller will require, within 30 days of enactment, stores to take inventory of their current stock of carryout bags, file a return with the inventory figure and pay tax on the bags in a retailer's possession. Retailers are required to keep satisfactory books and records in case of audit.

It is important to note that **any customer who receives any type of food assistance is exempt from paying the tax.** A store is not to charge these customers the 7 cent per bag tax and will not have to pay the tax for these customers themselves.

In addition to the new carryout bag tax the Chicago City council repealed the plastic bag ban. They did keep in place the requirement that retailers establish an in-store recycling program to take back plastic bags. Stores must collect, transport, and recycle bags collected at their stores that customers return.

I hope this provides further detail on the new Chicago carryout bag tax. If future questions arise I will be happy to answer them. Please contact me at dpapineau@AFPDOnline.org. ■



Cook County, Illinois Passes Sweetened Beverage Tax

Just when businesses in the Chicago area thought it could not get much worse when it comes to overly burdensome regulations and high taxes the Cook County Board of Commissioners approved a 1 cent per ounce tax on sugary and artificially sweetened beverages. The tax is expected to bring in \$224 million to county coffers.

Beginning July 1, 2017 all non-alcoholic, carbonated or un-carbonated beverages sold in a bottle or produced for sale with syrup or powder (fountain drinks) containing caloric (sucrose, fructose, glucose and/or other sugars) or non-caloric (aspartame, saccharin, stevia and/or sucralose) sweeteners will be subject to the tax. Not subject to the tax:

- (1) beverages consisting of 100% natural fruit or vegetable juice
- (2) beverages in which milk, or soy, rice, or similar milk substitute, makes up more than 50% of the beverage or is the first listed ingredient on the label of the beverage
- (3) beverages to which a purchaser can add, or can request that a retailer add, caloric sweetener or non-caloric sweetener (like coffee or tea to which a customer adds sugar)
- (4) infant formula
- (5) beverages for medical use
- (6) any liquid sold as a therapeutic nutritional meal replacement or for use for weight reduction as a meal replacement
- (7) any syrup or powder that the purchaser himself or herself combines with other ingredients to create a beverage.

Voting for the tax were Luis Arroyo Jr., D-Chicago; Jerry "Iceman" Butler, D-Chicago; John Daley,

D-Chicago; Garcia; Edward Moody, D-Chicago Ridge; Stanley Moore, D-Chicago; Sims; and Larry Suffredin, D-Chicago.

Voting against the tax were Richard Boykin, D-Oak Park; John Fritchey, D-Chicago; Bridget Gainer, D-Chicago; Gregg Goslin, R-Glenview; Sean Morrison, R-Palos Park; Schneider; Peter Silvestri, R-Elmwood Park; and Jeffrey Tobolski, D-McCook.

Cook County board president, Tony Preckwinkle, cast a rare tie breaking vote in favor of the tax.

Absent was Commissioner Robert Steele, D-Chicago, a Preckwinkle ally who was hospitalized earlier in the week.

The tax will be collected by the distributor from the retailer and must be remitted to the Cook County Department of Treasury. Both the distributor and retailer must file these tax returns monthly. Failure to comply with the tax will result in a \$1,000 fine for the first offense and \$2,000 for the second offense.

The tax is paid on whole ounces at a rate of 1 cent per ounce. For beverages produced with syrup or powder (fountain drinks) the tax is paid on the largest volume of sweetened beverage that could be produced from the syrup or powder based on the manufacturer's instructions. The total tax calculated can be reduced by two to five percent to account for spillage (this is assumed as there is a drafting error in the legislation: "with a reduction of two to five percent of the calculated tax to account for spillage")

Also very important for retailers to remember is that by August 20, 2017 every retailer must take an inventory of sweetened beverages in their possession and file a return along with payment of the tax due on the products they have in their possession or control on June 30, 2017.

Doing business in the Chicago metro area is not getting any easier by implementing this sweetened beverage tax. Property tax increases, sales tax increases, a plastic bag tax in Chicago proper, a 1% hotel tax, the list is lengthy and must end.

If there are any questions on the new Cook County Sweetened Beverage Tax feel free to contact me at (800) 666-6233 or dpapineau@AFPDonline.org. ■



petroleum news & views

EDWARD WEGLARZ // AFPD DIRECTOR, PETROLEUM

Year-End & New Year Planning Time...is Now!

The end of the calendar year is the appropriate time to make plans for the future and review plans that were implemented in the past. I always suggest that whether you are a family, a small business, or a large business, planning for the future is of utmost importance. The old adage: "No one plans to fail, but many fail to plan!" is as true today as it ever was; perhaps even more important.

Schedule a meeting to plan ahead when your situation is stable and you can evaluate without emotion. Then, write down your plans and objectives for the next one, three and five years. Your plans for the near term need to be more specific and measurable while your longer term plans can be more general, but in all cases the objectives need to be measurable.

When the business climate becomes chaotic that's when you need to refer back to your business plan and objectives for guidance. If the plan that was conceived and established during calm, routine times it should serve as your "security blanket" when times are tumultuous. That's the time to use your plan to determine if the decision will lead to your pre-planned objectives and get you back on course.

Now, addressing objectives, is the appropriate time to decide upon or expand alternative profit centers for your gas station operation. For the most part, the refiners have divested themselves of their retail

holdings. And the vast majority of industry analysts project continued sparse margins on retail gasoline sales, even as retail and wholesale prices drop. The refiners continue to forecast this trend. And other, non-traditional fuel retailers, continue to enter the marketplace. Every grocery chain seems to have added gas pumps to their offerings, and use gasoline as a loss-leader to attract customers. The momentum of that trend shows no signs of letting up.

Hence, you need to explore other profit centers for your operation. And if you are lucky enough to already have alternative profit centers that produce more than adequate returns on investment, then figure out how to optimize it to an even greater extent. If you are not complimenting your operation with an alternative profit center, start researching today! Whether it's adding offerings to your C-Store or upgrading your vehicle repair operation, start to evaluate additional products and services and start to promote and sell. Keeping up-to-date products and services for your customer are more important than ever today. Visit and talk to other businesses in your trade area to see what you might be able to cross-merchandise with them. Or, determine what product or service they could possibly outsource to you! Explore any and all unorthodox situations, who knows what may develop!

Then, incorporate those new offerings when planning for the future objectives. That'll give you something to aim for each and every day. And, lastly, share the plans and objectives with your employees so, as a team, you can produce favorable results. Your employees can't help meet your objectives if you keep them out or the loop.

And while you're at it...Enjoy the Holidays! ■

PLAN AHEAD



Wishing you
Merry Christmas

HAPPY *New Year*
from



Made in Michigan since 1984



Touting Charitable Contributions

As independents, and as part of AFPD, store owners often contribute to the communities in which they serve, however they don't always communicate that message.

"We are involved with many different charities including schools and churches, mainly programs that feed the poor and help families such as fundraisers and food banks," said Mark Kassa, co-owner of Heartland Markets. "When we owned K&G Food Mart in Detroit, we were the sole sponsor of the United Youth 2000 with Coach Robert Brown at Detroit Loyola, a basketball program that helped many children and we were actively involved with the local schools and churches."

The Kassas have — for the most part — focused on programs for the needy with food, including Thanksgiving dinners for people in need, clothing, gifts for children during the Holidays and the like, however, they rarely ever talk about their charitable contributions.

"We don't advertise how much we do for charities because we prefer to go under the radar and not donate for the public accolades" said Kassa.

"And that is very admirable," said Auday Arabo, President and CEO of the AFPD. "We respect giving back out of the goodness of one's heart, but we also want to let the community at-large know that our members are entrenched in the communities they are operating in."

Several larger chain stores such as Whole Foods often announce their partnerships and community programs inside their businesses on bulletin boards. They also send out newsletters or promote on social media.

Although involved in several community projects and programs, Joe Gappy, like the Kassas, doesn't really promote it. "I really do not tell my customers what I do for the community," said Gappy. "I just do what I can to make my community and area a little better."

At the time when he was asked to sit on the board of a Charter school in the neighborhood, Gappy was not yet married. He had just moved home from living in California for a few years. "I remembered many of the kids at the time who had gone to St. Francis Catholic School who were customers at the store," said Gappy. "I also went to Catholic schools in the suburbs. When I had heard it was closing down and a new Charter school was moving in, I did not know anything about Charter Schools, but was willing to learn. My heart goes out to the kids of my neighborhood with what they have to deal with every day."

It was 1999 when the Charter School movement started. Gappy was asked to hold a position on a board for Hope of Detroit Academy.

The position, at that time, was to be the community liaison, to bring the school to the community.

Not exposed to the challenges kids in Detroit face, Gappy wanted to help and now 17 years later, he has watched thousands of neighborhood kids grow up and graduate from a school that he helped establish and flourish. "Makes me feel like I am giving back a little something," Gappy said.

Over the years, Gappy has held several positions on the board, which are all volunteer positions. "In 2015, we had boosted our enrollment to 550 students with our K-8 school," he said. "This 2016 September, we just opened our brand new constructed Middle/High School. We currently have approximately 800 students in both buildings and just spent approximately \$11,000,000 a block and a half away from my supermarket. This will bring new and old people to my community and hopefully encourage more housing developments."

Gappy is also involved in the Michigan Ave Business Association (MABA). The association was established to try and help businesses located on Michigan Ave. They meet to discuss marketing and other business practices in the City of Detroit. "In 2016, a few business owners and leaders of the community got together and now they have a new MABA Association," said Gappy. "It runs from I-96 to Wyoming on Michigan Ave and we are trying to have a voice together, with the city, police department, and businesses. I am the new president of MABA. Our goals are to have a cleaner, safer, and better community on Michigan Ave."

There are ways for business owners to communicate their involvement without sounding like one is bragging.

"We talk with our clients all the time about collaborating, connecting and communicating with the the community," said Vanessa Denha Garmo, founder of the Denha Media Group, the PR agency for AFPD. "There are a variety of avenues to take. Collaboration is essential when doing project work and you can only collaborate if you connect with people and organizations and then it's imperative to share that message with the larger audience by communicating what you are doing. You can do that in various ways."

Denha Media suggests communicating

- Through Social Media
- Via Newsletters
- On Bulletin Boards inside stores
- In press releases
- In video clips posted on YouTube or Vimeo
- By writing regular blogs posted on your store website
- In flyers distributed at your business

AFPD as an association uses all these avenues to communicate to its members and the general public which includes the media. “We have various audiences that we must reach at any given time,” said Arabo. “We use different platforms to reach those people. As businesses, it would be greatly beneficial for the owners to share their news with others especially when they are giving back.”

AFPD members collaborate with the AFPD every year on the High Five Turkey Drive. In recent years, they have participated in the High Five Turkey drive with paper cutout turkey hands displayed at the checkouts and sponsored by customers.

“This particular program not only allows us to raise needed funds to buy turkeys for families,” said Arabo, “it enables us and the businesses to share with customers not only in the cause but the message about how they often help the community.”

The Annual “High Five” Turkey Drive is one of the Association’s biggest charitable projects. Meanwhile, many members are involved in various projects throughout the year in their own communities. “I think that I do so much, for my community, that I would not know how to explain to them how much I give back,” said Gappy. “I am always giving back in some way, shape or form. I started a campaign where I gave people who shopped in my store and spent at least \$50, a free ride home with UBER.

Gappy also donates to churches and gives out free turkeys for AFPD’s High Five Turkey Drive. He also donates candy for Halloween parties. Gappy was honored by the Michigan Catholic Charities for the feeding of All Saints Church Soup Pantry. “We donate food every Monday,” said Gappy. “I also have donated to St. Thomas Chaldean Catholic Church many custom cakes for the events that they have, as well as 1,000 pieces of baked goods for a dessert table for their fundraiser at Shenandoah this year.”

Gappy has helped feed the refugees a taco dinner and donated food and a shark shaped cake for the Remembrance of Ken “Shark” Steil who was killed in the line of duty as a Detroit Police Officer; the fund raiser was last month at the Detroit Zoo. He donates to the charter school where he serves as a board member. He also hosts parties at his supermarket and gives out school supplies. During Christmas he invites Santa to the store to take photos with kids and he posts on them on the store website. He has worked with both the Girl Scouts and Boy Scouts and has donated to the Breast Cancer Society. Every Christmas at a local Hispanic pantry he gives 100 boxes of food away. “Bottom Line... the more you give, the more you get!” said Gappy. ■





5 Questions to Ask When Enrolling in a Health Plan



PHOTO
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DEPARTMENT OF
EDUCATION

Whether you're choosing your own health insurance for the first time or looking to renew, choosing a plan can be tough. After all, there are a lot of choices out there. Blue Cross Blue Shield of Michigan and Blue Care Network alone offered more than 40 individual health insurance plans in 2015. It's great to have so many options, but how do you choose? Here are five questions that might help:

WHAT TYPE OF NETWORK IS IT?

There are three main types of networks you'll likely see when choosing health insurance: PPO, HMO and EPO. Each of these networks have physicians, hospitals and other health care professionals that agree to provide medical services at pre-negotiated prices and rates for Blues members. Here's how they're different:

- A Preferred Provider Organization (PPO) network gives individuals and families the freedom to receive covered services from an "in-network" (PPO) provider or "out-of-network" providers. You'll pay less if you go to an in-network provider.

- An Exclusive Provider Organization (EPO) network covers services only from a provider within the EPO network, except for emergencies and accidental injuries.
- A Health Maintenance Organization (HMO) is a more limited network of providers. You must select a doctor to coordinate your care and provide you with referrals if necessary. Services outside of the HMO network are typically not covered, except for emergencies.

All health plans have a summary of benefits and coverage that clearly indicate the network. If you're shopping for individual or family insurance through the Health Insurance Marketplace, you can find this information on HealthCare.gov. You can also visit the health insurance company's website, or call the company directly.

IS MY DOCTOR IN THE PLAN'S NETWORK?

If you have a doctor you're happy with, make sure your doctor participates in your health plan's network. Providers may not accept all health plans, so it's important to check with your doctor and your health plan before enrolling in health coverage. You can visit bcbsm.com/find-a-doctor to see if your doctor is in your plan.

WHAT SERVICES DOES THIS HEALTH PLAN COVER?

All health plans offered on the Health Insurance Marketplace are required to have 10 essential health benefits. Plans may offer additional coverage – such as dental and vision benefits for adults – and you may have health needs that require specific services or coverage. Make sure you choose a plan that best fits your needs.

All plans have a summary of benefits and coverage that outline what services are covered. If you're shopping for individual or family insurance through the Health Insurance Marketplace, you can find this information on HealthCare.gov. You can also visit the health insurance company's website, or call the company directly.

HOW MUCH WILL MY HEALTH PLAN COST?

How much you pay for your health plan will depend on your individual situation and what health plan you pick. Health plans vary by level: catastrophic, bronze, silver, gold and platinum. Catastrophic and bronze plans have the lowest monthly premiums. But your share of costs for medical care is highest. You will pay higher monthly premiums for a silver, gold or platinum plan, but your share of costs is lower. When selecting a level, understanding how you will use your health plan and how often you will seek care is important.

AM I ELIGIBLE FOR LOWER COSTS ON THE MARKETPLACE?

Depending on household income and other factors, individuals and families may qualify for financial help on the Marketplace (HealthCare.gov). Before you select a new health plan, make sure you find out if you'll receive lower costs. Text "Subsidy" to 222-752 or visit bcbsm.com/subsidy to see if you qualify for savings.

For more health insurance tips visit bcbsm.com/101 or follow the hashtag #Covered101 on our social channels. If you have a specific question, please submit your query online through our Customer Action Center. ■

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Workplace Injuries and Illnesses – Employee’s Right to Report Injuries and Illnesses Free From Retaliation

On May 12, 2016, OSHA published a final rule that, among other things, makes explicit the longstanding requirement for employers to have a reasonable procedure for employees to report work-related injuries and illnesses, and incorporates explicitly, the existing prohibition on retaliating against employees for reporting work-related injuries.

The employer must establish a reasonable procedure for employees to report work-related injuries and illnesses. An employer’s reporting procedure is reasonable if it is not unduly burdensome and would not deter a reasonable employee from reporting.

For example, it would be reasonable to require employees to report a work-related injury or illness as soon as practicable after realizing they have the kind of injury or illness they are required to report to the employer, such as the same or next business day when possible. However, it would not be reasonable to discipline employees for failing to report before they realize they have a work-related injury they are required to report or for failing to report “immediately” when they are incapacitated because of the injury or illness. A rigid prompt-reporting requirement that results in employee discipline for late reporting even when the employee could not reasonably have reported the injury or illness earlier would not be acceptable.

It would also be reasonable to require employees to report to a supervisor through reasonable means, such as by phone, email,

or in person. However, it would not be reasonable to require ill or injured employees to report in person if they are unable to do so. Likewise, it would not be reasonable to require employees to take unnecessarily cumbersome steps or an excessive number of steps to report.

While employers have an interest in maintaining accurate records and ensuring that employees are reporting work-related injuries and illnesses in a reasonably prompt manner, these interests must be balanced with the importance of accurate injury reporting and therefore employers’ reporting policies must be designed so as not to discourage employees from reporting. For a reporting procedure to be reasonable, and not unduly burdensome, it must allow for reporting of work-related injuries and illnesses within a reasonable timeframe after the employee has realized that he or she has suffered a recordable work-related injury or illness and in a reasonable manner.

To issue a citation under section 1904.35(b)(1)(iv), OSHA must have reasonable cause to believe that a violation occurred—in other words, that an employer retaliated against an employee for reporting a work-related injury or illness. To make this showing, OSHA must demonstrate the well-established elements of retaliation. In this context, those elements include:

- The employee reported a work-related injury or illness;
- The employer took adverse action against the employee (that is, action that would

deter a reasonable employee from accurately reporting a work-related injury or illness); and

- The employer took the adverse action because the employee reported a work-related injury or illness.

A. DISCIPLINE

OSHA does not prohibit employers from disciplining employees who violate legitimate safety rules or reasonable reporting procedures. Rather, it prohibits disciplining employees simply because they report a work-related injury or illness.

OSHA will evaluate whether the employer had a legitimate business reason for the discipline or whether the rule was used as a pretext for disciplining the employee for reporting a work-related injury or illness. OSHA will consider factors such as the reasonableness of the rule; whether the employee had a reasonable basis for the deviation; whether the employer has a substantial interest in the rule and its enforcement; and whether the discipline imposed appears proportionate to the employer’s interest in the rule.

B. DRUG AND ALCOHOL TESTING.

OSHA does not prohibit employers from drug testing employees who report work-related injuries or illnesses so long as they have an objectively reasonable basis for

WORKPLACE INJURIES & ILLNESSES
continued on page 28.

**WORKPLACE INJURIES & ILLNESSES**
continued from page 27.

testing, and the rule does not apply to drug testing employees for reasons other than injury-reporting. Moreover, OSHA will not issue citations for drug testing conducted under a state workers' compensation law or other state or federal law. Drug testing under state or federal law is acceptable. OSHA only prohibits drug testing employees for reporting work-related injuries or illnesses without an objectively reasonable basis for doing so. And, as in all cases, OSHA will need to establish the three elements of retaliation to prove a violation: a protected report of an injury or illness; adverse action; and causation.

When determining whether an employer has a reasonable basis for drug testing an employee who reported a work-related injury or illness, the central question is whether the employer had a reasonable basis for believing that drug use by the reporting employee could have contributed to the injury or illness. If so, it would be objectively reasonable to subject the employee to a drug test. When OSHA evaluates the reasonableness of drug testing a particular employee who has reported a work-related injury or illness, it will consider factors including whether the employer had a reasonable basis for concluding that drug use could have contributed to the injury or illness (and therefore the result of the drug test could provide insight into why the injury or illness occurred), whether other

employees involved in the incident that caused the injury or illness were also tested or whether the employer only tested the employee who reported the injury or illness, and whether the employer has a heightened interest in determining if drug use could have contributed to the injury or illness due the hazardousness of the work being performed when the injury or illness occurred.

OSHA will only consider whether the drug test is capable of measuring impairment at the time the injury or illness occurred where such a test is available. Therefore, at this time, OSHA will consider this factor for tests that measure alcohol use, but not for tests that measure the use of any other drugs. The general principle here is that drug testing may not be used by the employer as a form of discipline against employees who report an injury or illness, but may be used as a tool to evaluate the root causes of workplace injuries and illness in appropriate circumstances.

Consider the example of a crane accident that injures several employees working nearby but not the operator. The employer does not know the causes of the accident, but there is a reasonable possibility that it could have been caused by operator error or by mistakes made by other employees responsible for ensuring that the crane was in safe working condition. In this scenario, it would be reasonable to require all employees whose conduct could have contributed to the accident to take a drug test, whether or not they reported an injury or illness. Testing would be appropriate in these circumstances because there

is a reasonable possibility that the results of drug testing could provide the employer insight on the root causes of the incident. However, if the employer only tested the injured employees but did not test the operator and other employees whose conduct could have contributed to the incident, such disproportionate testing of reporting employees would likely violate section 1904.35(b)(1)(iv).

Furthermore, drug testing an employee whose injury could not possibly have been caused by drug use would likely violate section 1904.35(b)(1)(iv). For example, drug testing an employee for reporting a repetitive strain injury would likely not be objectively reasonable because drug use could not have contributed to the injury. And, section 1904.35(b)(1)(iv) prohibits employers from administering a drug test in an unnecessarily punitive manner regardless of whether the employer had a reasonable basis for requiring the test.

C. INCENTIVES.

OSHA does not prohibit safety incentive programs. Rather, it prohibits taking adverse action against employees simply because they report work-related injuries or illness. Withholding a benefit—such as a cash prize drawing or other substantial award—simply because of a reported injury or illness would likely violate section 1904.35(b)(1)(iv) regardless of whether such an adverse action is taken pursuant to an incentive program. Penalizing an employee simply because the employee reported a work-related injury or illness without regard to the



circumstances surrounding the injury or illness is not objectively reasonable and therefore not a legitimate business reason for taking adverse action against the employee.

Consider the example of an employer promise to raffle off a \$500 gift card at the end of each month in which no employee sustains an injury that requires the employee to miss work. If the employer cancels the raffle in a particular month simply because an employee reported a lost-time injury without regard to the circumstances of the injury, such a cancellation would likely violate section 1904.35(b)(1)(iv) because it would constitute adverse action against an employee simply for reporting a work-related injury.

However, conditioning a benefit on compliance with legitimate safety rules or participation in safety-related activities would not violate section 1904.35(b)(1)(iv). For example, raffling off a \$500 gift card each month in which employees universally complied with legitimate workplace safety rules—such as using required hard hats and fall protection and following lockout-tagout procedures—would not violate the rule. Likewise, rewarding employees for participating in safety training or identifying unsafe working conditions would not violate the rule. On the contrary, OSHA encourages employers to find creative ways to incentivize safe work practices and accident-prevention measures that do not disproportionately penalize workers who report work-related injuries or illnesses. If OSHA determines that an employer withheld a benefit from an employee simply

because the employee reported a work-related injury or illness without regard to the circumstances surrounding the injury or illness, OSHA may issue a citation under section 1904.35(b)(1)(iv). ■

*Excerpts from: October 19, 2016
Memorandum for OSHA Regional
Administrators*

*Interpretation of 1904.35(b)(1)(i) and
(iv) Improve Tracking of Workplace Injuries
and Illnesses – Employee's right to report
injuries and illnesses free from retaliation and
Injury Tracking and Use of Disciplinary,
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Webinar Dates and Times

- | | |
|---|---|
| ■ Tuesday, November 1, 2016
10:00 a.m. - 11:00 a.m. | ■ Tuesday December 20, 2016
10:00 a.m. - 11:00 a.m. |
| ■ Wednesday, November 9, 2016
10:00 a.m. - 11:00 a.m. | ■ Wednesday, December 28, 2016
10:00 a.m. - 11:00 a.m. |
| ■ Tuesday, November 15, 2016
10:00 a.m. - 11:00 a.m. | ■ Tuesday, January 3, 2017
10:00 a.m. - 11:00 a.m. |
| ■ Wednesday, November 30, 2016
10:00 a.m. - 11:00 a.m. | ■ Wednesday, January 11, 2017
10:00 a.m. - 11:00 a.m. |
| ■ Tuesday, December 6, 2016
10:00 a.m. - 11:00 a.m. | ■ Tuesday, January 17, 2017
10:00 a.m. - 11:00 a.m. |
| ■ Wednesday, December 14, 2016
10:00 a.m. - 11:00 a.m. | |

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Speakers (vary by date)

Julia Hall
Program Manager
CareWorksComp

Robert Nicoll
Program Manager
CareWorksComp

Shane Castle
Program Manager
CareWorksComp

Beverly Westover
Program Manager
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JANUARY HIGHLIGHTS

The New Year rang in with new beginnings and faces at AFPD. The January issue of Bottom Line magazine, introduced Dan Papineau who was hired as the new Director of Government Relations.

Dan said he was excited at the opportunity to help such a historic association with strong roots in the community. "It's unbelievable that there's 4,300 members at AFPD and they cover two, almost three states," said Papineau. "This is one of the largest trade associations that cover the entire mid-west. That premiere status needs to be emphasized."

January's cover story looked ahead at trending items in the Food and Beverage industry. Retailers were reminded that they should be able to adjust to consumer habits in order to attract new business and to stay ahead of the competition. "There is a need for flexibility and marketing creatively to draw in your customers," said Howard Ishbia, Executive Vice President of Sales and Marketing for Sherwood Food Distributors. "Whereas a chain or big box competitor has their programs and ads set for weeks ahead of time, the independent can see an opportunity at noon and be marketing the product by the next day."



FEBRUARY HIGHLIGHTS

The February issue recapped AFPD's 100th Annual Trade Dinner and Ball. The event was held on Saturday, January 9th at Penna's of Sterling in Sterling Heights, MI. It was sold out five weeks prior at the hall's 1000 person capacity limit. "We appreciate the continued support of AFPD members and I think our 100th anniversary gala left a lasting imprint on a number of people's mind. It really showcased how special the association is and how special this night in history is," said Auday Arabo, AFPD President and CEO.

Although many AFPD retailers have a Food Rescue Plan, Bottom Line spotlighted some that are trend setting in the impact they have on the local community. In 2009, The Kroger Company of Michigan pioneered a successful food rescue program which other large retailers have used as a model. The company developed their Perishable Donations Plan (PDP) by reaching out to and working closely with Forgotten Harvest. Kroger Communications Manager, Ken McClure, said he was proud of it and the approximately 4.5 million pounds of food that it's able to salvage. "The foods selected for the PDP program are nutritious and perfectly edible," said McClure. "This opens the program up well

beyond the days of 'day-old bread' and provides nutritious foods that were out of reach for food banks and rescues for many years."

AFPD members saw the water crisis in Flint and didn't flinch in reacting quickly and doing their part to help with the relief efforts. In conjunction with members of the Detroit City Council, an online fundraiser was held at www.detroit2flint.com. The money raised helped buy Absopure Water at below Wholesale cost from D&B Grocers. "As a Michigan-based company, we believe it is important to engage the community and help when we can," said Bobby Hesano, President and CEO of D&B Grocers. "We are able to participate in this campaign because of our partners. We are grateful to them for their support."

February also welcomed another new face to the AFPD team with the hiring of Kenneth Shulte as the new Business Developer. Schulte had worked with AFPD for about 10 years as both a district manager and while in sales for the NESTLÉ® Frozen Dairy Dessert Treats. "I share the same interest as Auday and the AFPD team", said Schulte. "That is a commitment to our customers — the retailers have always been my focus and it is the same for AFPD. There is a moral compassion and true passion for our work here."



MARCH HIGHLIGHTS

The March issue of Bottom Line spotlighted the return of the Double-Up Food Bucks program. AFPD hosted a meeting on March 23rd at the headquarters in West Bloomfield and all members were invited.

In 2015, 22 AFPD members participated in Double Up Food Bucks which included 12 stores in Detroit and 10 outside of the city. "We are looking not only statewide, but going into northern Ohio and Chicago," said Auday Arabo, President and CEO of AFPD.

Reinvesting in their business was also a focus in March for retailers who are taking the necessary steps to improve their store. Opportunities for non-traditional investment options were developed from a speed-dating type of event hosted by the Detroit Economic Growth Corporation (DEGC). Imperial Market's \$6.2 million dollar investment was DEGC's Green Grocer Project's biggest project to date for an independent store. "DEGC's Green Grocer Project is honored to support a dedicated, community-focused business like Imperial," said Rodrick Miller, President and CEO, DEGC. "Ensuring Detroit has options is vital in the city's continuing revitalization."



APRIL HIGHLIGHTS

In April, Bottom Line recapped AFPD's inaugural Foundation Fundraiser which was held on Wednesday, March 16th at the Palace of Auburn Hill's FanDuel Club 300. "It was a first time fundraiser and on the planning end of it," said AFPD Event Coordinator Maegan Hesano. More than 170 tickets were sold for the event and all proceeds helped support AFPD, Inc., the AFPD Foundation, or the AFPD PAC. Highlighting the evening's event was a surprise 60th birthday celebration that was organized by AFPD Foundation board member Angela Thomas for her mother Lamia Arcori. Lamia's husband Frank was a long standing member of AFPD, as owner of Vegas Food Centers, as well as a former Chairman from 1992-93. "When this event was planned the week of our Mom's birthday we thought it'd be really great to incorporate an organization that my Dad loved so much with Mom's birthday," said Angela.

AFPD continued to fight the good fight with priorities set for Ohio which included an increase of Ohio Lottery commissions which has been unchanged since 1996, and an increase to the number of agency alcohol outlets, and deter duplicative weights and measures inspections.

With spring in the air and desire to hear the first crack of a bat, April's issue looked at what it means for retailers everywhere to attend the first baseball game of the season for their favorite team. Opening Day memories are special for all AFPD members, but for one in particular, it was the start of something much bigger. It saw the birth of Detroit-based AFPD member Kar's Nuts in 1933. "Sue Kar, the founder of Kar's Nuts, lived right across the street from Tiger Stadium," said Scott McKinnon, Kar's Nut Vice President of Sales and Marketing. "She began roasting peanuts in her home and sold them to fans as they headed to the stadium on opening day. Her product became so popular over time that she opened a small manufacturing plant in Detroit and started selling them to local retailers in the area."



MAY HIGHLIGHTS

May's issue spotlighted AFPD's westward glance, as it had its eyes fixed on expansion to Illinois. AFPD President and CEO Auday Arabo met with a group of retailers in the Chicago area about ways in which the two forces could come together. Expanding its reach to the Chicago market provided new opportunities for AFPD members, while increasing the association's footprint in the industry. "AFPD came down for the meeting and we had a good representation, about 40 to 50 people and we decided to create a Chicago chapter," said Damon Marano, Vice President of Business Development for the Anthony Marano Company. "They had the organization and the dedication to lead independent grocers to success. They're strong, they're vibrant and they're willing to contribute."

AFPD honored the loss of John Loussia, long-time grocer and AFPD member who lost his five year battle with prostate cancer on April 30th. John founded Value Wholesale Distributors in 1991 located in Detroit, Michigan. His work ethic and drive for success trickled down to his sons, Brian and Matthew, who began working for Value Wholesale at a young age. "I learned so much from my dad," said Matthew, "above all things, being honest and being fair with your

customers is key to success. He would say, 'if you are honest with your customers, you have nothing to hide.'"

The May issue also recapped several industry events including AFPD's Buying Show, the Lipari Food Show, the Sherwood Food Show and the WMU's Food Marketing Conference. The 32nd Annual Innovations Buying Show, AFPD's longest running trade show, was held on April 28th at Shenandoah Country Club in West Bloomfield. The show helped members in a variety of ways, but it started with the knowledge and information on how to improve your business. "The most important thing about attending shows is knowledge," said Auday Arabo, AFPD President and CEO. "There are so many trends and so many new things happening that you need to be on top of so your competitors don't outpace you."

The Lipari Food Show has quite a history and one that dates back many decades before the event was held on an annual basis. "This event started more than 35 years ago, having a food show every other year, at Lipari for our customers," said Tony Franchi, Vice President of Sales for Lipari. "We wanted to pass on some of the deals and promote new items and this is the best venue to do it. Since then, about 20 years ago, we started to do it every year. Everybody can make sales calls under one roof, in one day." More than 750 vendors exhibited thousands of specially priced items at the sold-out show that welcomed approximately 5,500 attendees making it Lipari's largest to date.

More than 100 vendors displayed a variety of products at the Sherwood Food Show. The deals were in-show specials only with limited quantities of the products available. More than 1,300 people registered to attend the show including 200 people from out of state. "It has been a great turnout," said Earl Ishbia, CEO of Sherwood Foods Distributors. "This was the biggest early turnout we have ever seen in any of our shows and we are excited to see so many people from out of town."



JUNE HIGHLIGHTS

June's Bottom Line magazine updated members on several Government announcements. The first of these was the New Overtime rules that were announced by the Obama Administration that would make millions more employees eligible for overtime pay. The second announcement was an updated nutritional facts label for packaged foods by the FDA. The other big announcement was the enforcement delay of the new meat grinding log rule. The rule became effective on June 20th, but the enforcement would be pushed until October 1st, 2016.

The cover story for June spotlighted the power shift the industry is seeing with more and more products being driven by consumer demands. Smarter and increasingly savvy shoppers not only know what they want, they are demanding their stores carry it or they will find a store that will. "We don't rely on manufacturers telling us what items are best for us," explained Tom Bauman, owner of Ric's Food Center. "Now, we have to rely on our own reporting and technology to help us best review what is selling. Consumers are telling us that's what they want. It's supply and demand and

when the customer demands it, you need to have the supply there."

It was also reported in the issue that the Board of Directors for the Michigan Recycling Partnership named Dan Papineau, the new chairman of the board. Formed in 1989, the Michigan Recycling Partnership is a coalition of business and organizations concerned about the lack of comprehensive recycling policy in Michigan. "Dan's fresh perspective, passion for recycling, and energy to promote change is what the Partnership needs," said Linda Gobler, President, Michigan Grocers Association.



JULY HIGHLIGHTS

In July, AFPD announced the launch of Benchmark Beverage Company. "Benchmark is a for-profit arm of the AFPD that's 100% owned by AFPD and currently is a Michigan spirits broker," said Auday Arabo, AFPD President and CEO. "We exclusively have a number of lines for the entire state of Michigan." The announcement was an example of how AFPD continues to evolve in ways to impact both the industry, as well as its members. "It's another way to get in front of retailers and talk about how we can help them," said Arabo. "It also helps support smaller craft and liquor companies, whether national or world-wide, to help them showcase some of their products to the local marketplace."

Highlighting the issue was the recap of the 8th Annual Joseph D. Sarafa Scholarship luncheon which was held at the Detroit Athletic Club (DAC) on Tuesday, June 28th to congratulate this year's scholarship recipients. In total, 38 students received scholarships at the luncheon, which was held in the main Ballroom of the DAC. Joe Sarafa, who the scholarship is named after, introduced one of the luncheon's keynote speakers Jim Petcoff, Chairman & CEO of Conifer

Insurance Company. Petcoff's message to the students was that education is a constant process. "School provides the basic understanding of principles and learning for a person, but for a person to get educated, he needs to be involved in society and gain many various experiences."

In July, AFPD held its 40th Annual Michigan Golf Outing on Wednesday, July 20th at Fox Hills Golf & Banquet Center in Plymouth, MI. The event brought together independent retailers, wholesalers, manufacturers and vendors from around the mid-west and provided them with a day away from the office - a perfect opportunity to connect with old friends. "The golf outing is important to our members and it's a nice networking event," said John Denha, AFPD Chairman of The Board. "All the vendors can come together on a non-business day and get to know each other."

July's issue also honored the passing of an industry giant, Harvey L. Weisberg, who passed away at 94. As the Chairman of the AFD in 1969 he was quoted as saying, "One of the main reasons for tremendous progress made by the AFD is that the association has been quick to accept the challenge of change taking place in our respective communities around the nation and in our industry in particular." Weisberg was the former executive at Chatham Super Markets that was once headquartered in Southeastern Michigan. "Mr. Weisberg was a big part of our history for decades and we are saddened by his passing," said Auday Arabo, President and CEO. "Chathams was a great independent chain and a number of people who grew up working for Chathams have played major roles in the grocery industry in Michigan."



AUGUST HIGHLIGHTS



In August, the Bottom Line was all high-tech with the announced launch of AFPD's completely revamped website. The website's sharp and engaging design now provided members with even more information in a much easier to navigate lay-out. The home page's clickable link highlights AFPD's programs by National Programs, Michigan and Regional Programs, Ohio and Illinois Programs and Training Programs. The site was created with the goal to not only reimagine the website, but give it a complete make-over. "We redesigned and updated to make it more user-friendly, responsive and interactive for our users. We added new features such as videos and podcasts," said Chris Abro, Owner of Kreativ Media.

The cover story focused on technology and how the advancements we have seen over the last decade, have had a dramatic impact on the industry. The result of these advancements is that retailers now have more tools to help their business. Whether it's data mining, digital coupons, eCommerce or employee reward systems, it was reported that retailers have the ability to evolve in new and exciting ways. "The biggest thing that retailers need to look at these days is the ability to order online," explains Al Zara, founder and CEO of GeekTown USA. "The user interface, the user

experience and whatever else they have, has to be seamless from a technology stand-point. And it has to be quick, fast and it has to be very easy to use."

Rounding out the tech issue was a retailer spotlight on Fisher Printing, a Chicago-based company that has been in business for more than 80 years. "Throughout our history we have relied on the independent grocer and independent stores," said Chris Fisher, Co-Owner and National Sales Director. "We put a tremendous amount of money into the infrastructure and talent in place, to make sure we are helping the independent grocer. And by working through the AFPD, they have put us in touch with each other."

The issue also recapped the fundraiser AFPD hosted for the campaign of board member Joe Bellino Jr., owner of Broadway Market in Monroe, MI. Bellino was running for the Michigan State House in the 17th District. The event was held at the AFPD office on Thursday, July 28th and was attended by various AFPD members and supporters who wanted to show their support for Bellino's campaign. "I've known Joe for many years through AFPD, and he's been a great Board Member and he was a great Chairman and I think he's going to be a great State Rep.," said Najid Attisha, owner of Village Market. "It's tremendously important not only having the backing of AFPD, but it's very important because, as a business owner, he understands what small business owners are looking for and what they need."

SEPTEMBER HIGHLIGHTS



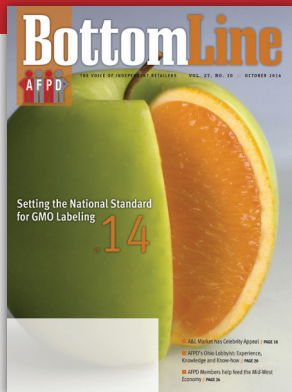
The September issue announced the earlier start of the successful and popular Paper Turkey Cutout program, launched last year that saw all of AFPD's 10,000 Paper Turkey cutouts distributed to retailers throughout the state. Food shoppers would soon see the familiar Paper Cutout Turkeys at local checkout lines. "Most of the customers were pretty receptive to it. We had gone through maybe 1,200 total between the three stores," said Phil Kassa, owner of Heartland Market. Participants were asked to donate at least \$1 for a turkey and will be able to personalized the Paper Turkey they purchase.

Retailers were also made aware of the ever increasing cost of processing credit and debit cards and AFPD's continues efforts to fight for comprehensive electronic payment reform. To help with these high costs, retailers were given detailed information on how to curb these costs through surcharges.

In order to stay on top of new Food Safety and Inspection Service (FSIS) regulations, the September cover story provided details on how member can remain compliant. The ruling targeted establishments and retail stores that grind raw beef and would improve FSIS' ability to accurately trace the source of foodborne illness should an outbreak occur. "The final rule was designed to protect public health," said Dan Engeljohn, FSIS Assistant Administrator in the Office of Policy and Program Development. "It also increases consumer confidence when they purchase ground beef."

We Card awareness month was in September and AFPD was honored for their support of the program by receiving proclamations from the Governors of Michigan, Ohio and Illinois. Proclamations are given for service that increases awareness of significant issues. AFPD members supported the We Card program by making every reasonable effort to properly identify and deny tobacco and alcohol sales to minors. "We know how important it is to not sell to a minor and go above and beyond to make sure we comply with laws dealing with age restricted products," said Dan Papineau, AFPD Director of Government Relations.

This month marked the 18th Annual Holiday Food and Beverage Buying show which was held at Shenandoah Country Club in West Bloomfield. More than 100 exhibitors from around the state filled the main ballrooms showcasing new items from seasonal flavors to products that are just hitting the market. However, the center-piece for the show was AFPD's Benchmark Beverage Company. More than 200 spirits in total were on display with 14 representatives to on-site to answer customer questions. "I was very pleased with the customer reaction to the size of the number of brands and quality of the brands that we represented in such a short amount of time," said Fred Hatty, Regional Brand Manager with Benchmark Beverage Company. "The one on one allowed us to explain the details that many consumers look for when choosing one brand over another."



OCTOBER HIGHLIGHTS

October's Bottom Line magazine provided the most up-to-minute information to members with the latest on the National Standard for GMO labeling. The reason behind establishing a national standard resulted from a Vermont law (Act 120) that took effect on July 1st, 2016. The law required that labeling was necessary for any food products that were made with GMOs and also prohibited using the word "natural" on labeling for any food that contained GMOs. One of the lead sponsors of the bill was Senator Debbie Stabenow (D- Michigan) who felt it was important to preempt state labeling laws and establish a mandatory disclosure requirement. "We worked with her staff through the process," said Jennifer Hatcher, Senior Vice President, Government and Public Affairs at the Food Marketing Institute (FMI). "If she (Stabenow) had not been a willing player in trying to achieve a compromise, it wouldn't have happened. It was important to have her role and willingness, given the importance of agriculture and retail in Michigan, in coming up with something that could pass through the Senate."

AFPD's proclamations continued for a second month in a row when it received various industry-related proclamations. In Michigan, Governor Rick Snyder signed a proclamation for "Food Retailers Week". The Ohio proclamation, signed by Governor John Kasich, and the Illinois proclamation, signed by Governor Bruce Rauner, was to declare "Independent Retailers Week" in those states. "When a governor signs a proclamation it's a way to make something official," said Dan Papineau, AFPD Director of Government Relations. "It is our hope that people will become aware our significance during that week."

AFPD also announced a new relationship that would certainly expand AFPD's reach across the country. Eby-Brown, the largest privately held convenience store distributor in the United States, partnered with AFPD to provide various programs including a rebate program and a chain-book program. "Eby-Brown is proud to be the exclusive partner of AFPD because we share a mutual history of organizations that have been dedicated to the c-store industry for more than 100 years," said Thomas Wake, Co-President of Eby-Brown. "AFPD is dedicated to the independent retailers that represent a significant portion of our current and prospective market. Our goal is to grow this partnership and our market share in the independent space while working toward assisting AFPD in achieving their goals of education, training and advocacy for the independent retailers."

Also in the October issue was another example of AFPD's continuous fight for its members by looking for ways to level the playing field. To this end, actions focused on making a change to prevent stores, who were exploiting a loop-hole in store licensing, from accepting EBT Cards. To protect retailers, AFPD stepped in to make sure EBT purchases could only be made at a grocery store. AFPD worked with the Department of Agriculture to stop licensing "You Buy, We Fry" stores, like Captain J's, as a grocery store.



NOVEMBER HIGHLIGHTS

In November, Bottom Line announced yet another new face to the team by welcoming Judith Will Fleming as the new Ohio Director of Operations. Before joining AFPD, Fleming was the executive director for the Ohio Public Transit Association, a non-profit organization that she built from the ground up. Reflecting on her short-term goals, Fleming said she would like to increase membership and create long-lasting partnerships with other organizations. "I pride myself in being very service-and hospitality orientated," said Fleming. "I've learned that you can never assume anything and that please and thank you go a long way." A long-term goal of Fleming's is to organize an AFPD conference.

The November issue also reminded members that it's the season of giving and AFPD continued the tradition of reaching out and helping others by the return of the "High Five" Turkey Drives. The events, held in Michigan, Ohio, and Chicago, were another example of how members continue to serve their communities. The Ohio Drive, held in both Columbus and Cleveland, was on Thursday, November 17th and the Michigan Drive was held on Friday, November 18th at Motown Snack Foods Warehouse in Detroit. "Many retailers and other local businesses have given generously to this program," said Auday Arabo, AFPD president and CEO. "This is one way our local independent retailers work together with the community to provide needy families with a holiday meal."

The November issue also included a look at AFPD's push for fair competition for Michigan retailers by allowing them to also ship wine directly to customers. Current laws put retailers at a disadvantage due to requirements that force them to hand deliver orders and does not allow them to use common carriers like FedEx or UPS. However, steps were being taken through SB 1088 to level the playing field. The bill is expected to pass with retailers reaping the rewards in 2017.



Court Blocks Expansion of Overtime Pay Rule After States Sue



■ BY ASSOCIATED PRESS

A federal court recently blocked the start of a rule that would have made an estimated 4 million more American workers eligible for overtime pay heading into the holiday season, dealing a major blow to the Obama Administration's effort to beef up labor laws it said weren't keeping pace with the times.

The U.S. District Court in the Eastern District of Texas granted the nationwide preliminary injunction, saying the Department of Labor's rule exceeds the authority the agency was delegated by Congress. Overtime changes set to take effect December 1st are now unlikely to be in play before vast power shifts to a Donald Trump administration, which has spoken out against Obama-backed government regulation and generally aligns with the business groups that stridently opposed the overtime rule.

"Businesses and state and local governments across the country

can breathe a sigh of relief now that this rule has been halted," said Nevada Attorney General Adam Laxalt, who led the coalition of 21 states and governors fighting the rule and has been a frequent critic of what he characterized as Obama Administration overreach. "Today's preliminary injunction reinforces the importance of the rule of law and constitutional government."

The regulation sought to shrink the so-called "white collar exemption" that allows employers to skip overtime pay for salaried administrative or professional workers who make more than about \$23,660 per year. Critics say it's wrong that some retail and restaurant chains pay low-level managers as little as \$25,000 a year and no overtime — even if they work 60 hours a week.

Under the rule, those workers would have been eligible for overtime pay as long as they made less than about \$47,500 a year, and the threshold would readjust every three years to reflect changes in average wages.

The Department of Labor said the changes would restore teeth to the Fair Labor Standards Act, which it called "the crown jewel of worker protections in the United States." Inflation weakened the act: overtime protections applied to 62% of U.S. full-time salaried workers in 1975 but just 7% today.

The agency said it's now considering all its legal options.

"We strongly disagree with the decision by the court, which has the effect of delaying a fair day's pay for a long day's work for millions of hardworking

Americans," the labor department said in a statement. "The department's overtime rule is the result of a comprehensive, inclusive rulemaking process, and we remain confident in the legality of all aspects of the rule."

Opponents fought hard against the rule, saying it would increase compliance costs for employers who would have to track hours more meticulously and would force companies to cut employees' base pay to compensate for overtime costs that kick in more frequently.

"This overtime rule is totally disconnected from reality," said Karen Kerrigan, president and CEO of the Small Business and Entrepreneurship Council. "The one-size-fits-all doubling of the salary threshold demonstrated ignorance regarding the vast differences in the cost-of-living across America."

The court agreed with plaintiffs that the rule could cause irreparable harm if it wasn't stopped before it was scheduled to take effect next week.

The Department of Labor could appeal today's ruling, which might end up at a Supreme Court that includes some Trump appointees.

But the injunction takes political pressure off the incoming administration at an opportune time, according to labor law professor Ruben Garcia of UNLV's Boyd School of Law. With no new overtime changes kicking in December 1st, Trump can accept the status quo and won't have to risk angering workers by walking back overtime benefits shortly after employees start receiving them. ■



Is Molson Coors the Real Winner in the Budweiser-Miller Merger?

■ BY MADISON.COM

Anheuser-Busch InBev (NYSE: BUD) completed its acquisition of SABMiller last month, giving the megabrewer even greater global reach, but the real winner from this merger will actually be Molson Coors (NYSE: TAP), which acquired the other half of MillerCoors it didn't already own. The one-time joint venture will now be the engine that fuels its new parent's frothy gains.

There should be a lot to celebrate going forward, now that Molson Coors has fully acquired a portfolio of brands that will allow it to sell both north and south of the Canadian border. Image source: Coors Light.

BEER SALES GOING FLAT

The tale of brewers quarterly earnings is telling, with Big Beer still facing less heady times.

- Anheuser-Busch InBev reported falling sales, lower volumes, and plunging profits, the sixth consecutive quarter its earnings missed expectations. With Brazil, its second largest market, coming apart, it definitely needs the Miller acquisition to work out.
- Molson Coors also suffered a hangover, with lower sales, volumes, and adjusted profits, though the latter came in ahead of Wall Street expectations. With even its flagship Coors Light brand getting hit, the brewer needs something to spice it up.
- MillerCoors, though, in its last quarterly report before being consumed by Molson Coors, was able to notch marginally higher sales and wider profits. While not even it could buck industry trends, as both sales to retailers (STRs) and sales to wholesalers were down, it saw both the Miller Lite and Coors Light brands

gain market share -- the former for the eighth consecutive quarter.

- Conversely, the original Coors Banquet brand grew STRs, and it looks to be on track for a 10th straight year of growth.
- While there were some notable failures in the quarter, such as Miller Genuine Draft's posting double-digit declines, the real beneficial changes will occur once Molson Coors integrates MillerCoors portfolio fully into its operations.

A TWO-WAY STREET

The brewer is looking to see which brands it owns that would work well north of the border, as well as the ones it's fully acquired that could now move south and be sold in the United States.

The joint-venture agreement that created MillerCoors in 2007 mainly allowed it to distribute beer in the U.S. and Puerto Rico, while granting Molson permission to market and distribute certain Miller brands in Canada, primarily Miller Genuine Draft. A few years ago, that set-up created a period of recrimination between the two brewers when Miller charged Molson with not doing enough to promote its brands and wanting to withdraw from the agreement.

Molson Coors could be golden after fully acquiring the MillerCoors joint venture and planning to enlarge the markets its brands are sold in. Image source: Miller Genuine Draft.

The two eventually settled their differences mainly by agreeing to allow Miller to take over the sales of Miller products, including MGD, which had been part of Molson's Canadian portfolio. Now, though, all of that has been folded into Molson, and it plans to migrate brands in both directions over the border.

On the brewer's conference earnings conference call with analysts, CEO Mark

Hunter said, "We're also assessing the opportunities for Miller High Life and other U.S. brands that we can lift and shift into the Canada market."

A GLOBAL CRAFT-BEER MARKET

He hinted at that strategy recently in an interview with The Canadian Press, when he said the brewer intends to introduce into Canada various mass-brewed and craft beers from the U.S. and Europe, such as Leinenkugel, Miller High Life, Sharp's, and Staropramen. At the same time, he saw the opportunity to bring some of Canada's craft beers, such as Creemore and Granville Island, south and introduce them into the burgeoning U.S. craft-beer market.

Not that the strategy doesn't carry some risks. While the U.S. craft-beer market is large and growing, it has been suffering of late from an explosion of choice. Industry growth slowed to just 6% earlier this year, down from 17%, and much of that was due to slack sales among the largest brands, including Boston Beer's Samuel Adams, New Belgium Brewing, and even Anheuser-Busch's Shock Top.

Still, starting from zero gives Molson Coors a chance to nibble away at some of the market share held by the industry leaders, and imported beers have been one of the stronger segments of the overall beer market, suggesting that even if the beer is coming out of Canada, it still might gain. It also offers Canadian beer drinkers a wider selection of beers they haven't had access to before, which could help expand sales.

Anheuser-Busch InBev may have the global beer market to target, and its results mean it needs the megamerger to work out quickly. But Molson Coors now has the U.S. and Canadian markets to itself, and that could let it see frothy gains in its future. ■



From On-line to In-Store Amazon goes all in on Groceries

■ BY KRIS HARRIS // DENHA MEDIA & COMMUNICATIONS

Competition is nothing new in the food retail business. It comes from different angles – from the retailer down the street, a chain store and now from the Internet.

On-line retail has been around for a long time when it comes to buying clothes, appliances and books. However, those surfing Amazon can buy groceries too.

According to document obtained by Business Insider, over the next 10 years, Amazon is planning to open 2,000 Amazon Fresh grocery stores in the U.S. Brick-and-mortar stores are not new to Amazon, as the e-retailer has already opened bookstores earlier this year. The success of these stores has opened the door to future ventures.

To pilot the program, it will begin with opening just 20 stores initially, while testing different store concepts, before a final plan is decided. The locations for these test sites include New York, Las Vegas, Miami and Seattle. Concept plans range from traditional stores with shopping carts that allow customers to touch and feel the products, while others will focus

on the "click and collect" concept which requires pre-payment of the products before curb-side pick-up.

This move will mean Amazon will tap into the \$800 billion grocery market and will now challenge veteran national chains, such as Walmart. Currently, in the U.S., Walmart has more than 5,000 store locations.

To date, Amazon has only tapped into the grocery market via its delivery service, Amazon Fresh. After the delivery launched in 2007, only 17 in U.S. have been serviced. The new physical stores show signs of Amazon's strong desire to enter the market with more force.

One question that has not been answered is whether or not Amazon plans to open the grocery stores to the public or restrict them to those who have signed up for its Prime Fresh club. In the U.S., the grocery market is the single largest shopping category. However, it has traditionally thin profit margins, as well as operating costs that are higher than average. Should Amazon decide to restrict the stores to just club members, it could use the \$15 monthly fee to help offset the high operating costs.

However, if Amazon chooses

to not go the membership route, it would have the potential to reach a much larger group of customers and open the possibility of increasing sales at a faster rate. A recent report from the Wall Street Journal indicated that the first set of stores would be restricted to only Amazon Fresh members.

As far as the look of these stores, speculation has ranged from a drive-through concept to a c-store layout. According to the Business Insider document, should the stores develop as a drive-thru, it appears they will be approximately 10,000 square-feet in size. However, the physical store model could grow to as large as 30,000 square feet.

Although the total numbers of stores has yet to be finalized, the Amazon documents revealed plans to open 200 stores a year. This would also require new distribution centers for stock and replenishment.

Regardless of the details of final decisions, one thing that is clear is Amazon's decision to enter a proven market. Entering this market, in today's technology driven world, will also allow them the ability to do it in way that caters to the tech-savvy consumer. ■

87% Of Retailers Didn't Sell Tobacco to Underage Youth in 2016

Roughly 87% of Michigan retailers did not sell tobacco to youth under 18 this year, marking the 16th consecutive year vendors have been in compliance with the federal minimum rate of 80%, the Office of Recovery Oriented Systems of Care reported (OROSC).

The 2016 rate represents a 2.8% improvement from last year. The OROSC conducted random unannounced inspections statewide to measure the rate of illegal sales of tobacco to Michigan youth in which a youth inspector tried to buy cigarettes.

If Michigan had fell below 80%, the federal government could cut by 40% a block grant used for substance abuse prevention, which, for Michigan, could have meant \$22 million. ■



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U.S. Supreme Court to Hear Credit Card Fee Case

The case involves several New York businesses that want to inform customers that using a credit card costs more

■ BY NACS ONLINE

A New York hair salon that wanted to let customers know they would be charged more for paying with plastic has taken its case to the U.S. Supreme Court, Stateline reports. Expressions Hair Design displayed signage at its register to inform customers paying with credit cards that an additional fee would be added to their bill to cover the transaction cost. However, in New York, it's illegal for businesses to charge more for credit card purchases—but those retailers are allowed to offer a discount for cash purchases.

“All these laws are really doing

is regulating speech in a way that favors credit card companies because it masks the costs of credit to consumers,” said Deepak Gupta, the Expressions attorney. Basically, the law states “you can say the glass is half full, but you can't say it's half empty.”

However, New York Attorney General Eric Schneiderman sees the law as not restricting speech but keeping businesses from jacking up posted prices. That's not a view shared by seven behavioral economics professors, who wrote a friend-of-the-court brief for the retailers.

“When consumers are offered a small discount for paying in cash,

they are often willing to ignore it for the sake of convenience, treating the discount as a lost opportunity cost,” the brief stated. “When consumers are asked to pay a premium on top of the perceived base price, however, they perceive it as an out-of-pocket cost.”

Neither MasterCard nor Visa have taken a position on this case, both declining to comment. Nine other states have similar laws on the books: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, Oklahoma and Texas. Expressions Hair Design v. Schneiderman will be heard by the high court in early 2017. ■

Dr Pepper Snapple Buys Bai Brands

The soda maker will purchase the antioxidant drink manufacturer for \$1.7 billion

■ BY NACS ONLINE

Dr Pepper Snapple Group has announced its plans to purchase Bai Brands for \$1.7 billion, Fortune reports. Bai makes antioxidant beverages.

“We're excited to welcome Bai into our family of great brands,” said Larry Young, DPS president and CEO, in a press release. “In a relatively short time, Bai has carved out a leadership position in the enhanced water category and has now extended that success into other fast-growing and profitable

categories. We're equally impressed with their innovation pipeline, which will continue to meet the needs of consumers seeking great tasting, low-calorie beverages with natural flavors and no artificial sweeteners.”

Analysts point out that the move is another instance of soda makers acquiring beverages that have a healthier “glow.” Bai means “pure” in Mandarin Chinese.

Bai uses plant-based ingredients to sweeten its drinks before infusing them with antioxidants from white tea and coffee fruit. The beverages

contain no artificial sweeteners, and boast five calories and one gram of sugar per serving.

“Over the past seven years, Bai has proven to be an agent of change in a marketplace that is rapidly evolving,” said its founder Ben Weiss, in a press release. “We've worked tirelessly to challenge the notion that better-for-you beverages can't taste good.”

Dr Pepper Snapple already held a minority share in the company, which it bought last year for \$15 million. The deal will probably close during the first quarter of 2017. ■



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Winners and Losers in the Grocery Industry from Deflation

■ BY ANDREW HARIG //
FOOD MARKETING INSTITUTE



We're in the midst of one of the longest periods of food price deflation in more than 50 years. USDA reports that the consumer price index has been negative on a year-over-year basis since December 2015, causing severe

pressure on same-store sales growth. Retail beef prices have declined in some areas by nearly 8%, with pork and poultry on a similar (but slightly less steep) downward trend. USDA predicts we could see up to a 19% decline in the CPI for eggs in 2016, and the dairy sector is in dire enough straits that USDA Secretary Tom Vilsack has authorized two rounds of government purchases of surplus cheese. It doesn't look like this trend is likely to let up in the near future.

This certainly is not the first time that the industry has had to face declining food prices, but an interesting plot twist this time around is that this deflationary

period is taking place during an economic recovery, not during a recession. This is creating some unique winners and losers across the supply chain.

WINNER – CONSUMERS

The biggest winners are consumers, who are experiencing lower prices on a host of products. There have been stories around the country of eggs selling for a dollar a dozen and other deals that seem too good to be true.

WINNER – RETAILERS THAT CAN WORK WITH CONSUMERS TO TELL A “SAVINGS STORY”

Retailers are finding that they need to be aggressive in working with consumers to help them take advantage of price savings. Retailers who can tell a strong savings story with their customers will clearly emerge from this deflationary period stronger.

LOSER – RETAIL MARGINS

This round of deflation has its roots in farm country, but farm production only accounts for about 15.9% of the average food dollar, and this number decreases as the role of food processing in a finished food increases (see infographic).

Operating a grocery business is vastly different than it was a decade ago with an onslaught of new competitive channels, a cantankerous regulatory environment and the fact that food shopping has become a team sport among households, making it more difficult to pinpoint your customers. Some retailers are pushing prices even lower as a means to drive traffic into their stores. The end result is that already tight margins are being decimated.

LOSER – FARM COUNTRY

Even as retailers struggle to address the impact of deflation on their margins and the industry as a whole, they cannot afford to ignore the longer term effects on farm country. Whenever this period of deflation comes to an end, the supply chain is likely to look different than when it started.

Learn more about the impact of food price deflation on the grocery industry by watching this recent webinar hosted by FMI and The Food Institute with the U.S. Department of Agriculture Economic Research Service, John Dunham and Associates, and SpartanNash. Access this members-only webinar at www.fmi.org/MemberOnlyWebinars. ■

Amazon Builds ‘Drive-In’ Grocery Store

The first brick-and-mortar location for the online retailer will resemble a 1950s drive-in diner rather than a traditional supermarket

■ BY NACS ONLINE

In October, Amazon announced it would be opening a drive-in grocery store as well as convenience store locations in a move from online to on-the-ground. Now, in its hometown of Seattle, the online retailer prepares to open its first brick-and-mortar location, a drive-in grocery store that will harken back to a 1950s drive-in diner more than a regular supermarket, the Financial Times reports.

This location features a large awning to house customers, who will order groceries online, then drive to the pickup location, where someone will bring out their order. Amazon has been expanding its Amazon Fresh grocery delivery for a while; the service is now available in 17 markets. However, Amazon only has 1% of the U.S. grocery market.

“Grocery is the company’s biggest potential for revenue upside,” said John Blackledge, an analyst with Cowen.

Blackledge estimated that Amazon is on track to increase its food and beverage sales from \$9 billion in 2016 to \$23 billion by 2021.

Despite the rapid growth of online sales, more than 80% of U.S. retail sales are from physical locations. “You can only grow faster than the market for so long before the law of large numbers catches up with you,” said Scott Jacobson with Madrona Venture Group. “You have to go after a few different markets—and this is a different market.” ■



Visa Changes Rules to Avoid Enforcement Action by The Federal Trade Commission

Recent scrutiny by the FTC and Federal Reserve Board of Governors triggered the modification

■ BY NACS ONLINE

Recently, Visa agreed to change their rules and requirements for payment system stakeholders regarding the rollout of EMV smart chip technology in the United States. The move comes after careful scrutiny from the Federal Trade Commission (FTC) and Federal Reserve Board of Governors under which it became apparent that Visa was violating current law that requires competition for debit network routing services.

Last month, NACS and a group of associations representing retailers wrote to Visa insisting that

it change its practices to comply with the law. The letter made clear that ensuring merchants have competitive choices among debit networks is a key part of a free market for debit transactions.

To avoid further enforcement action, Visa agreed to amend its rules that handcuffed merchants so that they could not choose the networks they wanted on debit transactions. The FTC announced it would halt the investigation due to these changes, while reserving its rights to revisit this violation in the future.

The FTC launched an investigation into Visa's market practices after several payment system

stakeholders, including consumers, merchants and domestic debit networks, raised concerns regarding Visa's rules and requirements that restricted routing options within EMV. The FTC notes their investigation found that limited network availability on separate EMV applications inhibits merchant routing choice guaranteed by law.

Furthermore, a Visa Business News notice clarifies that merchants "can promote their preferred verification method, including by discouraging the use of signature" and can route transactions to any network regardless of whether or not a PIN is entered. ■

Visa Announces EMV Delay

The card company has changed the U.S. domestic EMV activation deadline for automated fuel dispensers until 2020

■ BY NACS ONLINE

Visa Inc. has delayed its deadline for installing EMV chip-card readers in U.S. gasoline pumps after retailer discussions made clear that they would not have enough time to complete the multibillion-dollar upgrades, reports Bloomberg.

According to Visa: "There has been great progress with EMV migration in the U.S. to date. More than 1.7 million merchants representing more than a third of storefronts are now accepting chip cards; 388 million Visa chip cards have been issued in the U.S., and we are already seeing a 43% reduction of counterfeit fraud at chip-enabled merchants.

While we remain committed to moving businesses to chip technology as quickly as possible, we are also constantly monitoring industry progress and attempting to proactively address marketplace realities and known challenges wherever possible. Some of these challenges were anticipated as we embarked on the migration to EMV chip and others are unique to the U.S. because of the complexity of the environment and regulatory requirements that do not exist anywhere else.

The fuel segment has its own unique challenges, which we recognized when we first set the chip activation date for automated fuel dispensers/pumps (AFDs) two years after regular in-store locations. We knew that the AFD segment would need more time to upgrade to chip because of the complicated infrastructure and specialized technology required for fuel pumps. For instance, in some cases, older pumps may need to be replaced before adding chip readers, requiring specialized vendors and breaking into concrete. Furthermore, five years after announcing our liability shift, there are still issues with a sufficient supply of regulatory-compliant EMV hardware and software to enable most upgrades by 2017.

We have been engaging with participants throughout the payment system and analyzing the issues extensively. An important element of our study has been that fraud rates at fuel pumps are relatively low—approximately 1.3% of total U.S. payment fraud. A number of readily available fraud prevention tools, such as Visa Transaction Advisor (VTA), have been particularly successful in driving fraud lower at fuel dispensers.

Given our discussions with merchants, clients and partners, Visa has decided to delay the U.S.

domestic AFD EMV activation date from October 1, 2017 to October 1, 2020. The EMV liability shift at ATMs will not change and will take effect as planned on October 1, 2017. We believe we have reached a balanced conclusion for providing needed, additional time to merchants while continuing to push forward with the migration to chip."

"Conexus and NACS have worked diligently over the past two years with the stakeholders to identify the very real challenges facing fuel retailers as they work to avoid liability shift and comply with EMV. I believe that the card brands have come to understand that these challenges are not of retailer creation, but a result of late specifications, certification complexity and supply chain constraints, rather than a lack of resolve to adopt EMV," said Gray Taylor, executive director of Conexus.

"We are still sifting through the details, but the announcement appears to not clearly delay liability in that retailers who experience higher fraud rates or those accepting foreign issued cards; so we don't see this announcement as a true game delay, but a bit of breathing room to work out the challenges," Taylor said. ■



More Online Retailers Moving to Actual Stores

The age of web-based shopping has fueled brick-and-mortar openings

■ BY NACS ONLINE

Online shopping has changed the buying habits of Americans, but many online-only retailers are opening physical locations to further enhance the shopping experience, the New York Times reports. For example, last month, Amazon.com hinted that it might open convenience stores.

Both big and small companies online are finding that an actual store has allowed them to reach more customers and build their brands. In the United States, online sales will hit \$394 billion in 2016, according to Forrester Research. That number is less than 12% of total retail sales, which Forrester

Research predicts will reach \$3.4 trillion this year.

However, online-influenced sales at brick-and-mortar stores (when a consumer looks online for a product but goes to a store for purchase) will generate an additional \$1.3 trillion—around 38% of all retail sales. “Stores are still vitally important,” said Fiona Swerdlow, a vice president and research director at Forrester Research. “But the influence of digital touchpoints is huge.”

The Internet provided companies with an easier way to connect directly with consumers. “In a lot of categories, you’re seeing a significant shift from wholesale, as a percentage of

their total revenue, to direct channels,” said Al Sambar, a managing partner at Kurt Salmon. Brands find that it’s easier to have a personal relationship with a customer online as well.

But what those companies are finding out now is that customers also want to visit a physical store. Traditional retailers like Saks are helping shoppers integrate their online experience with an in-person one, while online-only companies are branching out into actual stores. “We’re seeing this convergence where it’s the best of both worlds,” said Steven Barr, U.S. retail and consumer leader at PricewaterhouseCoopers. “It’s centered around extraordinary technology and extraordinary customer service.” ■

Big Winner Is Marijuana

Voters in three states—and a potential fourth—approved recreational marijuana initiatives, and several other states passed medical marijuana provisions

■ BY NACS ONLINE

Trump may have won the White House, but voters who support legalizing marijuana proved to be big winners as well, reports The Washington Post.

The news source writes that voters in California, Massachusetts and Nevada approved recreational marijuana initiatives, “in what is turning out to be the biggest electoral victory for marijuana reform since 2012, when Colorado and Washington [state] first approved the drug’s

recreational use.” As of this morning in Maine, the “yes” vote leads by less than 1 point with 98% of precincts reporting.

In Arizona, 52% of voters just said no to passing a measure that would have legalized marijuana in the state. In terms of medical use, voters in Florida, North Dakota and Arkansas approved medical marijuana initiatives, reports the Post, while voters in Montana rolled back restrictions on an existing medical cannabis law.

While weed enthusiasts rejoice, a new administration is sending

up smoke signals for cannabis supporters. The Post notes that a Trump White House “leaves a lot of uncertainty about the fate of marijuana measures in the next four years,” following up on an Obama administration that had been hands-off regarding state-level efforts to legalize marijuana.

“The prospect of Rudy Giuliani or Chris Christie as attorney general does not bode well,” Ethan Nadelmann, executive director of the Drug Policy Alliance, told the news source. “There are various ways in which a hostile White House could trip things up.” ■

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SpartanNash Acquiring Parts of Caito Foods Service

Deal will boost retailer/distributor's fresh prepared capabilities

■ BY PROGRESSIVE GROCER

Midwestern grocery retailer and distributor SpartanNash will acquire certain assets of Caito Foods Service and Blue Ribbon Transport (BRT), including Caito's produce distribution and fresh-cut fruits and vegetables businesses, its newly constructed Fresh Kitchen facility for fresh-prepared foods, and Blue Ribbon's logistics business.

The \$217.5 million deal, expected to close in January, is aimed at strengthening SpartanNash's product offerings to its existing customer base by expanding into the fast-growing freshly prepared centerplate and side dish categories.

"We are excited about this opportunity to expand our presence in serving some of the fastest-growing categories in grocery, including fresh produce, value-added fruits and vegetables and protein-based prepared food," said Dennis Edison, SpartanNash's CEO and chairman. "Caito Foods Service is a premier distributor with best-in-class food processing facilities. In addition, Caito's service area is complementary to our current distribution footprint, and we look forward to serving customers in new areas in addition to enhancing our offerings to existing customers. In short, this acquisition further strengthens our platform and enhances our ability to help our customers serve their consumers, benefiting our associates and the communities we serve, as well as delivering value for shareholders."

Caito and BRT will become part of SpartanNash's food distribution segment. Caito's senior leadership team, including Caito President Robert Kirch and Blue Ribbon Transport President David Frizzell, will join SpartanNash upon completion of the transaction. Kirch will report to Dave Staples, SpartanNash president and COO; Frizzell will report to Derek Jones, SpartanNash EVP and president of wholesale and distribution operations. Both will continue in their roles and

oversee the acquired operations, which will remain based in Indianapolis.

"With our long history and family tradition of processing and distributing fresh, convenient, healthy foods, we are excited and proud to join an organization that shares our passion and commitment to serve customers with the freshest foods," Kirch said. "We are looking forward to joining the SpartanNash family to expand and enhance our combined ability to deliver high quality fresh products efficiently to a greater number of customers across the country."

Founded in Indianapolis in 1965, Caito Foods Service is a leading supplier of fresh fruit and vegetables to grocery retailers and foodservice distributors across 22 states in the Southeast, Midwest and Eastern United States. Caito and BRT, which generate combined annual revenues in excess of \$600 million, currently service customers from facilities in Indiana, Ohio and Florida.

Caito has a central fresh-cut fruit and vegetable facility in Indianapolis and is completing construction on its new 118,000-square-foot Fresh Kitchen facility, also in Indianapolis. The \$32 million Fresh Kitchen will process, cook and package fresh protein-based foods and complete meals; it is expected to be fully operational in the first quarter of 2017. The company offers temperature-controlled distribution and logistics services throughout North America through its affiliate Blue Ribbon Transport.

Grand Rapids, Michigan-based SpartanNash's core businesses include distributing grocery products to independent grocery retailers, national accounts, its corporate owned retail stores and U.S. military commissaries. With locations in 47 states and the District of Columbia, Europe, Cuba, Puerto Rico, Bahrain and Egypt, SpartanNash operates 159 supermarkets, primarily under the banners of Family Fare Supermarkets, Family Fresh Market, D&W Fresh Market and SunMart. ■

FDA Updates Menu-Labeling Compliance

The compliance date will now move to the enforcement date of May 5, 2017

■ BY NACS ONLINE

Buckling to pressure brought by NACS and other allies, FDA announced late Friday that it would be issuing a new rule to move the menu-labeling compliance date to the enforcement date of May 5, 2017. Once this new rule is published, convenience stores nationwide will no longer be in jeopardy of private lawsuits, and c-stores in California will no longer be at risk of state or local enforcement of the state's own statute, prior to May 5, 2017. While this is welcome news it certainly does not solve the underlying problems with the rule itself.

The FDA has essentially reversed itself from its menu-labeling "clarification" announced earlier this week. On November 29, the FDA announced that—even though it would not be enforcing the menu-labeling rule until May 5, 2017—retailers were still expected to be complying by December 1. This conflicted with the information FDA had been communicating to the industry for months prior: that the May 5, 2017, date was the one that mattered.

NACS continues to work with its industry and congressional allies to affect the passage of the Common Sense Nutrition Disclosure Act. The legislation will provide all retailers with the compliance flexibility needed to make the FDA menu-labeling rule work across all industries affected by this regulation. ■



Cigarette Smoking Declines by 8.6 Million

A new CDC report shows the smoking rate among U.S. adults dropped 6% from 2005 to 2015

■ BY NACS ONLINE

Smokers are lighting up less in the United States, NPR reports. A new report from the Centers for Disease Control and Prevention found that the smoking rate among the adult population dropped from 21% in 2005 to 15% in 2015. The rate declined 1.7 percentage points between 2014 and 2015—a huge decrease, according to the study in Morbidity and Mortality Weekly Report. Overall, 8.6 million fewer adults are smoking today than in 2005.

With California approving a \$2 per pack cigarette tax last week, health advocates predict even more Americans will kick the habit. “Raising the tobacco tax is probably the single most effective way to reduce smoking, especially among kids,” said Vincent Willmore, vice president for communication at the Center for Tobacco Free Kids.

The new report finds that the West has the lowest smoking rates, even though taxes are higher in other parts of the country. Smoking rates are the highest in the Midwest. More men smoke than women too.

As cigarette smoking has decreased in the United States, vaping has become more popular. Some researchers are considering whether smokers have simply switched to electronic cigarettes rather than given up tobacco altogether. No data supports that claim, however. ■

Consumers Crave More Protein

For many consumers, protein means healthy

■ BY NACS ONLINE

From smoothies to salty snacks, consumers can't seem to get enough of protein, reports Bloomberg. And for many consumers, protein has become code for healthy.

In fact, when Americans seek out healthy products, protein is the term that's searched for most, according to Mintel Group, with 63% of consumers looking for products rich in protein, followed by fiber (61%), whole grains (57%) and organic ingredients (36%). Of those on weight-loss diets, Mintel says that 66% of consumers look for protein.

From October 2015 to October 2016, 3.8 billion food products claiming to be an "excellent source of protein" were sold in the United States, according to Nielsen, representing growth of 11.6% in just one year.

Data from Euromonitor suggests that Americans are eating more protein than the average global consumer, writes Bloomberg, adding that Americans “are wolfing down about twice as much protein as is recommended.”

So is too much protein a bad thing?

“There is a fair amount of evidence that higher protein levels in the diet are good for filling you up and perhaps making it easier to lose weight,” Lawrence J. Cheskin, M.D., director of the Johns Hopkins Weight Management Center, told Bloomberg. However, he cautions that many folks are already eating more protein than they need. “Even people trying to work out and get stronger are eating plenty already.” ■

Grocery Order Tracking Inc. Electronic Grind Log

■ BY GROCERY ORDER TRACKING INC.

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PAPER PRODUCTS & PACKAGING SUPPLIES

Bunzl USA. (810) 714-1400
Joshen Paper & Packaging (216) 441-5600

PAYROLL SERVICES & MORE

Trion Solutions, Inc. (248) 971-1030

PIZZA SUPPLIERS

Hunt Brothers Pizza (615) 259-2629

POINT OF SALE & RETAIL TECHNOLOGY

BMC-Business Machines Company. (517) 485-1732
C Mart Technologies (916) 396-5794
Great Lakes Data Systems... (248) 356-4100 ext. 107
Reward Geek (248) 268-9000
RSA America LLC (312) 471-6700

PRINTING, PUBLISHING & SIGNAGE



Fisher Printing (708) 598-1500
Huron Web Offset Printing. (519) 845-0821
Pace Custom Printing. (248) 563-7702

PRODUCE DISTRIBUTORS



Heeren Brothers Produce **M** ... (616) 452-2101
Anthony Marano Company (773) 321-7500

PROPANE




Pinnacle Propane Express ... (847) 406-2021

REAL ESTATE



Sell Your Business Program .. 1-800-666-6233
NAI Farberman (Commercial Real Estate) (248) 351-4386
Signature Associates (248) 359-3838

REFRIGERATION SOLUTIONS (COMMERCIAL)

 **SRC Refrigeration** 1-800-521-0398
National Resource Management, Inc. . (781) 828-8877
RW International (586) 920-2796

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Tyler Supply Company 3611 (269) 345-2121

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 **Lipton Rebate Program/Pepsi Beverages**
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..... Howell  1-800-878-8239
..... Pontiac  (248) 334-3512
..... Cleveland  (216) 252-7377
..... Twinsburg  (330) 963-5300

 **Coca-Cola Refreshments** *(Metro Detroit Program)*
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..... Belleville  (734) 397-2700
..... Port Huron  (810) 982-8501
..... Cleveland  (216) 690-2653

 **Faygo Beverages, Inc.**  . . . (313) 925-1600
Absopure Water Co. 1-800-334-1064
Dr. Pepper Snapple Group/7UP (313) 937-3500
LXR Biotech, LLC (248) 836-4373

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R J Reynolds Tobacco Company (336) 741-0727
Tobacco Import USA (248) 336-2977




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GHS Hazardous Chemical Labeling Requirement Training
Meat Room Sanitation Education
TIPS Alcohol Training for Intervention Procedures
UST Owner/Operator Class "A" and Class "B" Training

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North Shore Transportation Group . . . (224) 210-1844

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 **Detroit Chemical & Paper Supply / 1st Impressions** (586) 558-8805
 **Socks Galore Wholesale** . . . (248) 545-7625
 **UniFirst** (888) 256-5255 ext. 232

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 **Midwest Recycling**  *(American Red Cross boxes)*
..... (313) 304-9099
Schupan Recycling. (269) 207-5448

WINE & SPIRITS COMPANIES

 **Benchmark Beverage Co.** . . . 1-800-666-6233
Bacardi Martini U.S.A. (972) 712-9140
Beam Suntory, Inc. (248) 471-2280
Brown-Forman Beverage Company . . . (248) 393-1340
BuzzBallz, LLC (972) 242-3777
Carmela Foods Distributors. (586) 294-3437
Cornerstone Wine Distributor (586) 839-2552
Diageo 1-800-462-6504
Heaven Hill Distilleries 1-800-348-1783
Luxco (313) 333-4637
North American Spirits & Wine (248) 535-0707
Pernod-Ricard USA. (248) 717-3177
Proximo Spirits (810) 278-0599
Remy Cointreau USA (248) 347-3731

WINE & SPIRITS DISTRIBUTORS

RNDC of Michigan 1-888-697-6424

If you are a supplier
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Feeding America West Michigan Food Bank -
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Cadillac (231) 779-0056
Feeding America West Michigan Food Bank -
Ishpeming (906) 485-4988
Feeding America West Michigan Food Bank -
Sault Ste. Marie (906) 632-0348
Food Bank of Eastern Michigan (810) 239-4441
Food Bank of South Central Michigan .. (269) 964-3663
Food Gatherers (734) 761-2796
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Gleaners Community Food Bank (866) GLEANER
Greater Lansing Food Bank (517) 908-3680
Kalamazoo Loaves & Fishes (269) 343-3663
The Manna Food Project (231) 347-8852
Western Upper Peninsula Food Bank ... (906) 482-5548

OHIO

Akron-Canton Regional Foodbank (330) 535-6900
Cleveland Foodbank (216) 738-2265
The Foodbank, Inc. (937) 461-0265
Freestore Foodbank (513) 482-4500
Mid-Ohio Foodbank (614) 274-7770
SE Ohio Foodbank & Kitchen (740) 767-4500
Second Harvest Food Bank of Clark, Champaign and
Logan Counties (937) 325-8715
Second Harvest Food Bank of North Central Ohio
..... (440) 960-2265
Second Harvest Food Bank of the Mahoning Valley
..... (330) 792-5522
Shared Harvest Foodbank (800) 352-3663
Toledo Northwestern Ohio Food Bank . . (419) 242-5000
West Ohio Food Bank (419) 222-7946





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Location TBA // Chicago, IL

APRIL 18, 2017

AFPD'S 33RD ANNUAL INNOVATIONS BUYING SHOW

AFPD's longest running trade show has retailers looking to fill their shelves for the spring and summer months. The Annual Innovations Buying Show is known for high-quality attendees, non-stop interaction and exhibitor satisfaction. Admission for AFPD members is free. Must be at least 21 years old to attend this show.
Suburban Collection Showplace // Novi, Michigan

JUNE 20, 2017

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Every year, the AFPD Foundation awards academic scholarships in the amount of \$1,500 each to extraordinary and deserving students in Michigan and Ohio. Help the AFPD Foundation invest in the leaders of tomorrow. Tickets and sponsorship opportunities available.
Detroit Athletic Club // Detroit, MI

publishers statement

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