

BottomLine



THE VOICE OF INDEPENDENT RETAILERS // VOL. 28, NO. 4 // APRIL 2017

Got Milk? If so, What Kind?

There is growth in non-animal milk products in the industry. The options continued to expand.

pg 22

■ Flashback: The Ugly morning after // PAGE 4

■ AFPD Prevails in Lawsuit // PAGE 10

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columns

02 CHAIRMAN'S MESSAGE
Always Doing What is Right

06 TOBACCO NEWS & VIEWS
Tobacco Investigations/Audits

08 PETROLEUM NEWS & VIEWS
Petroleum Day at the
Capital: A Huge Success

14 MICHIGAN LOTTERY REPORT
Doubler Days Returns in April;
Expected to Boost Club Keno,
Fantasy 5, Lotto 47 Sales

16 OHIO LOBBYIST REPORT
Not Exactly March Madness

18 OHIO LIQUOR REPORT
Modernizing the Liquor Enterprise

20 ILLINOIS LOBBYIST REPORT
AFPD Retains Illinois Lobbying
Firm of Morrill & Associates, P.C.

departments

12 ALCOHOL LAW INFORMATION

- Information on New Third Party Facilitator Service License and Direct Shipping of Wine by Specially Designated Merchant Licensees
- Information on Changes to Growler Filling Law Effective April 9, 2017

26 RETAILER SPOTLIGHT
The Wine Palace is a
Shangri-La of Spirits

28 SUPPLIER SPOTLIGHT
Advancements in Technology
help advance your Business

31 POLICY WATCH
Doing Business in Detroit: When
The Deck Is Stacked Against You

34 VINO PICK OF THE MONTH
Joel Gott: Cabernet Sauvignon '815'

36 SAFETY SENSE

- Blue Cross Lowering Insurance Rates for Michigan's Small Businesses
- BWC Proposes Another \$1 Billion Workers' Compensation Rebate

38 EXPRESS LINES
Industry-Wide Items of Interest

49 SUPPLIER DIRECTORY
Your Resource for Products and Services

52 AFPD CALENDAR
Upcoming Industry Events

BottomLine



THE VOICE OF INDEPENDENT RETAILERS
VOL. 28, NO. 4 // APRIL 2017

features



FLASHBACK // THE UGLY MORNING AFTER

Out of the shambles of the rioting and evil disturbances came disbelief, despair, disgust and dejection, especially for businessmen who were cruising down Motor City streets and that their establishments were demolished.



AFPD PREVAILS IN LAWSUIT

In case you haven't heard the AFPD filed a lawsuit against the Michigan Liquor Control Commission (MLCC) and the State of Michigan on March 22nd. The lawsuit was based on the secretive process used to eliminate what is commonly known as the Half Mile Rule. The MLCC wrongfully utilized an expedited rule making process that provided for no public comment and no legislative oversight.



COVER STORY // GOT MILK? IF SO, WHAT KIND?

The famous campaign asks: Got Milk? What grocers need to be asking: Got Milk from both animal and plant-based sources? There is growth in non-animal milk products in the industry. The options continued to expand. The refrigerated sections of the grocery store have options like almond, soy, cashew, coconut, rice and even hemp. If your store doesn't have these options, you might consider stocking up.



chairman's message

PHIL KASSA // AFPD CHAIRMAN

Always Doing What is Right

You know what people says about opinions; I will keep my language clean and just say everyone has one. Sometimes opinions change over time and at times circumstances can also change which is understandable. Organizations must remain flexible and dynamic overtime in order to last and thrive over 107 years like AFPD has, since 1910. Did you know that AFPD started off as the Detroit Retail Meat Cutters Association? Did you know we have gone through four mergers in our 107 years of history? How many standalone meat cutters are left in business? What if AFPD did not merger and change with the time and change with the industry? Simple and obvious answer, we would cease to exist.

Recently AFPD stood up when nobody else did and sued the State of Michigan and the Michigan Liquor Control Commission (MLCC) over the way they tried to abolish the half mile rule which has been around since 1979. Within 8 days of AFPD filing the lawsuit, the MLCC must have known they were going to lose and decided to withdraw their rule recession if we dropped our lawsuit. This was a huge win for AFPD and most of our members. This specific MLCC will again try to eliminate the half mile rule, like they have done before, but they must do it with public hearings and a process where everyone can be heard, not in a secretive manner. If AFPD was not around, who would have done this?

We know you can never be in complete agreement with everything AFPD does because we tackle so many issues, but we are always fair, objective, logical and think of the overall industry. We do not operate emotionally and based on selfish interests. For instance, I am a third-generation grocer and I do not have liquor at any one of my four supermarkets because of the half mile rule. As much as this would help my business, as Chairman I know this would not be good for a majority of our members and the industry, who has operated around this rule since 1979. AFPD is all about doing what is right for the industry. We do our best with the cards we are dealt and always have a clear conscience. People who may not like what we do are either misinformed or just have an ax to grind, but everything we do is in the open without any secret agendas.

Some people ask me how can AFPD represent supermarkets, gas stations, liquor stores and vendors equally and fairly? This is actually very easy to answer and is one of the reasons for our growth. We always have open lines of communication at our meetings and we keep the fight inside the tent versus having a fractured industry for the public to see. Plus, nowadays, every channel in our industry is selling the same items. Supermarkets have gas stations, liquor stores have food service, gas stations have convenience stores, dollar stores have beer and wine. All the channels have merged to some degree and we have consolidation today more than ever at all levels. Supervalu just merged with Unified Grocers, and Sherwood merged with Harvest, and Central Grocers in Illinois will cease to exist by the end of the year and we are sure there is more to come.

Rest assured you always have a voice at AFPD and we are always fighting for what is right for the industry! You may not always agree with us right away, but over time we have been tried and tested and will continue to keep moving forward to protect your best interests! God Bless. ■

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The August 1967
cover of the
AFPD magazine,
formerly known as
The Food Dealer.



THE FOOD DEALER

The Magazine of The Greater Detroit Food Market

AUGUST, 1967



Ruins of the Big Dipper Super Market on Brush Street.

The Ugly Morning After

Out of the shambles of the rioting and civil disturbances came disbelief, despair, disgust and dejection, especially for many businessmen who were awakened in mid-July to learn that armored tanks were cruising down Motor City streets and that their establishments were demolished. The ugly morning after

(Continued on Page 3)

Insurance Problem — Page 14



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THE VOICE OF INDEPENDENT RETAILERS
AFPD MEMBER EXCLUSIVE



tobacco news & views

EDWARD WEGLARZ // AFPD DIRECTOR, PETROLEUM

Tobacco Investigations/ Audits

If you sell tobacco in Michigan, you need to read this article!

The Michigan State Police (MSP) are actively conducting tobacco investigations and audits at retail establishments, especially gas stations and convenience stores. They are acting on behalf of the Michigan Department of Treasury looking for untaxed items.

Just so you know what they are looking for and the laws and regulations they are actively enforcing, here's a rundown.

You must have available, whenever your store is open for business, the last four (4) full months of original invoices for all tobacco products in your store: cigarettes, cigars, snuff, loose tobacco and any other tobacco-like products. So, save your invoices from any and all tobacco suppliers, file them in a folder or envelope and have them immediately handy for your cashiers to provide to the MSP. MSP will not wait for you to travel from home to your store if you are not there. MSP will not wait for you to retrieve your invoices from your accountant or your off-premise office. Original invoices must be available immediately during all hours that you are open for business.

If your accountant wants your invoices at the end of the month, give him a photocopy, not the original. I will also mention that it is illegal to transfer and/or trade tobacco products between locations even if you own and operate both of the locations involved in the transaction. Only businesses holding wholesale cigarette licenses can legally do so.

While doing the investigation/audit they will also be looking for illegal drug paraphernalia. Save yourself some trouble, don't stock or sell such items.

MSP will also check for counterfeit NHL, MLB, NFL, NBA and college wearables. Don't stock or sell "stuff" that is offered by the guy selling out of the unmarked van!

The officers will usually be in plain clothes. They should be professional and respectful of you, your employees and your business. You need to act in the same way. You should ask each officer for MSP identification and a business card, while providing each officer with your identification and business cards.

If you have security camera footage save it to validate the date of the visit and how many officers visited your premises. Don't be surprised if the number of officers that visit is between 6 and 8!

The advantage of having all the paperwork ready and available for review is the fact that the MSP "team" will be in and out of your store within an hour. If you don't have the paperwork ready they could be there for hours inventorying all your undocumented tobacco products. And they could confiscate the tobacco products without invoices, and you won't get them back until the product is stale. ■



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- Access to AFPD approved national and local programs (where applicable).

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petroleum news & views

DAN PAPINEAU // AFPD DIRECTOR, GOVERNMENT RELATIONS

Petroleum Day at the Capital: A Huge Success

On February 28th hundreds of members of the petroleum industry descended on Lansing to engage with key decision makers. Along with groups representing the drilling, refining, and wholesaling communities, AFPD participated on behalf of the retail side of the industry. All segments of the industry were on hand to show that the petroleum industry is not just big refiners or fuel retailers, but an entire system that includes different parts that are all equally important and all dependent on each other.

The day consisted of several meetings with legislators including the Speaker of the House and key committee chairs. We also hosted a legislative luncheon which drew in several legislators and members of the industry to engage in one-on-one discussions in a relaxed atmosphere. The luncheon allowed retailers, refiners, wholesalers, and oil drillers an opportunity to discuss key issues facing the petroleum industry in a personal setting that is difficult to acquire in a traditional meeting in a legislator's office.

In addition to meeting with legislators, members of the petroleum industry who attended the event were able to attend committee hearings where issues important to us were being discussed and peak in on official proceeding of both the House and Senate.

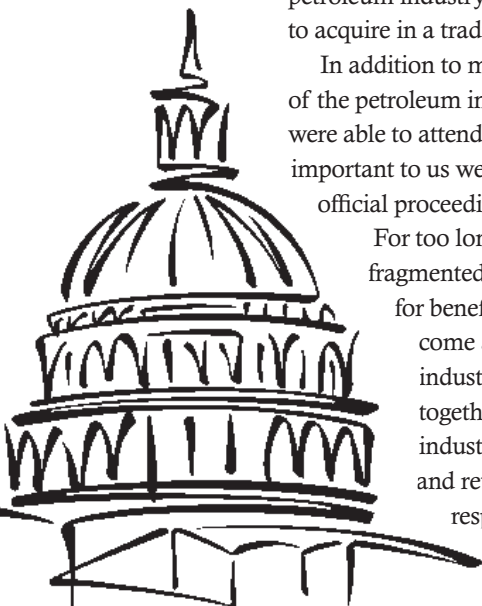
For too long the petroleum industry has been fragmented when it comes to advocating for beneficial public policy. It should not come as a surprise that a fragmented industry is not as strong as one that works together. For decades, each part of the industry (extraction, refining, wholesaling, and retailing) have protected their own respective interests. This has to change. To become more powerful



and to amplify our voice in the legislative process everyone must come together for the betterment of the entire industry. What hurts domestic oil drilling will eventually hurt fuel retailers. Similarly, what hurts fuel retailers will hurt wholesalers. Each part of the industry is related and what effects one segment, effects the others.

As the petroleum industry, we contribute more than \$16 billion to Michigan's economy on an annual basis. This amounts to 4.1% of our state's total gross domestic product. The industry employs 182,000 people and contributes \$8.8 billion in income for Michigan's citizens. This is the information we need to put forward and in front of key policy makers. Together, the petroleum industry makes a huge contribution to our state's economy and this fact cannot be overlooked. Detrimental laws and regulations that hurt any part of the industry will hurt the state's economy and the wellbeing of its citizens.

Overall, the day was a huge success and really showed the collective strength of the industry. If you are ever provided an opportunity, make sure you make an effort to build a relationship with your legislators. Having a personal connection to them is very important. AFPD is here to keep members updated and inform them of positive and negative policies being discussed in Lansing. If you, as an AFPD member, can take this knowledge and reach out to a legislator you have built a relationship with we will have continued success in influencing policy. ■



happy easter



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michigan lobbyist report

DAN PAPINEAU // AFPD DIRECTOR, GOVERNMENT RELATIONS

AFPD Prevails in Lawsuit

In case you haven't heard the AFPD filed a lawsuit against the Michigan Liquor Control Commission (MLCC) and the State of Michigan on March 22nd. The lawsuit was based on the secretive process used to eliminate what is commonly known as the Half Mile Rule. The MLCC wrongfully utilized an expedited rule making process that provided for no public comment and no legislative oversight.

After spending considerable resources to fight the process used to rescind the rule I am happy to report the AFPD was successful in its lawsuit. We won! That being said, the fight is not over. We have every reason to believe the MLCC will still try to eliminate the half mile rule through the normal rule making process. The only way to put an end to the effort to eliminate the half mile rule is to go to the legislature and get the rule made into law.

This will be no easy task and will be a race against the clock. We will need to codify the rule before the commission is successful at administratively eliminating it. While the process to eliminate a rule is a lengthy one the legislative process by no means moves at a brisk pace. We will keep the membership updated on our effort to codify the half mile rule.

In the next few weeks keep an eye out for a communication from the AFPD asking for your help. While we are always looking for contributions to our PAC Fund and Legal Defense Fund we will also need you to reach out to your Senator and Representative to voice your support for legislation to be introduced that codifies the half mile rule.

STATE OF MICHIGAN	
IN THE COURT OF CLAIMS	
Associated Food & Petroleum Dealers, Inc., a Michigan Non-Profit Trade Association,	Case No. 17-000071-MM
Plaintiff,	Hon. Mark T. Boonstra
v	
State of Michigan, Office of Regulatory Reinvention, Michigan Liquor Control Commission,	
Defendants.	
LIPPITT O'KEEFE GORNBEIN, PLLC Norman L. Lippitt (P16716) Daniel J. McCarthy (P59457) Mark Shaye (P20309) Counsel for Plaintiff 370 East Maple Rd. 3rd Floor Birmingham, MI 48009 (248)646-8292	Rosendo Asevedo, Jr. (P28369) Melinda A. Leonard (P63638) Assistant Attorneys General Attorneys for Defendants Michigan Department of Attorney General Alcohol & Gambling Enforcement Division 25680 W. 8 Mile Road Southfield, MI 48033 (313) 456-1180
<u>STIPULATED ORDER OF DISMISSAL</u>	
At a session of said court held in the City of Lansing, Ingham County, State of Michigan, on _____, 2017.	
Plaintiff, Associated Food & Petroleum Dealers, Inc., having filed its Verified Complaint for a Declaratory Judgment, Preliminary Injunction, and Ex Parte Request for a Temporary Restraining Order against Defendants State of Michigan, Office of Regulatory Reinvention, and the Michigan Liquor Control Commission; this matter having come before this Honorable Court based on the aforementioned filings; this Honorable Court being otherwise fully advised in the premises;	
IT IS HEREBY ORDERED that the rescission of Mich Admin Code, R 436.1133 is hereby nullified and vacated, and Plaintiff's Complaint is dismissed.	
IT IS FURTHER ORDERED that costs and fees will not be assessed in this matter.	
SO ORDERED.	
This order resolves the last pending claim in this matter and closes the case.	

Representative Bellino is currently drafting legislation that we will all need to put our weight behind and support. When the time is right we will be contacting you with more information on how to effectively advocate to protect the half mile rule. ■

ALERT // DEADLINE EXTENDED FOR FOOD LICENSE RENEWALS

Due to technical difficulties with our licensing system, Michigan Department of Agriculture & Rural Development (MDARD) has extended the deadline for food establishment license renewals to May 31st. Late fees will not be assessed until after this extended deadline. Any licensing questions can be directed to the MDARD call center at 800-292-3939.

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Glass



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MICHIGAN //

Information on New Third Party Facilitator Service License and Direct Shipping of Wine by Specially Designated Merchant Licensees

Public Act 520 of 2016 amended MCL 436.1203 to create a new Third Party Facilitator Service license and to allow Specially Designated Merchant (SDM) licensees to ship wine directly to consumers. *These changes became effective March 29, 2017.*

THIRD PARTY FACILITATOR SERVICE LICENSE

Specially Designated Merchant (SDM) or Specially Designated Distributor (SDD) licensees may use a third party facilitator service that holds a Third Party Facilitator Service (TPFS) license to facilitate the sale and delivery of beer, wine, and spirits by means of the internet or a mobile application operated by the TPFS licensee. Sales of beer, wine, or spirits by a SDM or SDD licensee facilitated through a TPFS licensee's internet-based or mobile application service may be delivered under the following conditions:

- The SDM or SDD licensee or its employee may deliver the beer, wine, or spirits to the home or designated location of a consumer. The licensee or its employee making the delivery must verify that the person receiving the delivery is at least 21 years of age. If the licensee or its employee intends to provide service to consumers, the licensee or its employee must have received alcohol server training through a server training program approved by the Commission.

- The TPFS licensee may deliver beer, wine, or spirits on behalf of a SDM or SDD licensee to the home or designated location of a consumer. The licensee must verify that the person receiving the delivery is at least 21 years of age. The SDM or SDD licensee or the consumer pays the fees associated with the delivery of the beer, wine, or spirits.

A manufacturer, an outstate seller of beer, wine, or mixed spirit drinks, a wholesaler, or warehouse cannot have direct or indirect interest in a Third Party Facilitator Service license and cannot aid or assist a Third Party Facilitator Service licensee by gift, loan of money or property, or other valuable thing as defined in MCL 436.1609.

You may read more information on applying for a Third Party Facilitator Service license on the Commission's Retail Licensing frequently asked questions webpage or by visiting www.michigan.gov/documents/lara.

DIRECT SHIPPING OF WINE BY SPECIALLY DESIGNATED MERCHANT LICENSEES

A Specially Designated Merchant (SDM) licensee located in Michigan may use a common carrier to ship wine directly to a consumer in Michigan. A SDM licensee must comply with all of the following requirements if it chooses to ship wine through a common carrier:

- Pay any applicable taxes to the Commission and to the Michigan Department of Treasury, as directed by the Department of Treasury. The licensee shall furnish an affidavit to the Department of Treasury to verify payment, if requested.
- Comply with all Michigan laws, including, but not limited, the prohibition on sales to minors.
- Verify the age of the individual placing the order by obtaining from him or her a copy of a photo identification issued by Michigan, another state, or the federal government or by using an identification verification service. The person receiving and accepting the order on behalf of the SDM licensee shall record the name, address, date of birth, and telephone number of the individual placing the order on the order form or other verifiable record of a type and generated in a manner approved by the Commission and provide a duplicate to the Commission.
- On request of the Commission, make available to the Commission any document used to verify the age of the individual ordering or receiving the wine from the retailer.

WINE SHIPPING

continued on next page.



WINE SHIPPING

continued from previous page.

- Stamp, print, or label on the outside of the shipping container that the package "Contains Alcohol. Must be delivered to a person 21 years of age or older". The recipient at the time of the delivery shall provide identification verifying his or her age and sign for the delivery.
- Place a label on the top panel of the shipping container containing the name and address of the individual placing the order and the name of the designated recipient if different from the name of the individual placing the order.

A Specially Designated Merchant licensee that complies with the provisions listed above may ship wine directly to a consumer through a common carrier without obtaining any additional approval from the Commission.

REPORTING REQUIREMENTS

Third Party Facilitator Service licensees that deliver beer, wine, or spirits and common carriers that deliver wine for Specially Designated Merchant licensees must submit a quarterly report to the Commission that includes the following information about each deliver made in the preceding calendar quarter:

- The name and business address of the person that ships the alcohol product.
- The name and address of the recipient of the alcohol product.
- The weight of alcohol product delivered to a consignee.
- The date of the delivery.

A TPFS licensee or common carrier may submit its own quarterly report that contains the information required above by filling out the quarterly reporting forms at www.michigan.gov/documents/lara. ■

MICHIGAN //

Information on Changes to Growler Filling Law Effective April 9, 2017

Senate Bill 973 was signed into law on January 5, 2017 as Public Act 514 of 2016. *The amended law went into effect on April 9, 2017.*

This legislation adds Specially Designated Distributor (SDD) licenses that also hold Specially Designated Merchant (SDM) licenses as eligible merchants that may fill growlers. This is in addition to the current law that allows on-premises retailers with SDMs to fill growlers. The requirements for filling growlers under MCL 436.1537(10) will remain the same (see below).

Furthermore, licensees that hold the appropriate licenses under this law do not require any additional approval from the Michigan Liquor Control Commission to fill growlers.

MCL 436.1537(10) An eligible merchant may fill and sell growlers with beer for consumption off the premises under the following conditions:

- The premises where the filling of growlers takes place comply with the requirements for food service establishments under the food law, 2000 PA 92, MCL 289.1101 to 289.8111.
- The growler is sealed and has a label affixed to it that includes at least the brand name of the beer, the class of the beer, the net contents of the container, and the name of the retailer filling the growler.
- The eligible merchant or his or her agent or employee shall not fill a growler in advance of the sale.
- The eligible merchant or his or her agent or employee shall only utilize containers that have a capacity of 5 gallons or more to fill a growler.
- The beer to be dispensed has received a registration number from the commission and has been approved for sale by the commission.
- The eligible merchant complies with all applicable rules promulgated by the commission. ■





michigan lottery report

ARIC NESBITT // MICHIGAN LOTTERY COMMISSIONER

Doubler Days Returns in April; Expected to Boost Club Keno, Fantasy 5, Lotto 47 Sales

Michigan Lottery players have the chance to be showered with cash this April when the popular Doubler Days promotion returns to the Club Keno, Fantasy 5, and Lotto 47 games.

From April 1st through April 30th, all Club Keno, Fantasy 5, and Lotto 47 tickets purchased at Lottery retailers are eligible for Doubler Days. A Doubler message will be printed on random tickets and will double all non-jackpot prizes won on that ticket, all without any additional cost to players. The Doubler feature also will apply to EZmatch prizes on Fantasy 5 and Lotto 47 tickets.

This popular promotion has a strong track record of generating excitement among players and boosting sales for retailers. During the most recent Doubler Days promotion in January, Club Keno sales increased by 11.4 percent. Sales for Fantasy 5 and Lotto 47 increased by a total of 15 percent.

The Doubler Days promotion offers double benefits to retailers with increased sales boosting commissions. Lottery retailers weren't the only ones to benefit from this successful promotion in January. All told, Club Keno, Fantasy 5, and Lotto 47 players won more than \$3 million in Doubler Days bonus prize money.

GOVERNOR RICK SNYDER APPOINTS ARIC NESBITT AS MICHIGAN LOTTERY COMMISSIONER

Governor Rick Snyder appointed Aric Nesbitt, of Lawton, to serve as Commissioner of the Michigan Lottery. Nesbitt is the ninth Commissioner of the Michigan Lottery.

As Commissioner, Nesbitt is responsible for the overall management and operation of the Lottery, including development of long-range plans, policy formulation, assuring the accountability and integrity of the Lottery, and establishing and maintaining contact with state legislators to research, evaluate and gauge the impact of Lottery-related legislation.

Nesbitt previously served in the state House of Representatives from 2011 through 2016. He held several House leadership posts, including Majority Floor Leader and Chair of the Committee on Energy. ■

About 97 cents of every dollar spent on Lottery tickets benefits the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to retailers and vendors. In 2016, the Lottery provided a record \$888.9 million to help support Michigan's public schools. Since it began in 1972, the Lottery has contributed more than \$20.5 billion to support public education. For additional information, follow the Michigan Lottery on Facebook, Instagram, Twitter and online at www.michiganlottery.com.

PULL TAB TICKETS // INSTANT TICKETS

NEW PULL TABS TICKETS:

On sale April 4th:

- MI 589 – Catch Cash 50¢
- MI 592 – Wild Time Doubler \$2

PULL TABS GAMES SET TO EXPIRE:

Expiring April 10th:

- MI 557 – Detroit Tigers \$1

Expiring May 15th:

- IT 858 – Cash Club \$1
- IT 859 – Pub Crawl \$1
- IT 860 – Red Hot 7's \$2
- MI 539 – \$10 Grand Cash \$1
- MI 549 – Pub Cash \$1
- MI 556 – Casino Cash \$2
- MI 565 – Detroit Red Wings \$2

NEW INSTANT TICKETS:

On sale April 4th:

- IG 201 – Wild 1's \$1
- IG 783 – Lucky Streak \$5
- IG 784 – Triple Million \$10
- IG 795 – Multiplier Spectacular \$20

INSTANT GAMES SET TO EXPIRE:

Expiring May 1st:

- IG 717 – Platinum, Gold, Silver 7's \$5
- IG 729 – \$500 Grand Cashword \$10
- IG 732 – 100X The Cash \$20
- IG 733 – Wild 10's \$2
- IG 730 – \$30 Grand Cashword \$2

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

TALK ABOUT GREAT DAYS FOR RETAILERS!

DOUBLER DAYSSM



Doubler Days is exciting for our players. Who wouldn't want the chance to double their winnings? And Lottery sales always get a lift, too. It's a win-win for everyone!

Rich – Temperance Sunoco (Abe Harrouk, Manager)

APRIL 1-30

During Doubler Days in January, sales of Club Keno, Fantasy 5 and Lotto 47 increased by a combined 12%—over \$7.4 million statewide!

Doubler Days in April are sure to deliver increased sales, too!

RANDOM TICKETS WILL PRINT WITH A DOUBLER MESSAGE IN APRIL. LUCKY PLAYERS WITH THESE TICKETS WILL DOUBLE THEIR WINNINGS—AND YOU'LL DOUBLE YOUR REDEMPTION COMMISSION.

TELL YOUR CUSTOMERS TO PLAY CLUB KENO, FANTASY 5 AND LOTTO 47 TODAY!

All Lotto 47 and Fantasy 5 non-jackpot prizes are eligible.



Applies to Club Keno and Kicker prizes only. The Jack is excluded from the promotion. Club Keno and Kicker prizes will be doubled up to a maximum of \$4 million per draw. The Club Keno mark is a registered trademark with IGT Global Solutions Corporation. Overall odds of winning Club Keno are from 1 in 4 to 1 in 17. APPLIES TO FANTASY 5 AND LOTTO 47 RETAIL TICKETS ONLY. All Fantasy 5 and Lotto 47 non-jackpot prizes, including EZmatch prizes, are eligible to be doubled. Jackpot prizes are excluded from the promotion. Overall odds of winning Fantasy 5: 1 in 9. Overall odds of winning Lotto 47: 1 in 47. Overall odds of winning EZmatch: 1 in 5. Knowing your limits is always the best bet. Call the Michigan Problem Gambling Helpline for confidential help at 1-800-270-7117.





ohio lobbyist report

TERRY FLEMING // TC FLEMING & ASSOCIATES

Not Exactly March Madness

As we finish up with March, the Ohio General Assembly resembles the old weather slogan “March goes in like a lion and out like a lamb”. That could also describe the 132nd General Assembly as they race to finish the Transportation Budget (HB 26) by the March 30th deadline so that they will qualify for federal match monies. At the same time, they are dealing with HB 49, the two year General Revenue Budget for Ohio, which must pass by June 30th, of this year. While Budget bills are at the forefront there have been some 80 other bills introduced by both House and Senate.

AFPD is working with Representative Anne Gonzales on a proposed amendment to HB 49, that would require the Lottery Commission to adopt a program that would reward those Lottery Agents

who exceed their expected sales by giving them a small increase in % of sales. AFPD has also testified on HB 26, the Transportation Budget asking that the one half of one percent service station owners receive on the Evaporation and Tax Collection allowance be maintained by the Senate and signed into law. The House restored the allowance after the introduced version removed the allowance. AFPD is also working with Senator Lou Terhar and Representative Bill Blessing on a comprehensive liquor bill that would increase the number of permits and make other changes that would greatly benefit Ohio. This will be on hold most likely till after the General Revenue Budget passes in June.

Politics is now a full time subject as all statewide office holders, all Congressional seats, all 99 Ohio House Seats and 16 Ohio Senate Seats are up for election in 2018. In statewide races, a number of Republicans have indicated they will seek these seats next year as all current Republican Office Holders are term limited. In the Governor's race, only Lt. Governor Mary Taylor has established a campaign for Governor, but current Secretary of State Jon Husted, Attorney General Mike DeWine and Congressman Jim Renacci are expected to announce soon. Current Auditor of State David Yost has said he will run for Attorney General while State Representative Keith Faber will seek to replace him as Auditor, meanwhile Franklin County Auditor Clarence Mingo is seeking to be State Treasurer as is Representative Robert Sprague. Senator Frank LaRose appears ready to square off against Representative Dorothy Pelandra for Secretary of State.

On the Democrat side, two people have announced for Governor, former Congresswoman Betty Sutton and current State Senator Joe Schivonne. I'm sure there will be lots more hats in the ring over the next several months.

As always, please urge business friends who aren't members of AFPD to join and please be generous to the AFPD Political Action Committee. ■



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Pint Milks
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ohio liquor report

GERRY O'NEIL // OHIO DIVISION OF LIQUOR CONTROL

Modernizing the Liquor Enterprise

As we have shared with our stakeholders, the Ohio Liquor Enterprise is modernizing its systems and processes as part of the Liquor Modernization Project, or LMP. The rollout of Phase 2 of LMP begins this month. For some time now, work has been taking place behind the scenes. In recent weeks, that work has become much more visible. We wanted to share what's coming, and the steps we're taking to make this transition as smooth as possible for everyone.

BACKGROUND

The Liquor Enterprise is growing, generating more than \$1 billion in sales in each of the last two years. We expect this growth to continue as consumers choose to "trade up" to premium products, and manufacturers respond to changing consumer tastes. One excellent example of these trends is the explosive growth of micro distilleries in Ohio – growing from only two such operations to nearly 40 in just the last few years.

Remarkably, throughout this period of growth, the Liquor Enterprise has been operating on a 40-year-old system with antiquated business processes. It would be difficult to find any other successful commercial sector in America that hasn't changed its way of doing business at least once over the past four decades. With each passing year, it has become obvious that, without changes, the Liquor Enterprise wouldn't be able to adequately respond to today's business challenges and prepare for future growth.

For this reason, we have been working with our stakeholders over the past couple of years to modernize our operations. These much-needed changes have focused on implementing a modern technology platform and updating processes to reflect how business is done today.

Some may ask why it is important to modernize. For us – and for most of our stakeholders – the answer is obvious: not modernizing would mean lost opportunity for all. The status quo is not an option. By modernizing, all stakeholders – Agencies, bars and restaurants, brokers and suppliers, and distribution partners – are positioned to meet the demands of a rapidly growing and changing industry.

BENEFITS

Some of the ways the Liquor Modernization Project is helping stakeholders include a common system view for everyone, meaning every partner will be able to see what products are

where, thus improving inventory accuracy. It also will provide robust data – information about what products are selling where and when – so stakeholders can better understand and respond to consumer demands. The modern technology, equipment and business processes provided by LMP will allow business tasks to be completed more efficiently, saving time and allowing the Liquor Enterprise to focus on customers.

The bottom line – customers will be able to reliably get the products they want, when they want them.

WHAT TO EXPECT

Our goal is that the end customer – including wholesale customers – will only find improvements to the customer service they receive. A detailed deployment plan has been developed to ensure there is as little disruption as possible to all our stakeholders. The plan accounts for things such as longer periods between deliveries to Agencies as they transition to the new warehouses (Agencies are increasing stock to ensure adequate supply) and key events and holidays (Agencies with wholesale customers who supply large-scale annual events such as the Memorial Tournament will not move on to the new system near the event).

Wholesale customers can expect increased wholesale order efficiencies, including access to greater detail around inventory and pricing. Today, Agencies are often not able to tell wholesale customers if they have a product and what it will cost. Going forward, increased inventory accuracy and a single-system view will help ensure that Agencies have the products retail business need, and information that allows them to better plan for the cost of these items. Also, wholesale customers will see increased efficiency with order processing. Agencies will receive a new wholesale terminal dedicated to wholesale orders. The new terminal and system will enable them to more efficiently process orders.

Please know that it will take some time for Agencies to become accustomed to the new system and processes. Initially, it may take them a little more time to complete tasks, so please bear with them. As they become accustomed to the new system, processes will be much more efficient. We have resources in place to support Agencies, including in-person training prior to transitioning to the new system, and a beefed-up Help Desk with extended hours.

The Liquor Enterprise is a very important industry to Ohio – not only do its proceeds fund economic development, it also creates jobs, and business ownership prospects. We're excited that the efforts to modernize the operations will support continued growth and opportunities into the future. Thank you for your continued support and partnership with us in achieving this much-needed improvement to the Liquor Enterprise. ■



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illinois lobbyist report

STEPHEN S. MORRILL // MORRILL & ASSOCIATES, PC

AFPD Retains Illinois Lobbying Firm of Morrill & Associates, P.C.

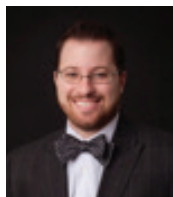


STEPHEN S. MORRILL

Here at Morrill & Associates, P.C., we are excited to introduce ourselves, and for the opportunity to represent the Associated Food and Petroleum Dealers (“AFPD”) in Illinois. We look forward to positioning AFPD as a primary stakeholder on legislative and regulatory issues that the Association and its members may face in Illinois.

WHO WE ARE

Morrill & Associates, P.C. is a law firm that has been providing Illinois state and local government relations and legal service representation for more than 20 years. Collectively, our team has well over 100 years of experience in state government and state government relations work. Among us are former leaders of agencies within the Office of the Governor (legislative, policy and budget offices), directors of state agencies (Transportation and Agriculture), appointed members of or counsel to boards and commissions (Human Rights Commission, Liquor Control Commission, and state pension systems), legislative leaders and staff (Deputy and Assistant Majority Leaders of the House, legal counsel and parliamentarian of the Senate, revenue and appropriations staff assistant to the House minority caucus), local government officials (Chairman of the Zoning Committee of the Chicago City Council, and Economic Development Commission chair for Tinley Park), and appointed state and county legal counsel (Special Assistant Attorney General, and Special Assistant Cook County State’s Attorney). Our professionals have particular substantive expertise in fields such as business regulation, professional regulation, state and local taxation, and municipal law. Based out of our Springfield office during legislative session, our Chicago office is housed within the 650-attorney law firm Barnes & Thornburg.



CURT A. FIEDLER



CHUCK HARTKE



GARY HANNIG



HANNAH SMITH

Morrill & Associates was founded by Stephen S. Morrill, an attorney with more than 20 years of legislative and governmental relations experience. The Morrill & Associates core team of professionals includes Curt Fiedler, Chuck Hartke, Gary Hannig and Hannah Smith. Additional details on the full Morrill & Associates team and the services provided can be viewed on our website at www.smorrill.com.

WHAT TO EXPECT

M&A believes that effective government relations work is proactive rather than reactive.

As we begin our work for AFPD, M&A will primarily be focused on creating meaningful relationships with elected and appointed officials in Illinois, and with trade associations that are or should be natural allies of AFPD.

Our firm will be working to develop for AFPD a solid government relations profile in the State of Illinois on such issues as: local beverage taxes, prohibition against use of plastic grocery bags, changes to sales tax discount for retailers, food safety, taxes on alcohol and liquor, taxes on cigarettes, changes to store commissions from state lottery, food deserts, and other areas identified by the Association.

During regular, veto, and special sessions of the General Assembly in Springfield, M&A is on site to represent AFPD in the state capitol. We have a robust program to monitor all legislative and rulemaking activity.

As of this writing, we are keeping AFPD apprised of the following legislative issues in Illinois: (a) imposition of a new state sugary beverage tax; (b) increasing the state minimum wage to \$15/hour; (c) creation of a statewide study to track and reduce food deserts; and (d) imposition a statewide plastic bag ban.

We look forward to providing our full range of services as we introduce AFPD to key legislative and administrative stakeholders within the City of Chicago, County of Cook, and State of Illinois. ■

– DISCOUNTS –



AFPD MEMBER EXCLUSIVE

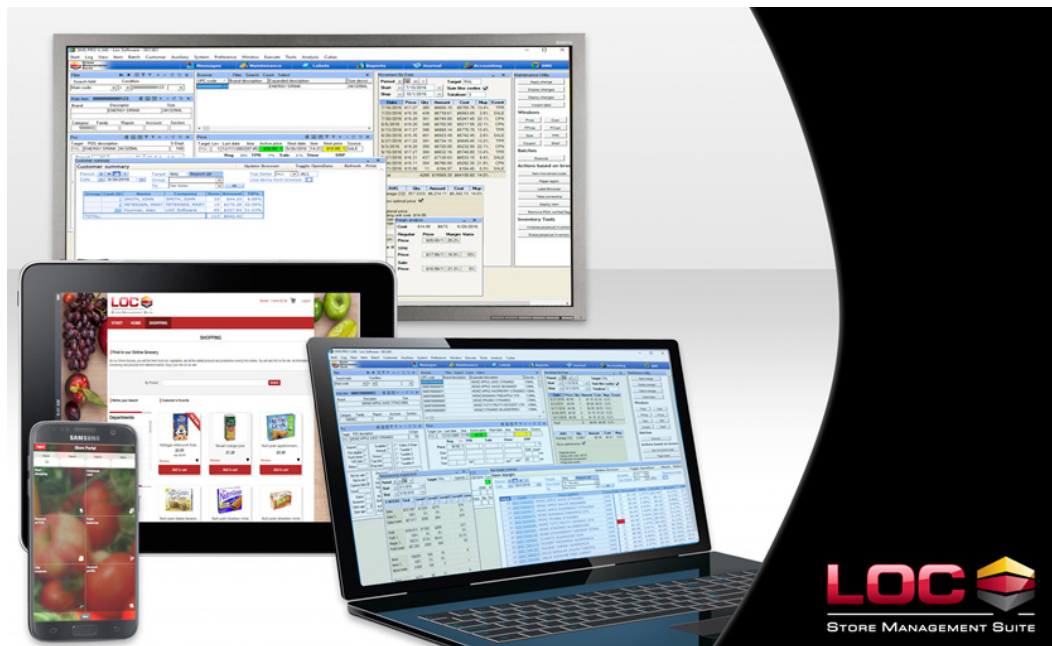
Members with questions call the AFPD office at 1-800-666-6233



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****10% discount applies to any upgrades for current LOC users***



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TO SIGN UP FOR THIS PROGRAM, CALL THE AFPD OFFICE AT (800) 666-6233 OR EMAIL INFO@AFPDONLINE.ORG

Got Milk? If so, What Kind?

There is growth in non-animal milk products in the industry.
The options continued to expand.



The famous campaign asks: Got Milk? What grocers need to be asking: Got Milk from both animal and plant-based sources? There is growth in non-animal milk products in the industry. The options continued to expand. The refrigerated sections of the grocery store have options like almond, soy, cashew, coconut, rice and even hemp. If your store doesn't have these options, you might consider stocking up.

According to research, regular animal milk provides one of the best returns on investment in the grocery store. The department delivers 20% of the store profit from only 3% of the shelf space.

Cow's milk has been king for a long time. Why not? A cow's milk contains a variety of nutrients, including protein, calcium, zinc, vitamins A and B, and iodine, with semi-skimmed milk with around 255 calories per pint.

Some dairy companies have used data to market the product such as, the National Osteoporosis Society recommends that adults consume 800mg of calcium each day to protect their bones, while growing teenagers should have 1,000mg.

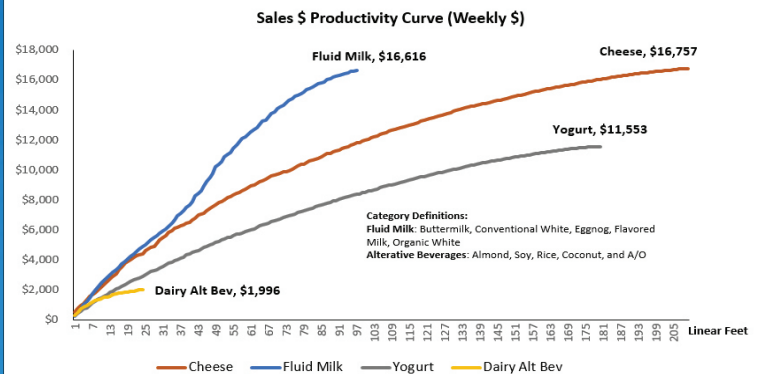
For many people, milk is as good a source as any of the mineral - one glass of milk contains 300mg. In comparison, sardines eaten with their bones provide more calcium weight for weight than milk does.

"Dairy milk provides nine essential nutrients individuals need daily to maintain optimal health," said Kathi Eckler, Executive Director of Nutrition Affairs and Marketing for the United Dairy Industry of Michigan. "Plant-based beverages do not provide these nutrients naturally and may contain thickeners and artificial ingredients. In addition, the calcium is added in to these products and much of it settles on the bottom of the carton and can result in a chalky taste. Other than soy beverage, the rest of the plant-based beverages contain minimal amounts of protein. Dairy milk provides 8gms per glass, while almond beverage provides less than 1gm."

However, cow's milk has been linked to a number of health conditions over the years prompting food manufacturers to find alternatives.

One piece of research says women who have more than 90g of fat a day, from sources such as full cream milk, are at an increased risk of breast cancer. This could be because pregnant cows produce estrogen, which goes into the milk. Excess estrogen has been linked to breast cancer.

MILK OUTPERFORMS ON SPACE



Source: Willard Bishop 2015 Grocery SuperStudy™

31 | MilkPEP

Non-Dairy Alternative Beverages

At 6.5% of total category* volume YTD, the share for non-dairy has almost doubled since 2011 although year-on-year volume increases have moderated from a high of +15% in 2012/13 to the current level of 5.4%.

Almond leads in size. Cashew and coconut beverages post increases along with almond, while Soy continues to endure shrinking volume share.

*dairy plus non-dairy alternative beverages

2016 YTD (thru 12/25)	Volume Sales (Gallons)	Vol. Share (Non-Dairy)	Volume % Chg.
Total Non-Dairy	246,461,873	100.00	+5.4%
- Almond	170,496,384	69.18	+10.1%
- Soy	42,387,275	17.20	-11.0%
- Coconut	16,683,398	6.77	+10.7%
- Cashew	8,123,577	3.30	+12.2%
- All Other*	6,454,232	2.62	-1.0%
- Rice	2,245,527	0.91	-6.1%

*All Other Non-Dairy includes: 'Chocolate Drink', Goat Milk, Horchata, and All Other

According to data, non-dairy sales have almost doubled since 2011. Almond milk leads in size. While cashew and coconut boast increases, soy continues to shrink in volume share.

However, traditional whole milk and flavored milks are showing very strong sales. The price per gallon has fluctuated over the years since 2011 ranging from a low of \$3 a gallon to a high of \$3.59 a gallon.



Milk Segments



Lactose Free milk products continue to show dramatic vol. increases (+15.8%) year-to-date.

Flavored milk, driven by chocolate flavors (93% of flavor vol. /98.6% of YTD growth), is also posting good growth. A few other flavors, most notably banana, are also seeing growth — but account for a very small share of total flavored volume.

Many niche segments such as Refuel milks, up +36.7%, continue to show growth year-to-date.

2016 YTD (thru 12/25)	Volume Sales (Gallons)	Vol. Share (Fluid Milk)	Volume % Chg.	Volume Change
Total Fluid Milk	3,808,289,508	100%	-2.0%	-78,098,437
- Flavored	208,397,758	5.5%	+6.4%	+12,853,385
- Organic	187,406,320	4.9%	+0.9%	+1,621,376
- Lactose Free	118,459,868	3.1%	+15.8%	+16,119,378

LACTOSE-FREE MILK

Lactose-free milk continues to show dramatic growth, while a few notable flavors, like banana, are also growing in sales. In most recent years, strong volume growth continues for whole milk, which is purchased most often by families with children, millennials and by Hispanics. Reduced, low and fat free milk continue to decline.

“For those who are truly dairy allergic (less than 1% of the population), these beverages may play a role,” said Eckler. “For people with lactose intolerance, lactose-free milk is widely available.”

If a store owner is trying to assess the milk industry, including the non-dairy brands and options of marketing, understanding the options may help.

SOY MILK

For those looking for non-animal derived milk, soy milk is said to be the closest in protein levels to normal milk.

Soy milk is a plant based drink produced by soaking dried soybeans and grinding them in water. A traditional staple of East Asian cuisine, soy milk is a stable emulsion of oil, water and protein

It has a slightly sweet flavor, but you can sense the difference in tea or coffee, and some say it does leave an after-taste.

Research has also trumpeted its many other health benefits. These include the ability of soy-based products to lower blood cholesterol levels, helping it protect the heart.

Soy contains isoflavones, which are anti-oxidants thought to protect the walls of arteries from damage from harmful chemicals called free radicals.

It also contains a phytochemical substance called genistein that is thought to inhibit the formation of blood vessels that assist in the growth of small tumors. It is for this reason that some studies have linked the consumption of soy milk to cancer prevention.

However, researchers have also noted that soy milk in high amounts can disrupt hormone levels in some individuals, due to its content of phytoestrogens - plant compounds similar to estrogen – it’s even been found to affect fertility in both men and women.

ALMOND MILK

From the alternatives, which are not manufactured from animal products, almond milk has become a popular staple.

Some brands list sugar as the second ingredient, which explains why it’s the sweetest-tasting of the bunch. It has a mildly nutty kick, although the actual almond content is just 2%.

It can be better to buy the unsweetened version, although one benefit of almond milk is that it contains vitamin E, which is good for the skin.

Almond milk is made from a nut rather than a bean or grain and has more protein than either rice or oat milk, so it could help in weight loss.

However, some of almond milks are not as healthy as they could be because of added sugar and other additives. Some say that almond milk is similar in many ways to hemp and cashew milk, and is generally another good choice.

Almonds are believed to be a good source of minerals too, including magnesium, and are also a better source of calcium than many other nuts and seeds. They’re also one of the best natural sources of biotin, a vitamin that we need for healthy skin and hair.

If consumers are looking for the unsweetened almond milk, you can market it as generally low in calories and very low in carbohydrates, so can be a good choice for dieters.

COCONUT MILK

Coconut milk is low in calories. However, it is high in saturated fat, and so some health experts believe could contribute to high cholesterol or even heart disease.



It can be marketed as having a sweet and tangy taste, with the coconut coming through strongly. However, a sweet-tasting milk found inside coconuts, it has an acquired taste and is used less as a drink and more as a delicacy or in cooking. Its protein content is low, too.

The coconut milk sold in supermarkets is not always fresh. It is produced instead by squeezing liquid from grated coconut flesh, then adding water.

Nutritionally, it is not as good as fresh coconut milk.

Dieticians have noted that it contains a high amount of saturated fat but two-thirds of this fat is in the form of medium chain fatty acids and nearly half of the fatty acids in coconut are lauric acid, which is a medium chain fatty acid and can be easily converted into energy by the body.

The types of coconut milk found in cartons (which are generally diluted versions of “real” coconut milk) are also fairly low in carbohydrates and calories, making them similar to nut milks.

HEMP MILK

Hemp milk is made using a blend of hemp seed and fortified with calcium and vitamin D.

Hemp milk, such as Good Hemp, comes with 2.5g of fat per 100ml and less than 0.1g of protein, but it does provide half of your daily intake of omega 3 per glass.

It tastes fairly neutral when taken with hot drinks or cereals.

According to experts, one of the primary benefits of hemp milk is that it has a higher omega-3 content compared to milk made from most other nuts and seeds. Omega-3 fats can be beneficial for our heart, cholesterol levels and our skin.

Hemp seeds are also a great source of magnesium – a mineral that has many vital roles in our body, including making energy from our food, and supporting our bones. But it can be high in fat and wouldn't be good for those with high cholesterol.

CASHEW MILK

Hot on the heels of almond milk, cashew milk is also rising in popularity.

Cashew nuts are good sources of several minerals. These include copper, which helps maintain our hair pigmentation, and helps to stop it going grey, and manganese, which has antioxidant activity.

Cashew milk can be naturally creamier than other types of nut or seed milk, which can make it a nicer replacement for normal milk.

With both cashew and hemp milk, aim to avoid the sweetened versions if you're drinking a lot of them, as the sugar can add up.

Also, relative to normal milk, they contain only a small amount of protein and calcium (unless they're fortified with calcium) so can't be counted as a good source of these nutrients.

OAT MILK

Oat milk is packed full of 10 minerals and 15 vitamins and one glass of oat milk contains more calcium than a glass of cow's milk. Also, it contains no saturated fats.

Dieticians note that because oat milk is made from a grain, it is higher in carbohydrate than soy milk which is high in protein. If consumers are trying to lose weight soy milk would be better.

There could be added sweeteners in oat milk, so those who are sweet conscience need to read the ingredients. Research also shows that oats – and oat milk – contain a type of fiber called beta glucan, which has been found to help maintain healthy cholesterol levels.

Also, this milk can be marketed as having a naturally creamy consistency and a naturally sweet taste without the need for added sugar or other additives. Like almonds, oats are high in biotin – for healthy skin and hair – and manganese, which is a vital antioxidant mineral.

RICE MILK

Rice milk is usually made from filtered water, brown rice syrup and brown rice starch, with the addition of thickening agents.

It's slightly sweeter in taste, but low in fat so it can be used to replace cow's milk in cooking.

If consumers are replacing cow's milk with rice milk in the diet, check that it has been fortified with calcium, vitamin D and vitamin A.

Although they sound wholesome and healthy, many plant-based milk alternatives have lengthy ingredients list. For example, rice milk contains much more than simply water and rice.

Everyone has been complaining about below-cost pricing of animal milk, but when many chains own their own dairies, they have an advantage. Pricing on plant-based milks do not have the same below-cost selling we have seen in animal milks, so consider this moving forward. C-stores should also consider diversifying their milk sections. ■



The Wine Palace is a Shangri-La of Spirits

■ BY KRIS HARRIS // DENHA MEDIA & COMMUNICATIONS

Cliff and Kelly Denha, owners of the Wine Palace in Livonia, MI, have been in the retailer business all their lives. It started with working for their father, Louis, who owned many stores throughout Southeastern Michigan. “My father started his first business in 1948,” explained Cliff. “He had 22 or 23 stores during this lifetime. He operated all over Detroit and had stores outside the city like in Southfield, Howell and Livonia, where he bought the Wine Palace in 1988.”

It was Louis’ work ethic that prepared Cliff and Kelly to take over the Wine Palace shortly after its purchase. “All our lives we worked in the city with our father doing stock, bottle returns, you name it,” explained Cliff. “Our father had a saying that, ‘you have to do everything,’ so your employees knew that you weren’t embarrassed to do any particular work.” We did everything from scrubbing toilets to sweeping the parking lot.”

The original building was approximately 4,500 square-feet, but Cliff and Kelly decided to expand the store in 2009 to keep up with customer demands. “We are about 9,000 square now and our selections are extensive,” Cliff said. “We don’t carry any groceries, but we have a deli and we were one of the first to get into the cigar business.”



RETAILER: WINE PALACE

Location: Livonia, Michigan

Founded: 1988

Employees: 15

AFPD member since: 1997

Slogan: “If we don’t have it, no one does.”



The Wine Palace is a one-stop shop for liquor, wine, and beer which includes domestic, imports and craft beers. However, keeping up with customer demands can get tricky. “Right now, the customers are a lot more knowledgeable,” said Cliff. “Also, with the power of the internet, it makes things extremely competitive and all sharp retailers know that customers are aware of what today’s prices are.”

Separating yourself from the competition isn’t always easy. So, in order to always stay top-of-mind with customers, the Wine Palace hosts weekly tastings to introduce new beverages. “It’s one of the reasons that we doubled the size of the store, to be able to let customers sample things, which is key,” Cliff explained. “We’ve been doing sampling for five or six years now and we have them every weekend.”

AFPD’s Benchmark Beverage Company (Benchmark) has been a big help with these tastings, due to the exclusive spirits available in the portfolio. “We had a tasting for St. Patrick’s Day that featured a few of Benchmark’s Irish Whiskeys,” said Cliff. “Also, for customers that want to support the military, we have a section of the store with just Benchmark’s Veteran-Owned products, like Leadslingers and Gold Star Vodka that is made by former military personnel and helps veterans.”

The spirit of giving back is important for Cliff and Kelly, which is why they go out of their way to support the community. Not only do they donate to local churches, customer fundraisers and youth hockey leagues, they’ve even had wine tastings to help support a local pregnancy center. “We also have a really close relationship with the city,” explained Cliff. “Kelly was appointed by the Mayor and City Council to be on the Livonia Community Foundation, which helps with grants for local 501(c)3 organizations that service city residents in various ways.”

Although helping others comes easy for the two brothers, they are very appreciative of the help they receive from AFPD. “I sit on the board of directors, so I see what AFPD does and I don’t think they get enough credit for what they do, to be honest with you,” said Cliff. “Sometimes owners don’t know what goes on behind the scenes, like the lobbying in Lansing to help our causes, or the endorsements that help small businesses.”

Along with the various rebate programs they take advantage of, Cliff finds it’s the little things that AFPD does, that have big rewards. “Those liquor books are invaluable for a liquor store,” explained Cliff. “Before, you used to get them from the state, but now you can’t. If you’re a member, you get four books a year, one each quarter, and that’s huge for our type of business.”

At the Wine Palace, Cliff and Kelly are always looking down the road to new opportunities and new ways to reach and service their customers. “A lot of people have come up to us in the last few years and said, ‘we can’t tell what you have in the store’, so the Google guy came in and said we could do a virtual tour of the store and that’s worked out pretty well,” said Cliff.

The virtual tour is available on their website and allows customers to view the store up close and in detail. “We believe in doing something major every couple of years, to keep things fresh,” Cliff said. “That’s our philosophy.” ■

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Advancements in Technology help advance your Business

■ BY KRIS HARRIS // DENHA MEDIA & COMMUNICATIONS



In the ever-changing world of technology, it can be easy to get lost in all the “latest and greatest” that the industry has to offer. However, knowing what’s out there and how it helps businesses, can provide retailers with powerful solutions to everyday problems.

First, a retailer has to determine where the business is falling behind, and where there is the greatest need. For those who are interested in updating the store’s security, Advanced Surveillance Technologies (AST), offer a wide range of custom solutions. “We’ve been in business since 1996 and we pride ourselves on system designs and customizing solutions,” said Ethan Joyce, Project Manager at AST. “AFPD has a very diverse group membership, so one solution will not fit for everyone.”

Although advanced security systems are shifting to Internet Protocol (IP) cameras, retailers need not worry if they have analog cameras installed at their store. “They’ve come out with what is called a hybrid solution, so you can still run your analog camera, but if you want to upgrade you can go to what is called an AHD camera (analog high-definition camera) that gives you the equivalent of 2.1 mega-pixels over the same cabling,” explained Joyce. “All you have to do it swap the cameras and the recorder. The solutions are very, very inexpensive and you can mix and match cameras to upgrade as necessary. You don’t have to change everything at once.”

Newer surveillance systems can help retailers catch theft at the Point of Sale (POS). In these situations, one item is scanned by the employee, but a different item is given to the customer. “We just worked an AFPD member on a POS overlay,” said Joyce. “It’s a device that runs in-line with your register so that everything that’s scanned is overlaid on the video. So, the camera goes through the POS overlay, and then it loops back to your recorder, so that video always has an overlay of everything that is scanned, in real time.”

While a visible camera can prevent theft in certain areas of a store, retailers can catch clever thieves with custom cameras that are hidden in unexpected areas. “Several years back, there was a store that needed a unique solution because they were losing a lot of their stock, and any time they put a camera there, all theft in that area would stop,” said Joyce. “So, we came up with an exit sign camera, that’s actually a functioning exit sign, so

there are no extra wires coming out of it. It has a micro recorder in it with a remote control, so when you walk by it, you can click record. That’s what worked for them. In fact, it led to multiple arrests of a huge ring of people that were involved.”

In order to catch a grab-and-go thief, retailers need to provide as much information as possible about the person. Having a height strip on the exit door helps, but AST has solutions that take a clear image of them on the way out. “One camera that is really popular is the height strip camera,” explained Joyce. “It looks just like the height strip sticker that sits on the wall, but with a camera built in. It’s great at capturing a face shot as they’re leaving.”

For retailers that have more than one location, AST offers the ability to bring all of the security cameras together into one system. “Most of the manufactures now have Video Management Software (VMS) that links your locations together,” said Joyce. “So, you can tie all your locations together and see them all at the same time and in any layout that you want to see them in.”

Advancements in camera technology is not limited to just security, as they are now being equipped with analytics. “Anything from thermo imaging, to facial recognition and gender recognition,” explained Joyce. “If a retailer is selling their end-cap space to vendors, they can have a camera there that counts people, so you know how many stayed at that end-cap for a set period of time. You can also do a gender package which will let you know how many of each gender and which age barrackers they fall into, that stopped there.”

This technology also allows a retailer to have custom advertising depending on who is standing at the end-cap display. “You can do push market advertising to each demographic, so if you have a man between 25-35 stand at the end-cap, it will display certain advertising, but if a woman comes up, it can display other advertising.”

AST provides custom solutions that work will all size stores and work will all size budgets. “With our buying power, even though we’re a small business, we like to be treated like any other business,” Joyce said. “So, it doesn’t matter if you have one store or 40 stores, we’re going to give you the best deal we can.”

Retailers now have more access to information than ever before. Advancements in technology are simplifying old, tedious, tasks



and also allowing business owners to combine multiple systems into one. Great Lakes Data Systems offers solutions that help retailers in ways that range from loyalty programs to mobile POS systems, and from inventory control to scale integration.

Offering a loyalty program, and the ability to identify frequent shoppers, can help separate a retailer from the competition. "Our loyalty and frequent shopper solution is different for each store, and can be set up for party stores, c-stores, or grocery stores depending on how they want to do it," said Jason Baylis, Vice President of Sales for Great Lakes Data Systems. "One of the big things right now is targeted offers. With the system that we offer, retailers have the ability to look at their shoppers' buying habits. They can see who is buying in which departments and who is not in other ones."

This data allows retailers to track customers and send them specific offers based on type of products they buy. It will also allow retailers to entice customers to shop in department they normally don't, or invite them back to the store if records show they haven't made a purchase in awhile.

The retail experience is changing with advancements in mobile apps. Business owners can attract customers by offering them the ability to download offers that are then sent directly to their account at the store. "Through the mobile app, all the coupons that they've clipped, automatically come off their transaction," explained Baylis. "The mobile app also allows customers to create an order, pay for it on the app, do an in-store pick-up, or have it delivered to their home. It can be set-up to whatever the retailer wants to offer the customer."

For decades, retailers have dealt with the albatross of scanning and entering deliveries into their system. It is often done on a backroom PC, and requires a lot of time. However, Great Lakes Data Systems gives retailers the ability to do inventory control from a tablet or cell phone. "You don't need to rely on the hard-wired PC in the back room anymore," explained Baylis. "We have a new program called M Floor which is a fully functional mobile back office application. It gives you the mobility to actually run your entire operation from outside your store."

For liquor store owners, technology can help keep their system up to date with pricing and can help them save time with tagging. "The Store Management Suite (SMS) program has been customized for Michigan stores, where there's a link in the program that allows retailers to download the data directly into their POS system," Baylis said. "It also gives them the ability to tag it, if they have the appropriate tags set-up. The time and labor saving, of having to do that every quarter, can take a 3-hour operation and condense it into 30 or 45 minutes."

The SMS program is virtually limitless in its application. "It's the little pieces that make this system so powerful," said Baylis. "People don't realize what the algorithm is for the cost of goods, and that's just us taking the time to see what needs to be done, and instituting the script for it. Some of the bigger players don't

look at things like that. Our best code writer comes from an independent retailer background. It's what his parents were and he's spent his entire life creating a product for independents to compete with the corporates."

The industry is changing and for Millennials, everything is on their phone. Independent's who offer mobile applications will tap into the new generation in the same way chain stores are now beginning to do. Mobile apps will also allow business owners to reach older customers who are already using their mobile device to pay bills. "We helped an AFPD member who had more than 300 house accounts, so they bill out more than 300 customers a month," explained Baylis. "With their new online app, those customers are going to be able to use their phone to see their bill and pay their balance wherever they are. No more paper trails, no more sending in a check, and no more going to the store to make a payment."

Kroger has been harnessing various levels of technology in order to develop innovative ways to reach customers. "We have multiple different avenues of technology within our company," said Rachel Hurst, Public Affairs Manager with Kroger. "Whether it is through our website, our digital app, or our new service called Clicklist." Clicklist offers customers the ability to purchase goods online, and have them either ready for store pick-up or delivered, if the service is available in that area. While more than 40,000 items are offered, including fresh meat and produce, new items are added on a weekly basis.

Big data, and data collecting, is one of the key factors in how Kroger is able to give customers a more personalized experience. "We have a strong loyalty system that allows us to personalize our app to their needs, as well as coupons that are specific to their shopping habits," explained Hurst. "Even our Clicklist system, when a customer logs on to shop online, the system populates all of their recent purchases to make their shopping experience more seamless."

Kroger has also started a downloadable "Free Friday" coupon, which is great way to entice current customers to try new products, as well as attract new shoppers to the store. Early results show it's become a hit with both customers and suppliers. "Our free Friday download is very successful," Hurst said. "Our customers love it and our partners love it too. It allows our partners to offer an item to consumers that will give them the opportunity to try it and then continue to buy it. The same goes for our customers. Samples sell, and when someone can try something for free and they end up loving it, they continue to buy it."

Technology is moving and expanding the world of retail in ways never seen before, from advanced security to data mining, and from inventory control to online shopping. No matter what type of store you own, technology can provide a solution to help your business; you need only to be open to how it can best serve you. ■

- DISCOUNTS -



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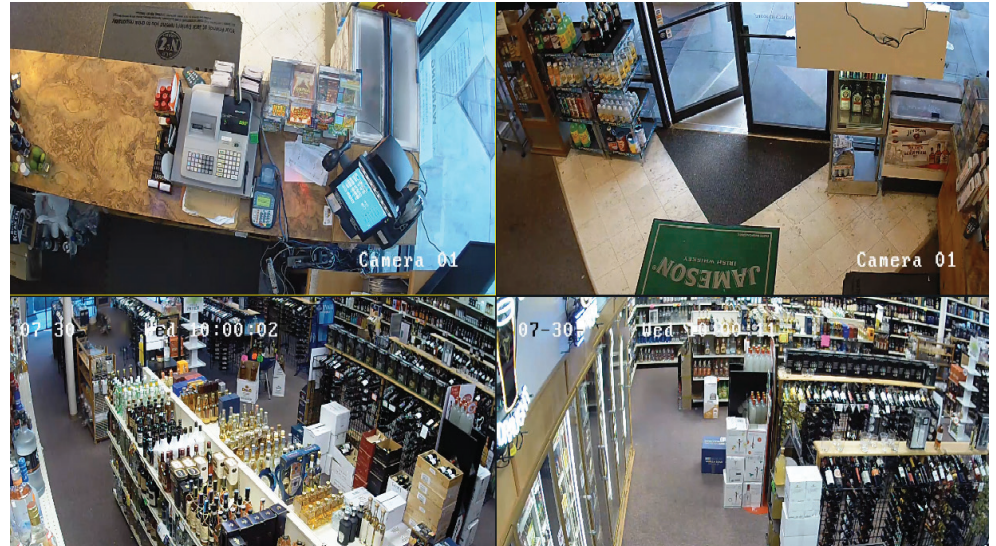
Doing Business in Detroit: When The Deck Is Stacked Against You

■ BY KRIS HARRIS // DENHA MEDIA & COMMUNICATIONS

For a city that for many years was on a decline, Detroit has started to take positive steps to improve itself. Although there is still much work to be done, there are signs that things are moving in the right direction. However, some city retailers who have weathered decades worth of storms, remain frustrated.

One of the most disappointing issues for retailers is the slow response time by the police department for break-ins. “The problem is, when you call 9-1-1, they need to respond faster because we are business people,” said Mark Yono, owner of four Detroit stores. “I’ve been working for 30 years in Detroit and we are here to serve the people, but when I call the local precinct, they take your information, put you on hold, and nobody shows up.”

When off-site, Yono can watch store monitors and give a play-by-play description of what’s happening during a break-in, but it doesn’t seem to help. “I got an alarm call, so I checked my cameras and I saw two guys behind my counter,” explained Yono. “I called the cops and told them I have two people stealing my stuff. They were in the store for close to 30 minutes. They pulled my safe out, dragged it from the counter all the way to the back room, and put a big hole in the



wall with a sledgehammer. They stole a bunch of liquor, whatever change I had at the counter, and lottery tickets too.”

By the time the police arrived, it was already too late. “When I called the police, they told me they would be there as soon as possible,” said Abro. “Yet, 45 minutes later, six cops showed up, all at the same time. I asked them what took so long, and they said they were busy. But why did six cars show up at one time? There wasn’t a car that was available earlier? The crooks, they know this. They know that cops do not show up in time.”

Advancements in technology can help retailers and local police departments track down criminals, even after they’ve left the premises. “We provide license plate cameras, which can be tricky depending on the traffic flow to your business,” said Ethan Joyce, Project Manager at Advanced

Surveillance Technologies (AST).

“If you have a couple of points where you know people have to turn into your lot, you can dial into those areas and set-up special license plate cameras that will grab those images for you.”

AST also offers retailers a way to communicate directly with the criminal, during a break-in, as a way to minimize or eliminate theft. “A lot of the new IP cameras have two-way audio,” explained Joyce. “So, you can, even through your phone, speak to someone on that camera and tell them that the cops are on their way and that it’s all being recorded.”

A new issue Detroit retailers face is the significant increase in fees from the Detroit Water and Sewerage Department. The increase is a result of the cost to pay for needed treatment and transportation of storm water

DOING BUSINESS IN DETROIT
continued on next page.



DOING BUSINESS IN DETROIT

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runoff. The department said that cost is \$125 million every year. “We had a meeting with the city to explain what was going on and in the first 10 minutes, 10 people stood up and walked away,” said Jamal Abro, owner of two Detroit stores. “They tried to explain that there was extra cost to buy equipment, and that there are so many lots in the city that they have to collect from to maintain everything.”

However, some increases have jumped from the hundreds to thousands each month. “For the business, we pay about \$600 a month per store for water and sewer, but now there is a parking lot sewer charge that is between \$2,800 to \$2,900 for each location.”

Abro, like others, were not informed of the increase, they just started getting billed for it. “My office called me and said, ‘Jamal, what’s going on? Why are they sending the bill to the office?’,” said Abro. “I didn’t know what they were talking about because the city was sending the bills to the owner of the building, not to the business. So, it’s a different bill. The water and sewer bill comes to the business, but this sewer bill for the parking lot, goes to the owner of the lot. We never had that bill before, they just started billing us.”

The increase is tough enough on the retailers, but what exasperates it, is the city not taking ownership of problems that arise. “The other day we

had one of the sewers clogged up, so we called the city and they said it was not one of theirs,” said Abro. “I told them, ‘you’re charging me for the sewer, aren’t you?’ They said, ‘that’s not a city sewer, that’s your sewer, so you have to take care of it.’”

There is some light at the end of the tunnel for Abro. He was able to talk to the Water and Sewerage Department Director about the issue. “I talked to Gary Brown and he was very helpful,” Abro said. “He just stopped by my store on Livernois and said that I shouldn’t have to pay for the entire parking lot, because there are other shops that share it. He’s a good man and is trying to help out.”

What Detroit retailers want more than anything else is fairness. When you follow the rules, you should, in turn, be able to rely on the city to fulfill their responsibilities. “We pay our taxes, we run a very clean operation, we don’t play games, and we love our customers,” said Yono. “We’d like to stay here, but what are you going to do? The city is tough to deal with, which is why nobody wants to do business in the city of Detroit anymore. You either close down and move out of the city, or deal with it.”

Abro feels the same way. “It’s just getting harder to operate in the city,” said Abro. “It’s water, taxes, safety and security, it’s all that. Today we are working with pennies, because there is

so much competition with the monsters, which I call the chain stores, that come into the city. It takes a lot from the independent store’s business.”

AFPD has called a meeting with Detroit Mayor Mike Duggan to address some of the issues and concerns of the members who operate within the city limits. “We want to make sure Mayor Duggan understands that doing business in Detroit remains a challenge both on the crime standpoint, as well as the line on utilities,” said AFPD President and CEO, Auday Arabo. “A lot of the retailers and small business owners who have been in Detroit through thick and thin, now are seeing new fees and lack of service. We’re hoping he can address them and solve them in a fair and balanced manner.”

The meeting will be held in April, and AFPD members will have the opportunity to explain to Mayor Duggan their frustrations as city business owners, who have been playing by the book. “There’s nothing better than a face to face conversation when it’s something you’re dealing with like your business,” explained Arabo. “And it’s different when it’s coming from a retailer that lives it day in and day out, and having them explain it to one of the public officials that oversees the city, like Mayor Duggan.”

For retailers that are interested in attending the April meeting, please contact AFPD at (800) 666-6233 for details. ■



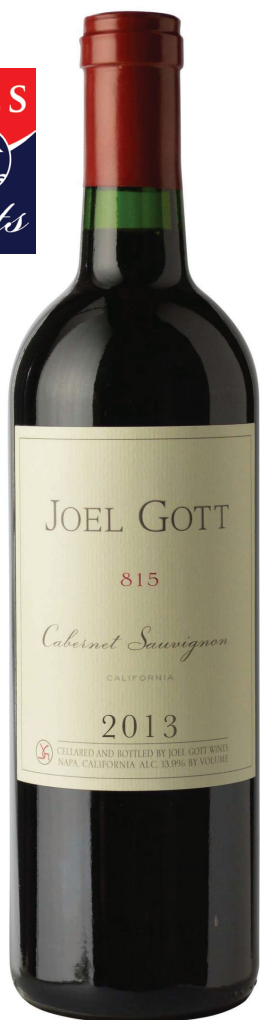
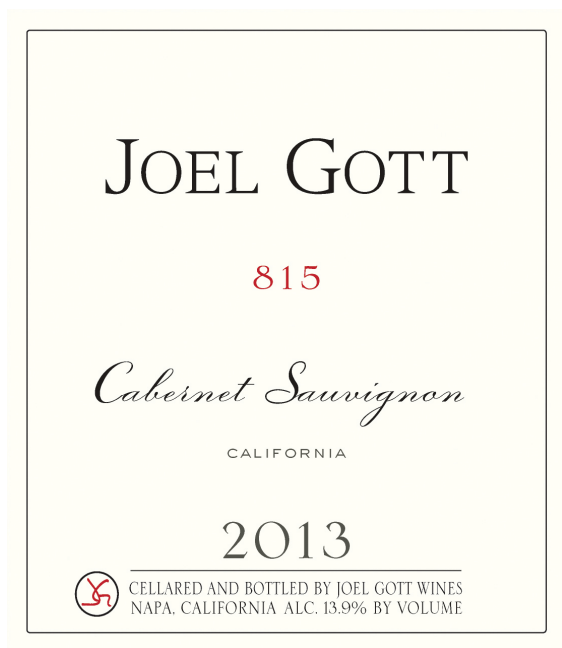
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Joel Gott: Cabernet Sauvignon '815'



With over 7,000 wines in our portfolio, we offer our customers a WIDE variety of choices. This is a very good thing for a bunch of reasons, most notably that taste is personal: for any given wine, we can find a large number of customers that love it, and a large number of customers that, well, don't love it (we'd hate to use the word hate). That is why Baskin Robbins has 31 flavors!

There are also some wines that seem to sell better in restaurants vs retail and vice versa, sell better in the winter than the summer, or only sell when on 'sale'. However, there are some wines that seem to do well regardless: off-premise, on-premise, winter, summer, spring, and fall. Today's featured wine is one of those wines: Joel Gott '815' Cabernet Sauvignon.

First, we should note that Joel Gott is an actual person. A REALLY cool person, as a matter of fact. Hailing from a winemaking family (father Cary Gott was a winemaking wizard whose efforts were seminal in California's rise to fame in the 70's and 80's, and wife Sarah Gott is a notoriously great winemaker with a resume that includes being winemaker for Joseph Phelps Insignia & Blackbird Vineyards (to name a couple), Joel started Joel Gott Vineyards to, in his words, 'take advantage' of the abundance of great fruit

from some of the lesser-known appellations in California. Mr. Gott thought he could make GREAT wines at a reasonable price by judicious blending of grapes from great (expensive) vineyards with grapes from less vaunted (cheaper) vineyards...and boy was he right.

Though all of the Joel Gott wines are delicious and offer great value, the '815' Cabernet is truly special: 100% Cabernet Sauvignon from vineyards throughout the state—from Lake County to Santa Ynez—this is a classic, luscious, varietally-correct show stopper. Big and rich without being droopy or top-heavy, it seems to please everyone, from those that are regular high-end Cabernet drinkers, to those that are just getting into red wine, due to its abundant yet soft tannins. Best of all, it sells. Wherever we place this wine, it becomes a 'best seller' in its category: at around \$17 a bottle, it has very few—if any—competitors that offer so much wine at this price. If there is a 'no-brainer' Cabernet that must be in your store, this is it.

We're here to help you grow your business!

Note: For those of you that have been to Napa Valley, you might have done business with Joel already: he owns the legendary roadside burger joint, Gott's Roadside (a must for anyone that visits Napa). ■



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Michigan's small employers – businesses that employ 50 or fewer people – provide a significant amount of health insurance coverage for people living in our state. Blue Cross Blue Shield of Michigan alone covers more than 261,000 Michiganders with health insurance provided by small employers.

With all of the pressures on a small employer's budget, it's always good news when their insurance company can hold premiums steady year-over-year. It's even better news when we can lower them.

So, it's great news that small group customers of Blue Cross Blue Shield of Michigan will benefit from a downward adjustment in our rates that Blue Cross has filed with state regulators. Rates for small group customers renewing coverage in the third and fourth quarters of 2017 will be, on average, 1.3 percent lower for BCBSM customers, and 3.2 percent lower for customers of our HMO, Blue Care Network. These reductions are pending state regulatory approval.

Our ability to reduce insurance rates is a direct result of our success in working with doctors and hospitals statewide to deliver more cost-efficient health care. These efforts – known as Value Partnerships – have created a more efficient health care system

in Michigan over 10 years. As anyone who has purchased a more fuel-efficient car can tell you, you'll pay less for gas over the long term for owning that car. That's what's happening with health care now.

Offering our customers reliable products at affordable price points is a priority for Blue Cross. We're very pleased that this year's good news comes fast on the heels of last year's rate moderation and the rate reductions we announced the year before.

Small businesses are very important to the stability of health coverage for Michigan residents. We at Blue Cross are very pleased that our efforts to keep costs in check are paying off for small employers in cities and towns across our state. ■



BWC Proposes Another \$1 Billion Workers' Compensation Rebate

■ OHIO BUREAU OF WORKERS' COMPENSATION // WWW.BWC.OHIO.GOV

GIVING BACK TO OHIO BUSINESS

Each year, the Ohio Bureau of Workers' Compensation helps nearly 250,000 employers protect their employees.

The premiums paid by Ohio's businesses and public employers help provide safety services to reduce workplace incidents and care to get injured workers back to work and back to life. An improving safety climate, good fiscal management and better than expected investment returns have resulted in the State Insurance Fund having a net position of more than \$9 billion. So, for the third time in four years, BWC is poised to return more than \$1 billion dollars to Ohio's private and public employers. Combined with nearly 30% in average rate cuts and \$3 billion in previous rebates and credits, this rebate would mean BWC will have helped return more than \$6 billion to Ohio's economy.

WHAT DOES THE PROPOSAL INCLUDE?

BWC is proposing a one-time rebate of approximately \$1 billion for private employers and public-taxing districts.

This includes an estimated \$967 million to private employers and \$133 million to public employer taxing districts.

In total more than 200,000 employers will receive rebates.

BWC is also considering an additional, significant investment in workplace wellness and safety. BWC has begun developing ideas to support this request and expects a proposal in April that will help significantly reduce workplace injuries.

To become effective, the proposal must go to the BWC Board of Directors for a first read on March 15, and then must have a second read and be approved by its board on April 28th.

HOW MUCH WILL EMPLOYERS RECEIVE AND WHEN?

If approved at the board's April 28 meeting, most rebates would equal 66% of the employer's premium for the policy year ending June 30, 2016 (calendar year 2015 for public employers). If approved, BWC expects to begin sending checks in early July.

Private employers in the group-retro program will have their rebate amount calculated and paid following the 12-month premium calculation scheduled to occur in October 2017.

WHO IS ELIGIBLE FOR THE REBATE?

Both private employers and public employer taxing districts that pay into the State Insurance Fund are eligible for the rebate. Details of eligibility will be posted to bwc.ohio.gov in the near future, but generally the employer must have been billed premium for the policy year ending June 30, 2016 (Dec. 31, 2015 for public employers), and be current in meeting their policy requirements. Employers with an outstanding BWC balance will have their rebate first applied to that balance. Employers that report through a Professional Employer Organization should receive their rebate from their PEO, which is required to pass a portion of the rebate on to their members.

HOW IS IT POSSIBLE THAT BWC HAS \$1 BILLION TO PROVIDE REBATES?

Despite a nearly 30% reduction in rates since 2011, the net position of BWC continues to grow. The State Insurance Fund's net position stands at \$9.6 billion as of January 31st. This is primarily due to strong investment returns.

Annualized return of investments was 7% over the last three fiscal years, including a total net return of 5.8% in FY2016. BWC's expected annual investment return is 4%. Prudent

fiscal management and declining claims also factor into BWC's financial strength.

WILL THIS IMPACT BWC'S ABILITY TO OPERATE AS NORMAL AND CONTINUE TO CARE FOR INJURED WORKERS?

No. Investments have performed so well, that even with the \$1 billion rebate, BWC's finances will remain very strong, so operations will continue as normal and injured workers will continue to receive the care they need to heal and return to work. In fact, we are developing a proposal to invest a significant amount into worker safety and wellness, which should benefit Ohio workers by further reducing workplace injuries. After the rebate, BWC will still have a net position of \$8.5 billion.

WHAT ELSE HAS BWC DONE TO HELP OHIO BUSINESSES?

Since the beginning of 2011, BWC has saved Ohio businesses \$4.8 billion through rebates, credits and rate reductions. That includes:

- Giving rebates of \$1 billion in 2013 and another \$1 billion in 2014.
- Providing \$1.2 billion in credits to transition to a modern billing system at no cost to employers.
- Reducing rates for private employers an average of 28.2%. That means BWC collected \$1.7 billion less from employers than had 2010 rates remained steady.
- Reducing rates for public employers an average of 29.6%, or \$334 million less than had 2010 rates remained steady.
- Moving from the state with the third highest private employer rates in the country in 2008 to the 11th lowest. ■

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Supervalu and Unified Grocers Marriage to Create \$16B Business

■ BY TERRIE // THE SHELBY REPORT

Supervalu is acquiring California-based Unified Grocers in a transaction valued at approximately \$375 million.

Supervalu President and CEO Mark Gross said on a conference call Tuesday morning announcing the deal that the sale of Save-A-Lot late last year gave Supervalu the opportunity to pursue a business like Unified. He also noted that Supervalu intends to expand its wholesale operations, possibly through acquisition.

Supervalu will pay approximately \$114 million in cash for 100 percent of the outstanding stock of Unified Grocers plus the assumption and payoff of Unified Grocers' net debt at closing (approximately \$261 million as of April 1st).

The two grocery wholesale organizations had combined sales of approximately \$16 billion in 2016. Together, Supervalu and Unified operate 24 distribution centers supplying customers in 46 states and serve a combined customer base of more than 3,000 stores.

The combined company will be able to serve a broad range of independent customers and offer an array of value-added services.

The acquisition also provides the potential expansion of Unified's Market Centre division, a specialty and ethnic products business, to more independent grocers.

"We're thrilled at the opportunity to bring together these two great organizations," Gross said in a prepared statement. "By acquiring the

Unified business, including gaining a wealth of expertise and talent, we will become a stronger and more efficient organization. The transaction will enhance our ability to help our customers better compete in the evolving grocery industry. We're also excited to serve Unified's dynamic retailer base. Unified's members and customers operate some of the country's most exciting and progressive Hispanic and multiple other ethnic formats, specialty, gourmet, natural/organic, price impact and traditional stores. They complement our existing customer base and we look forward to facilitating collaboration and innovation across such an impressive collection of creative merchants.

"We appreciate the experience, intelligence and dedication of the Unified team, and look forward to welcoming Unified associates to Supervalu and supporting them as we continue the important work of contributing to the growth and success of our customer network and helping to deliver value to our stockholders," Gross added. "We will make a great team together."

"We believe this transaction will benefit the members and customers of Unified Grocers as they look for new and innovative ways to serve the communities in which they operate," said Unified Grocers' President and CEO Bob Ling. "Supervalu and Unified share a common vision of providing best-in-class services and products to the independent grocer. The cultural fit between Supervalu and Unified well positions the combined company to pursue a shared

dedication and commitment to growth and innovation, providing increased value to customers."

TRANSACTION EXPECTED TO CLOSE THIS SUMMER

The transaction, which was unanimously approved by each company's board of directors, is currently expected to close in mid- to late summer, subject to approval by Unified's shareholders and other customary closing conditions. Following completion of the merger, Unified Grocers will be a wholly-owned subsidiary of Supervalu.

Following the completion of the transaction, Supervalu, with its headquarters in Eden Prairie, Minnesota, will maintain a visible presence in Commerce, California, where Unified's headquarters are located, as well as throughout the West Coast, including management and employees of the combined company.

Supervalu expects to incur transition and integration costs of up to \$60 million within the first two years following the completion of the transaction. By the end of the third year following the completion of the transaction, the combined business will achieve a run rate of at least \$60 million in cost synergies derived in part from consolidation of some back office functions.

The transaction is expected to be accretive to earnings per share, excluding the transition and integration costs, as well as potential purchase accounting adjustments, in the first full fiscal year following closing that begins February 25, 2018. ■



Harvest and Sherwood Food Distributors Merge

■ BY KRISTEN CLOUD // THE SHELBY REPORT

Harvest Food Distributors and Sherwood Food Distributors have merged to form a nationwide protein and perishable food distribution network, servicing independent food retailers, regional and national chains, cruise lines and foodservice distributors from coast to coast.

The merger of Harvest Sherwood brings together two family-owned companies to serve as a single, trusted partner for producers and customers, according to the companies. While both businesses will retain their existing individual identities, their shared network of distribution routes and warehouses throughout the U.S. will allow Harvest and Sherwood to meet local needs reliably and frequently. Additionally, the company's large national network will provide a platform for customer expansion and growth.

Harvest has 10 distribution centers and 12 sales offices serving more than 6,000 customers. The company currently ships 15 million pounds of product weekly on a fleet of more than 125 trucks. Sherwood has five distribution centers and nine sales offices servicing more than 6,000 customers.

"Both companies have a customer-first mindset and commitment to operating with integrity that makes this merger a perfect fit for all involved," said Jay Leavy, CEO of San Diego-based Harvest Food Distributors. "With this merger, we can broaden our customer network and ultimately better serve everyone with an



JASON ISHBIA, BOBBY LIPSON, HOWARD ISHBIA, JOEL ISHBIA AND MIKE COGGINS OF SHERWOOD FOOD DISTRIBUTORS DURING THE ATLANTA DIVISION'S RECENT SPRING SAVINGS BOOKING SHOW.



attractive product portfolio."

Added Earl Ishbia, CEO of Detroit-based Sherwood Food Distributors, "Harvest and Sherwood will be national in scope but will continue to have the regional dedication to service and customer relationships that both companies were known for previously."

There will be no immediate change in service to suppliers or customers and no staff reduction. The new organization's executive leadership team will consist of Jay Leavy and Earl Ishbia serving as co-CEOs, and Kevin Leavy and Jason

Ishbia serving as co-presidents.

Harvest and Sherwood will stock retailers throughout the perimeter of the store, including bakery, deli, meat and seafood departments. Offering commodities and branded products, the team has a history meeting the unique needs of niche markets, ethnic grocers and independent retailers of all sizes, and also offers marketing resources that help maximize grocery sales. The company will continue stocking foodservice operators, broadline distributors and cruise lines with protein and perishable products as well. ■



Tobacco 21 Law



Across the country many municipalities and states have passed laws raising the legal smoking age to 21. Raising the minimum age to 21 to purchase and/or use tobacco products is a promising strategy to reduce smoking and other tobacco use among youth. California and Hawaii have both passed laws prohibiting the sale of tobacco to those under 21, along with 200 other cities across the nation following suit, all citing health risks as a major reason.

Raising the legal smoking age is rapidly gaining momentum in Michigan as well. Recently, the City of Ann Arbor and Genesee County have enacted ordinances

prohibiting the sale of tobacco to persons under 21 years of age in their jurisdictions. Supporters insist that the measure will make it harder for teens to get cigarettes, help prevent early tobacco addiction and save lives. However, Michigan law states the legal age to purchase and/or use tobacco products is 18 years of age.

Those that oppose feel the City of Ann Arbor and Genesee County ordinances conflict with state law, asking whether Michigan law preempts a city ordinance that provides that “a person shall not sell, give or furnish a tobacco product in any form to a person under 21 years of

age.” Most recently, Senator Rick Jones asked Attorney General Bill Schuette to issue a legal opinion on this very question.

On February 2, 2017, Attorney General Bill Schuette issued the following legal opinion, writing, “The Age of Majority Act, 1071 PA 79, MCL 722.51 et seq., preempts a city ordinance that provides “a person shall not sell, give or furnish a tobacco product in any form to a person under 21 years of age.” The ordinance directly conflicts with state law by barring the sale or furnishing of tobacco products to 18 to 20 year olds because the Age of Majority Act prohibits treating these young adults differently from persons 21 years and older with respect to their legal capacity to purchase tobacco products.”

In addition, the Family Smoking Prevention and Tobacco Control Act of 2009, the federal law that prohibits the sale of tobacco products to minors, enforced by the Food and Drug Administration, remains applicable to all tobacco retailers in the state of Michigan. Therefore; retailers should continue to do their part, in support of federal and state law, by checking identification to ensure they don’t sell tobacco products to anyone younger than 18 years of age. Direct any queries to NordmannA1@michigan.gov. ■



Convenience Stores Hit Record In-Store Sales in 2016

■ BY NACS ONLINE

U.S. convenience stores experienced record in-store sales of \$233.0 billion in 2016—and the third straight year of \$10 billion-plus in pretax profits—according to newly released NACS State of the Industry data, the convenience and fuel retailing industry's premier benchmarks and key performance category insights.

Convenience stores, which sell more than 80% of the fuel purchased in the country, reported a 9.2% decline in fuel sales. This was driven by another year of low gas prices, which averaged \$2.17 for the year compared with \$2.44 in 2015. Fuel sales volume was up 2.6%, riding the wave of continued economic recovery. Meanwhile, fuel margins in 2016 dropped to 23.1 cents compared with 23.4 cents in 2015, but due to increased sales volume overall fuel gross profit increased 1.6% per store per month.

TOP IN-STORE CATEGORIES

The top 10 in-store categories ranked by sales dollars represent about 80% of all in-store sales. In 2016, eight of the 10 top in-store categories saw positive sales, including cigarettes, and nine had positive gross profit dollar growth. Factors such as low fuel prices, job growth and more discretionary income in consumers' wallets drove spending inside the store.

Here's how in-store sales performed in 2016:

- Tobacco (cigarettes and OTP): 36% of in-store sales
- Foodservice (prepared and commissary food; hot, cold and dispensed beverages): 21.7%
- Packaged beverages (carbonated soft drinks, energy drinks, sports drinks, water, juices and teas): 15%
- Center of the store (salty, candy, packaged sweet snacks and alternative snacks): 9.8%
- Beer: 6.7% (12.2% for stores selling beer)
- Other: 10.8%

While tobacco products, including cigarettes, were 36% of in-store sales dollars, they accounted for only 18.2% of gross profit dollars. Other tobacco products (OTP) is a bright spot, achieving double-digit growth in both sales and gross profit dollars. Since 2001, U.S. smoking rates have continued to decline, driven by individuals between the ages of 18 and 29. Product innovation and consumers moving from combustible tobacco products to other forms of tobacco are driving the OTP category.

Foodservice, a broad category that includes prepared and commissary foods, hot dispensed beverages (coffee) and cold (fountain) and frozen dispensed (slushee) drinks, continues to be a key focus for growth in the convenience store channel. Foodservice contributed 21.7% of in-store sales in 2016 and accounted for 35.2% of gross profit dollars, with prepared food and cold dispensed beverages driving the category's growth. In 2016, convenience stores experienced growth in every foodservice subcategory except for commissary and frozen dispensed beverages.

Packaged beverages (non-alcohol) accounted for 18.5% of gross profit dollars. Within the category, enhanced water (12.3% increase in sales), sports drinks (4.5%) and bottled water (3.9%) led sales growth from the cooler in 2016, signaling a move by consumers toward healthier and/or functional beverage options.

Snacking categories, including salty, candy and alternative snacks, all had strong growth as some consumers, especially millennials, moved toward snacking and away from traditional meals. For the second consecutive year, alternative snacks, a category driven by protein- and energy-rich items, reached the top 10 in-store merchandise categories, also signaling a desire by consumers for immediate/healthier snacking options.

INDUSTRY SNAPSHOT	2015	2016	% CHANGE
U.S. Store Count	154,195	154,535	FLAT
Inside Sales	\$225.8B	\$233.0B	3.2%
Fuel Sales	\$349.0B	\$316.8B	(9.2)%
Total Sales	\$574.8B	\$549.9B	(4.3)%
Pretax Profit	\$10.6B	\$10.2B	(3.8)%

(Sources: Nielsen/TDLinx; NACS; U.S. Energy Information Administration)

OPERATING EXPENSES

Despite record in-store sales, direct store operating expenses (DSOE), encompassing wages, payroll taxes, health-care insurance, card fees, utilities, repairs/maintenance and supplies, as well as several other categories including franchise fees and property taxes, outpaced inside gross profit dollars for the second consecutive year. This trend is creating challenges for convenience retailers as they look to grow their businesses.

Beyond sales, convenience stores are an important part of the economy. The convenience and fuel retailing industry employed 2.5 million people in 2016, wages were up 8.1% and the average wage for a store associate is \$9.99 per hour. Turnover for store associates was 133%, up from 95% in 2015, according to the recently released NACS Compensation Report of 2016 Data. The rise is primarily due to tighter labor markets resulting from being in the seventh year of economic recovery.

There is a notable dichotomy between the top-quartile performers and bottom-quartile performers within the convenience store industry, with nearly a 10-fold difference in store operating profit between the two quartiles. In terms of foodservice, the top quartile is excelling at hot dispensed beverages, with 6.6 times the coffee sales compared to the bottom quartile and more than three times in prepared food sales.

The industry's 2016 metrics are based on the NACS State of the Industry survey powered by its wholly owned subsidiary CSX LLC, the industry's largest online database of financial and operating data. Complete data and analysis will be released in June in the NACS State of the Industry Report of 2016 Data. ■



Americans Increasingly Choose Fueling Locations Based on Associated Quality of Food

A new national survey from NACS shows a growing trend of consumers seeking out high-quality food and beverages as part of their fueling experience



■ BY NACS ONLINE

Americans are increasingly seeking out fueling locations based on the quality of the food associated with the gas station, according to new national survey results released today by NACS. While survey results show that gas price is still the primary determinant in selecting a station, an increasing percentage of consumers say that the quality of items inside the store dictates where they buy fuel. In fact, one in seven drivers (16%) say that the in-store offer is driving their fueling decision, a 5-point increase since 2015.

Overall, 51% of American drivers say that the gas price is the reason that they prefer a specific store or chain, a 6-point drop over the past two years. Because of the expanded food and beverage offer, fueling customers also are going inside the store more: 42% of those fueling up also went inside the store, a 7-point jump from two years ago. For those going

inside, the most popular reasons were to pay for gas at the register (50%), buy a beverage (45%) or buy a snack (36%). More than one in five (22%) say they used the restroom. Overall, 8% say they bought a sandwich or meal, but that percentage jumped to 13% for younger consumers ages 18 to 34.

“The numbers clearly show the growing trend of consumers seeking out food and beverages as part of their fueling experience. While retailers know they need to aggressively compete on gas prices—67% of Americans say they will drive 5 minutes out of their way to save 5 cents per gallon—it also shows that there are other ways to compete for customers with a quality in-store offer,” said NACS Vice President of Strategic Industry Initiatives Jeff Lenard.

Gasoline demand in 2016 reached a record 9.32 million barrels per day, but only 33% of American drivers report that they drove more in 2016. For those who say they drove more, 41% cited their job as the main reason, as opposed to only 8% who cited gas prices.

Others findings from the survey results include:

- 73% of fuel customers pay by debit (37%) or credit (36%) card. Debit cards are most popular with younger consumers ages 18-34 (45%).
- Evening rush is the most popular time to purchase fuel (36%), significantly more than morning rush (22%).

- Nearly half (46%) of consumers say they have gotten a discount for their fuel by using a loyalty card or app, and 23% have gotten a discount for paying by cash.
- For those purchasing a sandwich or meal, 56% say they eat in their car, compared to 34% who eat it once they arrive at their destination and 10% who eat at tables in the store.
- Drivers expect that gas prices will increase throughout 2017. They predict that prices will be \$2.84 at year's end, a 52-cent increase from prices on January 1st.

The survey results were released today as part of the 2016 NACS Retail Fuels Report (www.nacsonline.com/gasprices), which examines conditions and trends that could impact gasoline prices. The online resource is annually published to help demystify the retail fueling industry by exploring, among other topics, how fuel is sold, how prices affect consumer sentiment, why prices historically increase in the spring and which new fuels are likely to gain traction in the marketplace.

The survey was conducted online by Penn Schoen Berland; 1,114 U.S. adults who purchase fuel for a vehicle such as a car, truck or van at least once per month were surveyed January 4-6, 2017. ■



ILLINOIS //

Chicago City Council Passes Ordinance To Allow Minors To Sell Packaged Liquor

■ BY MORRILL & ASSOCIATES

To ease shopping inconvenience and create new job opportunities for youth in restaurants and supermarkets, the Chicago City Council today passed an ordinance that will allow employees between the ages of 18 and 21 to serve, sell and stock liquor in the City of Chicago. The measure was co-sponsored by Aldermen Sawyer (6th Ward) and Tom Tunney (44th Ward).

The ordinance represents a logical solution to a common inconvenience: wait time at a supermarket for a minor cashier

to call his or her manager to ring up an alcohol sale. This change would allow for a more seamless transaction, and would further allow for adults who are not yet of legal drinking age to be employed in roles that require the handling of liquor – hopefully putting a dent in the City's 58.2% unemployment rate among young adults. As Alderman Tunney (44th Ward) said during the committee hearing, "This is a really logical step and an incremental step about how do we provide more opportunities for our youth."

Brought to the City Council

by the Illinois Retail Merchants Association (IRMA), the ordinance passed through the Council's License Committee last Wednesday. On behalf of AFPD, we were in touch with IRMA and sponsors as this issue moved forward.

The ordinance will not apply to sports stadiums and will only allow minors to serve, sell and stock liquor; opening bottles and cans or mixing drinks will still be off limits. Other Illinois municipalities have enacted similar ordinances regarding alcohol sales by employees under 21.

The ordinance now moves on to the Mayor for signature. ■

U.S. Supreme Court Rules Surcharge Bans May Violate Retailers' Free Speech

■ BY NACS ONLINE

A New York law that prohibited retailers from informing customers that using a credit card costs more cannot violate the merchants' free speech, the U.S. Supreme Court ruled on March 30th, USA Today reports. The unanimous but narrow decision from Chief Justice John Roberts gave lower courts the approval to hear cases on whether that law hampers how businesses can advertise prices.

At issue was the New York Court of Appeals ruling that said the law was valid because it regulated price. As the state interpreted the law, a merchant could advertise a \$10 cash haircut and a \$10.30 credit card haircut (or a \$10.30 haircut with a "cash

discount" option), but the retailer couldn't post a \$10 haircut and a 3% or 30-cent credit-card surcharge.

Roberts said that the law controls speech, not price. "The law tells merchants nothing about the amount they are allowed to collect from a cash or credit card payer," Roberts wrote in the court's decision. "Sellers are free to charge \$10 for cash and \$9.70, \$10, \$10.30 or any other amount for credit. What the law does regulate is how sellers may communicate their prices."

MasterCard and Visa have declined to comment on the case. Nine other states have similar laws on the books: California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, Oklahoma and Texas. ■



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MICHIGAN //

Duggan Alters Drainage Fee Program for Detroit Business Owners

Over 100 concerned members of the business community attended a meeting with Detroit Mayor Mike Duggan to hear about plans to change the way the Detroit Water and Sewer Department (DWSD) assesses drainage fees at City Hall on March 31st.

The meeting was prompted after the City and Mayor's office received a tremendous amount of complaints on enormous drainage fees added to water bills that seemed to have come out of nowhere. The Mayor, in an attempt to deescalate the level of frustration, has put forward a proposal to phase in the drainage fees over a period of 5 years. Additionally, the Mayor is proposing to more actively working with individual businesses to try and lower bills through credits.

At the meeting the Mayor gave some background on the issue. With the help of a very detailed visual presentation, he made it clear that the drainage fees are a direct result of Federal legislation passed in 1975 and court ordered receivership of the DWSD in 1977. The court ordered receivership lasted until 2014. The Mayor stated that the City must stop dumping untreated storm water into the Detroit and Rouge Rivers completely by 2022. Currently, what happens is that the City's storm water infrastructure cannot handle periods of heavy rain and therefore must dump storm water directly into the fore mentioned rivers.

The drainage fees being assessed will help build retention basins for storm water to be stored in during periods of heavy rainfall until the system can properly handle the water.

According to the Mayor, drainage fees are nothing new but due to outdated and poorly kept records not everyone on the system was being charged the fees until just recently. The City, after realizing the discrepancy in those paying and those

not, undertook a detailed plot survey of all land parcels within the City's limits. They then went through by hand to match the new plot survey to DWSD customers. They discovered more than 850 acres of land that should have been paying were not. Of the 850 acres about 400 acres were commercial properties, 225 acres were church properties, and 225 were industrial properties.

Diving into the numbers deeper it was discovered that even for DWSD customers who were paying fees the amount they were paying were all very different. The city has about 20,000 commercial properties. About 10,000 were paying \$750 per acre per month and about 2,000 properties were paying a flat \$20 per month while the remaining 8,000 were not paying anything.

In order to make the drainage fees more palatable they are being phased in over a 5-year period until all businesses are paying the same amount per acre per month. If a business never received a drainage fee until recently their bill will now be as follows per acre per month:

April 1, 2017	\$125
July 1, 2017	\$250
July 1, 2018	\$375
July 1, 2019	\$500
July 1, 2020	\$626
July 1, 2021	\$651
July 1, 2022	\$677

To lower the drainage fee rate the Mayor has said a business can do one of two things. First, they can remove impervious surface on their property or second divert water out of the municipal system. To accomplish either of these the city has set aside \$5 million in a capital assistance fund to offer as match funding. Additionally, business owners

can sign up for a site assessment with a DWSD employee to get advice on how to divert water out of the City's system or double check the area they are being billed for is accurate.

For the amount of impervious surface area removed the city will issue a 100% credit against the drainage fee. While the Mayor makes this sound like a credit it is a little misleading. Since a business only pays drainage fees on the amount of impervious surface they have removing impervious surface will therefore lower the fee.

If a business wants to divert water from going into the system through the use of retention basins, rain gardens, permeable pavement, etc.. they will receive a 50% credit on their bills. Businesses wishing to invest in this infrastructure will also be eligible for matching funds from the \$5 million capital improvement fund.

Unfortunately, drainage fees are not going away and will make doing business even more costly and more difficult in Detroit. The 2022 deadline is fast approaching and it is questionable whether the City will be successful in eliminating all storm water dumping as they are required to by the Federal government. What will happen if the City fails and how expensive will it become for business owners? It seems that working with a new administration in Washington D.C. should be explored as well.

If you have any questions on the new drainage fee and accompanying programs, please feel free to contact me at dpapineau@afpdonline.org. It may be a good idea to sign up for a site assessment regardless of what your circumstances or plan is. It is always good to at least have someone come double check you are being billed properly. ■



ALERT //

Ohio Cigarette & OTP Inspections

The Ohio Department of Taxation's Criminal Investigations Division is conducting Cigarette & Other Tobacco Products (OTP) Inspections. As a business owner you are required by law to have posted as indicated on the form below, vendors license, cigarette license, OTP license, and have available cigarette stock and inventory, OTP stock and inventory, all purchases and sales invoices.

AFPD would highly recommend you review this information and be prepared for an audit. ■

**Department of
Taxation**

P.O. Box 530
Columbus, OH 43216-0530

Cigarette and OTP Inspection Form

Please complete below for records manager

Open: ☐ Open / Close: ☐ Need case number: ☐

Evidence inventory attached: ☐ MSA: ☐

Case #: _____

Case Name: _____

Business Name: DBA: _____

Address: _____

City: _____ ZIP: _____ County: _____ Phone: _____

Individual Contacted: _____

Title: _____ OLN: _____

Vendor License #: _____ Cigarette License #: _____

Liquor Permit #: _____ OTP #: _____

Stamp #: _____ FEIN: _____ EMWH #: _____

Distributor's Name & OTP #: _____

Distributor's Name & OTP #: _____

Distributor's Name & OTP #: _____

Invoices Checked: Yes ☐ No ☐ Citation Issued: Yes ☐ No ☐

Inspection Performed By: _____ Date: _____

Time In: _____ Time Out: _____

Cigarette Inspection Information

The Ohio Department of Taxation's Criminal Investigations Division has conducted a cigarette and other tobacco product (OTC) inspection in your establishment. The tobacco inspection was conducted under the authority of, and in accordance with, Ohio Revised Code (O.R.C.) statutes 5743.14(a) and 5743.59(b).

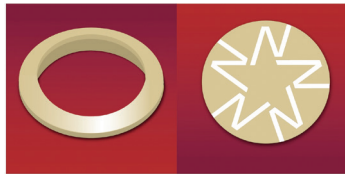
During the inspection, a team of Criminal Investigation agents examined the following to include, although not limited to:

Vendor's License	Cigarette Stock & Inventory
Cigarette License	OTP Stock & Inventory
OTP License	All Purchases & Sales Invoices

By law, you are required to maintain the above mentioned items, documents, material and products at your business location and have them readily available upon request during the inspection. The tobacco inspection team verified that all of the applicable tobacco excise taxes have been paid and ensured compliance with Ohio's tax laws. Any violation(s) of O.R.C. chapter 5743 (5743.99) discovered may result in the filing of criminal charges through the local courts.



RNDC to Build State-of-the-Art Facility in Livonia, Michigan



REPUBLIC NATIONAL DISTRIBUTING COMPANY

We are excited to announce that RNDC has made an investment in the expansion of the RNDC Michigan business. We have acquired property in Livonia, MI. Our plans are to build a new, state-of-the-art distribution center. In the spirit of our core value of customer focus, the 550,000 sq. ft. facility will feature the latest technology and equipment to better service the future demands of the business.

The current project schedule calls for construction to begin in late 2017 with a target completion date of January 2019. As the new development unfolds, we are committed to providing transparent communication that includes periodic updates. As an industry leader, RNDC prides itself in investing in the future growth of the company. When the Company grows, we know it provides great career opportunities for you. So, stay tuned for more updates in the future on this exciting new journey for RNDC Michigan. ■

FDA Now Regulates Additional Tobacco Products

■ BY ALICIA NORDMANN //

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

On May 10, 2016, the U.S. Food and Drug Administration (FDA) published a rule, “Deeming Tobacco Products to be subject to the Federal Food, Drug and Cosmetic Act, as Amended by the Family Smoking Prevention and Tobacco Control Act” (Deeming Rule). The Deeming Rule extends FDA’s authority to additional products that meet the definition of a “tobacco product” in the law. While the FDA has always regulated cigarettes, cigarette tobacco, roll-your-own tobacco, and smokeless tobaccos products, it now also regulates “newly deemed” tobacco products such as electronic cigarettes, cigars, hookah, and pipe tobacco, as well as their components and parts, but not the accessories.

What does this mean for Retailers? If a retailer sells a newly deemed tobacco product, then they must comply with the new requirements in the Deeming Rule. Retailers are responsible for:

- not selling newly deemed covered tobacco products to anyone under the age of 18;
- requiring age verification by photo ID for anyone under the age of 27 attempting to purchased covered tobacco products;
- not selling covered tobacco products in vending machines (unless in facilities that prohibit persons under the age of 18 from entering at all times); and,

- not distributing free samples of newly deemed tobacco products.

It should be noted that some Retailers (vape shops and those selling e-cigarettes) may be considered a “tobacco manufacturer” if they manufacture, fabricate, assemble, label, or process a tobacco product. An establishment that mixes and/or prepares combinations of liquid nicotine, flavors, and/or other liquids, or an establishment that creates or modifies an aerosolizing apparatus for sale to consumers would be considered a tobacco product manufacturer and must be licensed as such with the U.S. Department of Treasury, Alcohol and Tobacco Tax Trade Bureau (TTB). Those establishments licensed as tobacco manufacturers, importers, and distributors with the TTB will also have to comply with additional requirements as a result of the FDA’s Deeming Rule.

The overall goal of the Deeming Rule is to prevent youth from starting to use these products, help consumers better understand the risks of using these products, prohibit false and misleading products claims, and prevent new tobacco products from being marketed unless a manufacturer demonstrates that the products meet the relevant public health standard.

For more information about tobacco products regulated by the FDA, please visit www.fda.gov/tobacco or call 1-877-287-1373. ■



Are Gas Stations the New Grocery Stores?

Millennials are using convenience stores to buy essentials

■ BY NACS ONLINE

Millennials like convenience stores, fueling foodservice innovation and mobile payments, among other things. Now, Chase.com reports that the younger generation is turning to convenience stores for grocery shopping.

Twenty-four-year-old Benjamin Sturm often stops by his local Stewart's Shops to pick up cheese, bread and milk. "I only go to the grocery store for specialty items or things that Stewart's doesn't carry," he said. "I don't like to put the

wear-and-tear on my car if I don't have to. So, I usually go for gas on the way home, and get all the things I need in one stop."

According to research from the NPD Group, convenience stores grabbed 11% of millennial food and drink stops in 2014, up sharply from close to 8% in 2006. This age group is more likely to stop and pick up items—especially fresh prepared food—at gas stations and convenience stores than any other age group.

"They are less likely to shop for staple ingredients and more likely

to shop for an immediate meal. Combine that with the rise of cheap gas, and we will see more men being open to grocery shopping at convenience stores as they fuel up," said Patricia Martin, who writes about the consumer culture.

This has fueled record sales at convenience stores. "Fresh food and fresh, prepared foods are a real growth category for us," said Kyle Sloan, a merchandise manager for Love's Travel Stops. "We're finding that millennials are really looking for fresh offerings and snacking occasions." ■

Distilled Spirits & Wine Demonstrate Strong Growth While Beer Continues Reinvention

■ BY PR NEWswire

The distilled spirits, wine and beer industries continued to adapt to consumers' changing attitudes towards beverage alcohol. Industry-wide premiumization kept pace with consumer interest in high-quality products. And Millennials continued to drive expansion and migrate toward brands with heritage, authenticity and quality.

Distilled spirits achieved its 20th consecutive year of steady volume growth, up about 2%. The wine category advanced 2.2%, while beer managed to reverse its string of negative annual performances with negligible growth of 0.1%, according to the Beverage Information

Group's Handbook Advance 2017.

American whiskey remained a hot category. It achieved 5.3% growth, as consumers continue to buy brown spirits of all varieties. Imported whiskey rode the wave of its American cousins, with Irish whiskey surging 17.8% to surpass 3 million cases.

Of non-whiskey categories, tequila increased the most at 5.0%. Vodka, which represents 33% of all distilled spirits, managed a meager 1% growth. Rum and gin reported decreases of 1%.

The wine category saw strong growth, increasing in overall market share by 2.2% to 339.3 million 9-liter cases, valued at \$60 billion. The advance was led by a 7.8% upsurge

in consumption of sparkling wines, and a 1.8% growth in table wines. Millennials, which comprise nearly half of all wine drinkers, are willing to try higher-priced table wines while demonstrating increased desire for experimentation.

Beer's share of the beverage alcohol market posted a mere 0.1% increase, suspending declines posted in recent years. Advances in the craft, imported, super premium/premium and FMB categories offset declines in the remaining categories. The light beer category, which commands the largest share with 1.24 billion 2.25-gallon cases sold, continued its decline, losing 3.9% — its largest annual decline. ■



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 Edge One, Inc. (608) 873-3311
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 (248) 594-3322

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 Get Up & Go Ventures LLC (301) 254-5566
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 Sun Valley Foods Co. (313) 865-6360
 Metropolitan Baking Co./
 Hearth Oven Bakers (313) 875-7246

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 LCA Financial LLC/Sub of Lease Corp. of America
 (248) 743-5209
 Level One Bank (248) 737-1102
 Lincoln Financial Advisors. (248) 948-5124
 Mass Mutual Michigan Metro (248) 324-9308
 Mercantile Bank of Michigan (248) 434-5925
 US Bank (773) 478-3131

BEER DISTRIBUTORS

Eastown Distributors. (313) 867-6900
 Great Lakes Beverage Company (313) 865-3900
 Powers Distributing Company. (248) 393-3700

BEER GROWLERS

SRC Refrigeration (Growlers) . .1-800-521-0398
 Prestige Glassware (989) 671-4033

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 Karla Atchoo & Associates. (248) 851-1662
 Marcoin/E.K. Williams & Company . . (614) 837-7928
 UHY Advisors-MI (248) 355-1040

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 Sprint (248) 893-8017
 Tamar Designs, LLC (248) 760-7211

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 Capital Sales Company (248) 542-4400
 Core-Mark (440) 349-8400
 H.T. Hackney-Grand Rapids. 1-800-874-5550
 S. Abraham & Sons, Inc. (616) 453-6358
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Saroki Vehicles, LLC. (248) 258-3900
 Suburban Truck Driving Training School (734) 229-0000
 Superior Buick 1-877-586-8665

CHECK CASHING

Secure Check Cashing, Inc. (248) 548-3020

CHICKEN SUPPLIERS

Taylor Freezer/Broaster Chicken (734) 525-2535

CHIPS, NUTS, CANDY & SNACKS

Better Made Snack Foods **M** . (313) 925-4774
 D&B Grocers Wholesale **M IL** (Only salty snacks)
 (734) 513-1715
 Lipari Foods, Inc. (586) 447-3500
 Brooklynn Brownies with Love (313) 715-4829
 Detroit Popcorn Company (313) 387-1600
 Frito-Lay, Inc. 1-800-359-5914
 Kar's Nut Products Company. (248) 588-1903
 Motown Snack Foods
 (Jays, Cape Cod, Tom's, Archway, Stella D'oro) . . (313) 931-3205
 Northern Confections, Inc. (231) 436-5356
 Snyder's-Lance, Inc. (616) 401-0258
 Uncle Ray's Potato Chips & Snacks. . 1-800-800-3286

COFFEE DISTRIBUTORS

Farmers Brothers Coffee (734) 891-0592
 Lava Mountain Coffee (248) 267-0227

CONTRACTORS & CONSTRUCTION

Duraguard Commercial Roofing. (810) 730-2532

COUPON REDEMPTION/MONEY ORDERS/ MONEY TRANSFER/BILL PAYMENT

AFPD Coupon Redemption . .1-800-666-6233
 (405) 525-9419
 MoneyGram. 1-800-328-5678

CREDIT CARD PROCESSING

WorldPay (404) 723-1528
 First Class Payment Systems. 1-888-255-2211

DELI & MEAT MANUFACTURERS & DISTRIBUTORS

Sherwood Food Distributors . (313) 659-7300
 Lipari Foods, Inc. (586) 447-3500
 Supreme Ltd. (630) 550-5112
 Wolverine Packing Company (313) 259-7500

ENERGY, LIGHTING & UTILITIES

Mid-American Energy Services, LLC
 (563) 333-8570
 Vantaura Energy Services **M** (lighting)
 (616) 301-0775
 DTE Energy 1-800-477-4747
 DTE Your Energy Savings 1-855-234-7335
 GenPro 1-866-439-1424
 My Choice Energy. (586) 248-7181
 Running Right (248) 884-1704

ENVIRONMENTAL CONSULTING

BLDI Environmental Engineers (616) 459-3737

FOOD EQUIPMENT, MACHINERY & KIOSKS

CES Nationwide (773) 261-6105
 Culinary Products, Inc. (989) 754-2457

GAS STATION BRANDING & MAINTENANCE

Oscar W Larson Co. **M IL** . . . (248) 620-0070
 Clark Brands, LLC (331) 457-4804

GASOLINE WHOLESALE

Armada Oil & Gas (313) 582-1777
 Beck Suppliers, Inc. (419) 332-5527
 Central Ohio Petroleum Marketers . . (614) 889-1860
 Corrigan Oil (989) 793-2181
 Gilligan Oil Company of Columbus . . 1-800-355-9342
 High Pointe Oil Company, Inc. (248) 474-0900
 Obie Oil, Inc. (937) 275-9966
 R&R Takhar Operations, Inc. (937) 665-0881

GREETING CARDS

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

make sure to support these afpd supplier members



Indicates a supplier program that has been endorsed by AFPD

M Indicates supplier only available in MI

O Indicates supplier only available in OH

IL Indicates supplier only available in IL

GROCERY WHOLESALERS & DISTRIBUTORS



D&B Grocers Wholesale **IL** (Only salty snacks)
..... (734) 513-1715

George Enterprises, LLC. (248) 851-6990
Great North Foods/Alpena Grocer. (989) 356-2281
International Wholesale (248) 353-8800
Liberty Wholesale (586) 755-3629
MB Wholesale (313) 581-0099
SpartanNash (616) 878-2248
SUPERVALU West Region (262) 942-3387
Value Wholesale Distributors (248) 967-2900

HOSPITALITY INDUSTRY CONSULTING

Lippitt O'Keefe Advisors, LLC. (248) 646-8292

HOTELS, CONVENTION CENTERS & BANQUET HALLS

Farmington Hills Manor. (248) 888-8000
Genoa Banquet Center (517) 545-1000
Penna's of Sterling (586) 978-3880
Petruszello's (248) 879-1000
Shenandoah Country Club (248) 683-6363
Suburban Collection Showplace. (248) 348-5600

ICE CREAM SUPPLIERS



Nestle DSD (Small format only) ... (616) 291-8999



Prairie Farms Ice Cream Program **M**
..... 1-800-399-6970 ext. 200



Blue Bunny Ice Cream **M** ... (502) 264-2284

Arctic Express (Nestle Ice Cream-Small format only)
..... 1-866-347-3657

Bartos Distributing, Inc. (734) 422-7725

ICE PRODUCTS



U.S. Ice Corp. **M** (313) 862-3344

Arctic Glacier Premium Ice. 1-800-327-2920

Home City Ice (513) 598-3738

INSURANCE SERVICES: AUTO & HOME



Lakeview Insurance/Liberty Mutual Auto &

Home Discount Program **M O** (586) 553-9954

INSURANCE SERVICES: COMMERCIAL



Conifer Insurance Company (Liquor Liability)

..... (248) 559-0840
Cox Specialty Markets (Conifer) 1-800-648-0357
Federated Insurance 1-800-533-0472
Globe Midwest/Adjusters International . (248) 352-2100
Insurance Advisors, Inc. (248) 694-9006
National Claims Service. (313) 537-8329
The Campbell Group (269) 324-3688
USTI/Lyndall Insurance (440) 247-3750

INSURANCE SERVICES: HEALTH & LIFE



BCBS of Michigan **M** (313) 225-9000

Blue Care Network (248) 799-6300
Business Benefits Resource, LLC. (248) 381-5045
Heritage Vision Plans (313) 863-1633
Independent Food Retailers Association . (517) 337-4877
Midwest Medical Center (313) 581-2600

INSURANCE SERVICES: WORKERS' COMPENSATION



Conifer Insurance Company (248) 559-0840



CareWorks **O** ... 1-800-837-3200 ext. 7188

LEGAL SERVICES

Bellanca & LaBarge (313) 882-1100
Cummings, McClorey, Davis & Acho, PLC (734) 261-2400
Denha & Associates, PLLC. (248) 265-4100
Foster Swift Collins & Smith, PC (Labor & Employment Law)
..... (248) 539-9919
Hammoud & Dakhallah Law Group ... (313) 551-3038
Kecskes, Silver & Gadd, PC (734) 354-8600
Kullen & Kassab, PC (258) 538-2200
Lumpe, Raber & Evans Law Offices. (614) 221-5212
Pepple & Waggoner, Ltd. (216) 520-0088
Sullivan, Ward, Asher & Patton, PC ... (248) 746-0700
Willingham & Cote, PC (Alcohol issues) (517) 351-6200

LIQUOR SHELF TAGS

Saxon, Inc. (248) 398-2000

LOTTERY

IGT Global Solutions (517) 272-3302
Michigan Lottery (517) 335-5648
Ohio Lottery 1-800-589-6446

MILK, DAIRY & CHEESE PRODUCTS



Lipari Foods, Inc. (586) 447-3500



Sherwood Food Distributors **M IL**
..... (313) 659-7300



Dairymens **O** (216) 214-7342



Prairie Farms Dairy Co. **M** ... (248) 399-6300

Country Fresh. 1-800-748-0480

Dairy Fresh Foods, Inc. (313) 295-6300

OFFICE SUPPLIES



Office Depot (855) 337-6811

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



Great Lakes Data Systems
..... (248) 356-4100 ext. 107

Active Software & Hardware (248) 577-9000

BMC-Business Machines Company. (517) 485-1732

C Mart Technologies (916) 396-5794

Reward Geek (248) 268-9000

RSA America, LLC (312) 471-6700

PRINTING, PUBLISHING & SIGNAGE



Fisher Printing (708) 598-1500

Ahearn Signs, Inc. (734) 699-3777

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

Corrigan Oil (989) 793-2181

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 (Growlers) . 1-800-521-0398

National Resource Management, Inc. (781) 828-8877

RW International (586) 920-2796

RETAIL FIXTURES & DISPLAYS

Display Max (810) 494-0400
Retail Sign Systems (616) 863-6600
Tyler Supply Company (269) 345-2121


REVERSE VENDING MACHINES & SERVICE






UBCR, LLC (248) 529-2605
Universal Video, Inc. (248) 798-6699

SECURITY, SURVEILLANCE & MORE

 **Advanced Surveillance Technologies, Inc.**
..... **1-800-278-6004**
Central Alarm Signal (313) 864-8900
Davis Bancorp, Inc. (847) 998-9000

SODA POP, WATER, JUICES & OTHER BEVERAGES

 **Monster Energy Company**... **1-800-666-6233**
 **Muscle Milk**..... **1-800-666-6233**
 **Lipton Rebate Program/Pepsi Beverages**

..... Detroit  **1-800-368-9945**
..... Howell  **1-800-878-8239**
..... Pontiac  (248) 334-3512
..... Cleveland  (216) 252-7377
..... Twinsburg  (330) 963-5300

 **Coca-Cola Refreshments** *(Metro Detroit Program)*
..... **Metro Detroit**  **(313) 868-2008**
..... Belleville  (734) 397-2700
..... Port Huron  (810) 982-8501
..... Cleveland  (216) 690-2653

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




TOBACCO COMPANIES & PRODUCTS

8 Mile Smoke..... (844) 678-6453
Altria Client Services (513) 831-5510
R.J. Reynolds Tobacco Company (336) 741-0727
Tobacco Import USA..... (248) 336-2977

TRUCKING COMPANIES

North Shore Transportation Group (224) 210-1844

UNIFORMS, LINENS, WORK WEAR & SUPPLIES

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

UNEMPLOYMENT DEFENSE

 **Packer & Associates** **(248) 348-5610**

WASTE DISPOSAL & RECYCLING

 **Midwest Recycling**  *(American Red Cross boxes)*
..... **(313) 304-9099**
Planet Environmental (313) 473-9886
Schupan Recycling..... (269) 207-5448

WINE & SPIRITS COMPANIES

 **Benchmark Beverage Co.** ... **1-800-666-6233**
Bacardi 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
Native Spirits Ltd. (602) 741-6119
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



FOOD RESCUE / FOOD BANKS

MICHIGAN

Feeding America West Michigan Food Bank
..... (616) 784-3250
Feeding America West Michigan Food Bank -
Benton Harbor (269) 983-7229
Feeding America West Michigan Food Bank -
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
Forgotten Harvest (248) 967-1500
Gleaners Community Food Bank (866) GLE-ANER
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

ILLINOIS

Central Illinois Foodbank (217) 522-4022
Eastern Illinois Foodbank (217) 328-3663
Greater Chicago Food Depository (773) 247-3663
Northern Illinois Foodbank (630) 443-6910
Peoria Area Food Bank (309) 671-3906
River Bend Foodbank (563) 345-6490
St. Louis Area Foodbank (314) 292-6262
Tri-State Foodbank (812) 425-0775

If you are a supplier of a product/service and would
like the endorsement of AFPD, call us today at
1-800-666-6233!



**MAY 25, 2017****AFPD'S 13TH ANNUAL OHIO GOLF OUTING**

This outing is a social event where retailers, wholesalers, manufacturers and service providers all come together to have a little competitive fun. A day on the course includes breakfast, dinner and 18 holes of golf!

Manakiki Golf Course // Willoughby Hills, OH

JUNE 20, 2017**AFPD FOUNDATION'S 9TH ANNUAL SCHOLARSHIP LUNCHEON**

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

JULY 19, 2017**AFPD'S 41ST ANNUAL MICHIGAN GOLF OPEN**

A day on the course includes breakfast, lunch, 18 holes of golf and samples at every hole! Last year we sold out! Sponsorship opportunities are available.

Fox Hills Golf & Banquet Center // Plymouth, MI

SEPTEMBER 6, 2017**AFPD'S 8TH ANNUAL MID-MICHIGAN HOLIDAY FOOD & BEVERAGE SHOW**

Connect with buyers and have some fun at the Mid-Michigan Holiday Food & Beverage Show. Let AFPD work hard to help you sell your holiday products and promotions.

Comfort Inn & Suites // Mt. Pleasant, MI

SEPTEMBER 27, 2017**AFPD'S 19TH ANNUAL HOLIDAY FOOD & BEVERAGE BUYING SHOW**

As Michigan's premiere holiday show, retailers and on-and off-premise licensees come from miles to see, sample and buy a wide variety of new products. Admission for AFPD members is free. Must be 21 years or older to attend this show.

Suburban Collection Showplace // Novi, MI

publishers statement

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”

Mike Vinckier
Owner, Vinckier Foods
Port Huron, Almont

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Jim Gohsman 616-878-8088

Ed Callihan 330-903-8076

Roger Delemeester 989-245-0337



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