

# BottomLine



THE VOICE OF INDEPENDENT RETAILERS // VOL. 29, NO. 5 // MAY 2018

Healthy Alternatives  
at the Checkout Line

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# BottomLine



THE VOICE OF INDEPENDENT RETAILERS  
VOL. 29, NO. 5 // MAY 2018

## features



### RETAILERS' TAKE ON WHAT HAVE BECOME THE TWO HOTTEST TRENDS IN THE RETAIL INDUSTRY

For several years now, the move towards prepared foods and niche markets has been progressive. Retailers have moved from uncertainty to refinement, they are no longer looking to salvage their archaic business styles. Instead, they are embracing these new trends and working them in their favor.



### INCREASED TOBACCO INVESTIGATIONS/ AUDITS

The local police agencies and The US Food & Drug Administration are actively conducting tobacco investigations and audits at retail establishments, especially gas stations and convenience stores. They are actively looking for untaxed items.



### COVER STORY // HEALTHY ALTERNATIVES AT THE CHECKOUT LINE

Whether you are incorporating a farmer's market stand outside your store or produce at the checkout lines, food retailers are finding creative ways to increase healthy alternatives.





# president's message

AUDAY P. ARABO, ESQ. // AFPD PRESIDENT & CEO

## No Member is More Important Than the Association

**A**pril showers bring May flowers. If the saying becomes reality this year, we should all hope for great sales in May because most members told me April sales were soft due to the cold weather and rain. As you get ready for some great sales numbers in May, I hope everyone attended the various tradeshow in April to stock up on the newest items to hit the market along with some incredible savings.

In a continuously changing and shrinking industry, which continues to deal with and witness consolidation at every level (manufacturer, wholesaler/distributor and retail), AFPD is making some major and exciting changes as well. The Executive Board of AFPD and the Board of Governors has unanimously voted to change the name of the association to the Midwest Independent Retailers Association (MIRA). The AFPD Foundation Board of Trustees also voted unanimously to change the name of the foundation to the Midwest Independent Retailers Foundation (MIRF). The name and the new logo be implemented near the end of this year. These changes were driven by the geographic growth of the association over the past 8 years or so. With offices and a greater focus in Cleveland and Chicago, the Executive Board wanted to reiterate the focus on serving and protecting independent retailers throughout the Midwest.

The association does represent a few chains like Kroger, who we enjoy working with because they understand AFPD's focus, but at the same time we no longer represent Meijer. We don't want any entity to join AFPD who intend to dictate and overpower the independent retailers' interests that are enshrined in our mission statement and bylaws. Meijer recently left our association due to our position in protecting the half mile rule in Michigan. This, once again, should show every member that no member, regardless of how big they may be, is more important than the association. We are a sum of all our parts, including our members, and AFPD's Executive Board will not sacrifice the interests of the majority and the interests of independent retailers just to please an entity like Meijer.

This is more reason for every independent retailer in the Midwest to join our association. We cannot and will not be bullied, bought out, or compromise our core values. Next time you think about buying a Coke, Pepsi or Gatorade from a major retailer because their advertised price is cheaper one week, think about what you are doing and whether you are empowering the larger retailers (who you also complain about) and hurting yourself and what is your time really worth? It is ultimately your decision to make.

One person cannot change the world overnight, but it always starts at one and when we come together as an association, by definition, no one part or member is greater than the whole. If Meijer or anyone like Meijer decides to join our association, they need to understand this underlying principle. I know our independent retailers are not afraid and timid to stand toe-to-toe with major chains because the entrepreneurial spirit that drives our members is what makes our country the greatest country in the world. Don't fear consolidation, just find your niche and do it well and most importantly make sure you enjoy what you do day in and day out. As one of our Executive Board members tells me, you are either in or out of our industry. You cannot straddle the lines and become successful, especially since everyone continues to reinvest in their businesses in our ever changing industry. Keep the faith and know that MIRA will always be in your corner! ■

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<b>UHY-MI</b>	Certified Public Accountant
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## Retailers' Take on What Have Become the Two Hottest Trends in The Retail Industry

■ BY ASHOURINA SLEWO //  
DENHA MEDIA GROUP

For several years now, the move towards prepared foods and niche markets has been progressive. Retailers have moved from uncertainty to refinement, they are no longer looking to salvage their archaic business styles. Instead, they are embracing these new trends and working them in their favor.

Two of the hottest trends hitting the retail industry now are prepared foods and niche markets, or more specifically, ethnic foods and groceries. As far as which trend takes the title as the bigger, or better trend, some believe it to be prepared foods.

With prepared foods, its popularity can take off in almost any store, regardless of location or demographics as it can be specifically catered to any crowd. "... prepared foods are probably the hottest trend," explained Phil Kassa, Chairman of the Board and co-owner of family owned grocers, including Heartland Marketplace. "Ethnic foods depend on your location."

The offerings at each of Kassa's stores is dependent on its patrons, with some of his menu leaning more to the ethnic side. "We do mainly basic prepared foods, such as chicken, ribs, pot pies," explained Kassa. "Our Farmington store carries a lot of ethnic foods, because the area is so diverse, we call it the U.N."

The rise in popularity of prepared foods, according to Kassa, is the ease that comes with prepared foods.

"I think prepared foods have become popular, because couples are both working, and they don't have time to prepare meals when they get home," explained Kassa. "I think prepared foods

will continue to grow, but I don't know how much a customer is willing to pay at a grocery store, though."

According to Nick Sesi of Azteca Supermercado, both the prepared foods trend and the ethnic groceries trend can prove to be helpful. With his business in a predominantly Hispanic market, Sesi can use both trends to his advantage.

Knowing who his customers are and what they want or need allows Sesi to be successful in executing both trends. Ethnic groceries and prepared foods "keeps customers coming back knowing that we carry what they are looking for," he explained.

"Once you're under the reputation of having those things in the store, people will know they can come to your store to just grab and go," explained John Denha, Huron Foods. "They want prepared foods – we sell the customers what they want, not what we want."

While both trends work for Sesi and his business's demographic, incorporating these trends are not always sure-fire ways to success. Knowing what will or won't work almost always boils down to knowing your customers and their needs.

For Kassa, putting his effort into ethnic groceries did not pan out as well. "We've been doing the basic prepared foods for the last 15 years because the chain stores were doing it, and we had calls to start," said Kassa. "We've been selling ethnic foods at the Farmington store since we opened ten years ago. We felt there was a need for it, but we discovered we didn't have enough of any one ethnic group to be successful."

As these trends take over the retail industry, it is important to keep in mind the approach one takes in tackling them. These trends must be approached



strategically in order for retailers to yield any positive results.

While Sesi believes incorporating either prepared foods or ethnic groceries is necessary, he believes retailers who have a knack for it can be successful.

"It depends on the person trying to achieve the outcome," he explained. "Not everybody is open to change and it's not something that is teachable. Being close minded is the worst thing for a business."

With a similar sentiment, Denha offers a bit of advice for retailers looking to incorporate either of these trends in their businesses.

"Number one, you have to have the room for it in your store. Number two, you have to know what you're selling first in order to make it prepared," he explained. "Whether you're selling a lot of chicken, a lot of pork, a lot of beef, you have to know what you're selling. Once you know what you're selling, you know what to make and you have to have somebody in the back that is consistent and preparing. It's not just spaghetti and meatballs. It takes a lot of time and effort to be able to provide prepared foods." ■





# petroleum news & views

EDWARD WEGLARZ // AFPD DIRECTOR, PETROLEUM

## Increased Tobacco Investigations/Audits

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

**T**he local police agencies and The US Food & Drug Administration are actively conducting tobacco investigations and audits at retail establishments, especially gas stations and convenience stores. They are actively 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 all tobacco suppliers, file them in a folder or envelope and have them immediately handy for your cashiers to provide to the investigators. The investigators will not wait for you to travel from home to your store if you are not there. Investigators 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.

Also have the correct signage displayed. It's a great idea to have a cash register that can read the IDs that customers provide and immediately tell your cashier whether a legal sale can be made.



While they are at it, they'll 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 their 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 investigation "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.

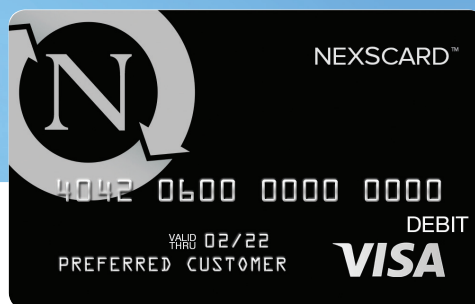
There is a responsibility that goes along with the option to sell cigarettes and tobacco. Save yourself a lot of trouble by complying with the rules! ■





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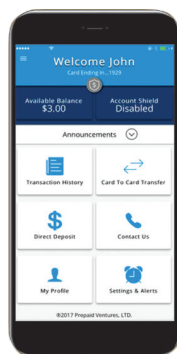


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# michigan lobbyist report

MATT MINER // CAPITOL STRATEGIES GROUP

## Springtime Action in the Michigan Legislature

The spring legislative session is in full bloom with many significant items advancing from one chamber to another. The Half-Mile fight continues in earnest as our team continues to work to craft a solution that places the current rule into law, but we are not without opposition. Please continue to communicate with the members of the House of Representatives that represent you. Our grassroots efforts must continue until we break down the wall.

In addition to the Half-Mile rule, there are several legislative measures being debated at the capitol that matter to our membership. Here's an update on a few of them:

### SENATE BILLS 632 AND 633

These bills are potentially dangerous to all retailers in this state. They attempt to establish protocols to combat data breaches by mandating certain measures are adopted by all businesses in this state. These onerous requirements include:

- A business must notify their financial institution of breach within 3 days from discovering the breach occurred.

- Businesses with fewer than 25 employees are required to notify their credit card processor of a breach within 3 days and the processor has 3 days to notify the financial institution.
- Requires breached businesses to provide credit monitoring services to effected individuals for 1 year.
- Allows financial institution to bring a civil action against the breached businesses for any damages and costs incurred from the breach.

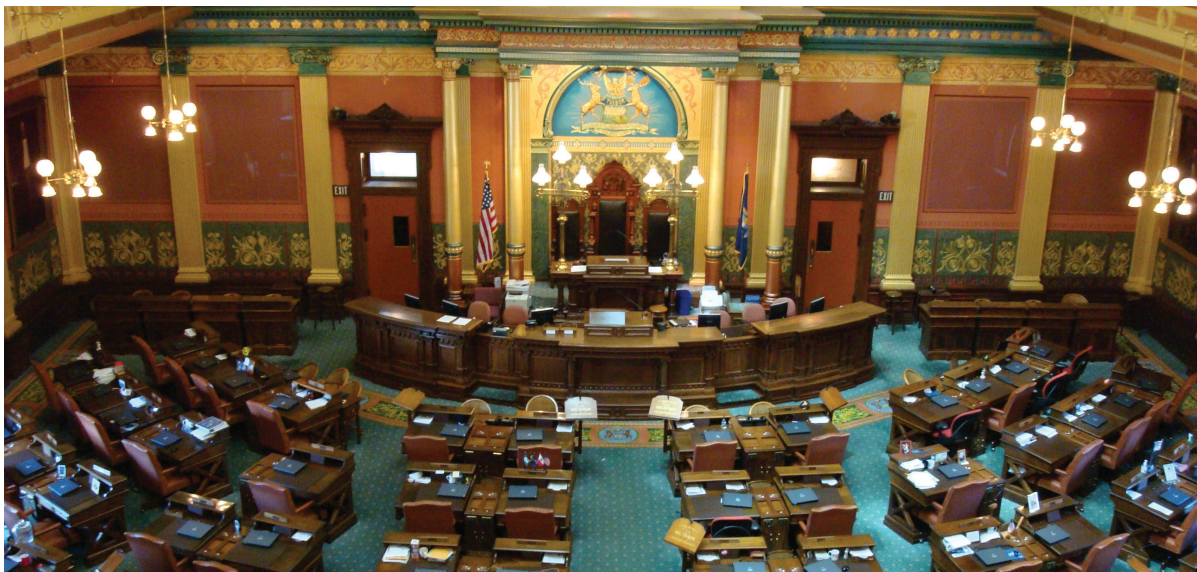
AFPD and its team are working diligently to keep these onerous requirements off of our members.

### SENATE BILL 579

This bill attempts to grow the craft distilling industry here in Michigan by reducing the taxes on spirits produced by craft distillers. This bill has passed the House and Senate in previous sessions, has met resistance with the MLCC.

### HOUSE BILL 5719

This bill would allow the MLCC to issue one SDM license for each 1,000 of population or fraction of 1,000. This could potentially open up a small number of new SDM licenses in the state, but only in certain cases. AFPD is monitoring this bill closely. The bill has not advanced from the committee it was referred to last month. ■



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# michigan lottery report

BRIAN O. NEILL // MICHIGAN LOTTERY COMMISSIONER

## Quick Instant Game Family Expected to Generate Player Interest; Boost Sales

The Michigan Lottery's instant game portfolio has performed at record levels for the last three years. In 2015, Lottery instant game sales eclipsed \$1 billion for the first time ever with double-digit growth. Sales growth continued in 2016 with instant game sales increasing about 10% to \$1.1 billion. Final results for 2017 show instant game sales increased an impressive 16% from 2016 to a record \$1.3 billion.

The momentum for instant games has carried forward into 2018, with sales for the first half of the fiscal year increasing about 12% compared to the same period in 2017. The Lottery is launching a new family of "Quick" instant games to help maintain player interest and continue that sales momentum.

The "Quick" instant games launched May 1st. Players may choose from a variety of price points: \$1, \$2, \$5, and \$10. The new games also offer players a range of top prizes. The games are:

- **Quick Cash** – A \$1 ticket with top prizes of \$5,000, and more than \$5 million in total prizes.
- **Quick Winnings** – A \$2 ticket with top prizes of \$50,000, and more than \$20 million in total prizes.
- **Quick Riches** – A \$5 ticket with top prizes of \$500,000, and more than \$29 million in total prizes.
- **Quick Million** – A \$10 ticket with top prizes of \$1 million, and more than \$51 million in total prizes.

We expect the variety of price points and prizes will make the "Quick" family of games attractive to a large number of players and build on the strong interest and purchases in instant games.

### GOVERNOR SNYDER ACCEPTS RESIGNATION OF ARIC NESBITT AS LOTTERY COMMISSIONER, APPOINTS CHIEF DEPUTY COMMISSIONER BRIAN O. NEILL TO THE POST

Governor Rick Snyder announced that he has accepted the resignation of Aric Nesbitt as Commissioner of the Michigan Lottery and appointed Brian O. Neill, the Lottery's Chief Deputy Commissioner, to the post.

Nesbitt stepped down as Lottery Commissioner to explore other options for public service.

Neill has served as the Lottery's Chief Deputy Commissioner since 2016. In that position, he has been responsible for managing the ongoing operations and administration of the Lottery. Before taking that post, he served as the Lottery's Deputy Commissioner for Compliance and Legal Affairs and interim Chief Financial Officer.

Neill joined the Lottery in 2013 after serving as an Assistant Attorney General in the Michigan Department of Attorney General for nine years. ■

*About 97 cents of every dollar spent on Lottery tickets is returned to the state in the form of contributions to the state School Aid Fund, prizes to players and commissions to vendors and retailers. In the 2017 fiscal year, the Lottery's contribution to Michigan's public schools was a record \$924.1 million. Since it began in 1972, the Lottery has contributed more than \$21 billion to support public education in Michigan. For additional information, follow the Michigan Lottery on Facebook, Instagram, Twitter and online at [www.michiganlottery.com](http://www.michiganlottery.com).*

### INSTANT TICKETS // PULL TAB TICKETS

#### NEW INSTANT TICKETS:

##### On Sale May 1st:

- IG 256 – Quick Cash – \$1
- IG 257 – Quick Winnings – \$2
- IG 258 – Quick Riches – \$5
- IG 259 – Quick Million – \$10

#### INSTANT GAMES SET TO EXPIRE:

##### Expiring May 7th:

- IG 731 – World Class Millions – \$30

##### Expiring June 4th:

- IG 775 – Tic Tac Toad – \$1

#### NEW PULL TAB TICKETS:

##### On sale May 1st:

- MI 523 – Big Shot – 50¢
- MI 513 – Club Keno – \$1

#### PULL TABS SET TO EXPIRE:

##### Expiring May 14th:

- MI 573 – Hit \$500 – \$1
- MI 574 – Nice Pair – 50¢

##### Expiring June 4th:

- IG 585 – Detroit Red Wings – \$1

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



# THERE'S FUN IN EVERY ONE!

Players love Instant Games! There are dozens to choose from and millions in cash prizes. Last year, retailers earned \$106 million in commission on Michigan Lottery instant tickets. So keep plenty in stock because what's fun for players means profits for you.

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# ohio lobbyist report

TERRY FLEMING // TC FLEMING & ASSOCIATES

## Ohio Soap Opera Unfolds Before Primary

Just when you think things couldn't get any worse in Ohio, they get worse. Ohio House Speaker Cliff Rosenberger resigned his office due to a suspected FBI investigation into his lavish living style, trips, 4-star hotels and meals. The Speaker in 3.5 years has traveled to Europe, Asia, Africa and several resorts in the U.S. – many of these supposedly paid for by House Campaign Funds. He used funds raised by members for the Ohio House re-election campaign. Many members questioned this unauthorized use; he also had been funding republican candidates involved in primary battles between those supporting his hand-picked favorite to succeed him as Speaker, Ryan Smith and Representative Larry Householder, a former Speaker who wants the job again. Several House members up for re-election wonder if there will be any money left for the November elections. This all came to a boil when the Speaker attended a GO-PAC conference in London, England which was also attended by lobbyist for Pay Day Lending, this same lobbyist posted pictures on Facebook showing him with the Speaker at many locations across the U.S. There is a bill pending that would clamp down harder on Pay Day lenders, it had been held up while leadership tried to come up with an amendment that would soften the blow, but with all the attention given the Speaker's plight, the bill passed out of committee without change and is expected to receive quick action by the full House and Senate. There are rumors circulating that a Grand Jury has been sitting and that an unknown lobbyist has been wearing a wire. It's suspected that several other folks may be under investigation; including a major donor to Rosenberger and other House members.

It gets better, out of the clear blue two Super PACs, which are not required to report donors, have been running vile advertisements against all House candidates who support Larry Householder for next Speaker. Some have suggested that the same

person funding Rosenberger is funding the PACs. Representative Householder has filed a law suit against the PACs claiming they are lying. Not to be out done Attorney General Mike DeWine, who is running for Governor and just over a month ago was supposedly ahead by 20 to 25 points, started running vicious attack advertisements against his opponent, Lt. Governor Mary Taylor. While a lot of this will be resolved after the May 8th primary election, Mr. Rosenberger has a lengthy battle ahead to clear his name.

Speaking of Elections, Lt. Governor Mary Taylor had a great two weeks; she got the endorsement of U.S. Senators Rand Paul of Kentucky and Ted Cruz of Texas, in addition she received an endorsement from the American Conservative Union out of Virginia. As previously stated she has the attention of her opponent who is now running scared. On the Democrat side former Cleveland Boy Wonder Mayor, Dennis Kucinich was on a roll against favorite candidate Rich Cordray, until it was discovered that Kucinich received \$20,000 from Syria for a speech praising them. It seems that Mr. Cordray is now the prohibitive favorite to be Democratic nominee.

Meanwhile AFPD which had HB 307, designating the Month of September as "We Card" month, introduced by Representative Anne Gonzales, met with Senate Chairman where the bill has languished since passing the House a couple of months ago. The Chairman assured AFPD that the bill will pass the Senate prior to summer recess. AFPD also had a long meeting with the leader of the tobacco coalition in Ohio on HB 576 and SB 277, both of which would prohibit retailers from selling cigarettes below cost of wholesale. The bills have not received any attention since introduction so AFPD will investigate the companion bills and make a decision on support. AFPD has also met with House and Senate members to discuss HB 576 and SB 277, which would raise minimum wage to \$12 an hour in 2019 and then 50¢ an hour more each year until it tops out at \$15 dollars an hour in 2025, both bills were introduced by Democrats and have no chance of passing this year.

We continue to need the support of AFPD Ohio members and encourage you to reach out to fellow retailers and urge them to join with you to make a stronger presence in Ohio. ■

# Keep it cool with ice



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# ohio liquor report

JIM V. CANEPA // OHIO DIVISION OF LIQUOR CONTROL

## Ohio's Liquor Enterprise Help Desk

**D**id you know every stakeholder within our Liquor Enterprise has access to a free help desk? Whether you have questions about a hot new product or want to know why you can't get your hands on a new bottle of bourbon, the Division of Liquor Control (DOLC) has the answer.

That answer lies within the Liquor Enterprise Service Center (LESC). This help desk, which recently celebrated its one-year anniversary, is your one-stop shop for any question surrounding Ohio's ever-evolving, ever-improving industry.

DOLC understands the complexities surrounding this industry. Modernizing every liquor store in the state came with a lot of change, but it was just the beginning. We're expanding our footprint by adding new Agencies, we're changing the look and feel of our Agencies to enhance customer experience and we're working around the clock to make sure Ohio customers have access to the products they want — whether it's in an Agency, or their favorite bar or restaurant.

It's important to understand the supply and demand of this industry. DOLC operates just like any other business. Restaurants don't buy a product that doesn't sell on their menu, and DOLC doesn't buy product that doesn't get picked off the shelves. Many factors play a key role in how we stock our shelves. First, producers of alcohol make the business decisions surrounding their product. They decide how much they make and who those products go to. DOLC works hard to ensure the "in-demand" products make their way to Ohio shelves, while also being mindful of what a successful business model means for Ohio's Agencies, as well as bars and restaurants.

Some products are produced in limited quantities and therefore, can only be provided to some Agencies and not others. These allocations are guided largely by sales data, but also by our vendors, brokers, and distributors insights into where these products should be placed. Ultimately, the goal is to provide products in locations with the highest demand while also balancing the opportunity to develop an optimal customer experience.

It is also important to note Ohio's Liquor Enterprise only purchases liquor inventory by the case, which is then delivered and made available in Agency liquor stores throughout the state, to be sold on consignment for a commission. However, it's not uncommon for bars and restaurants to only need a few bottles, rather than a full case. If DOLC supplies a case, but the need is

for only two bottles, that leaves the rest potentially unsold. So how can everyone win in this situation? The answer is two-fold. First, DOLC has implemented a regional Agency strategy where select Agencies across the state house these cases of certain specialty products. These products include unique brands and flavors which were selected based on sales data and feedback from wholesale customers and is constantly being updated. The Agency locations are strategically located across the state, offering easy access to wholesale customers who can purchase by the bottle. Secondly, a bar or restaurant can make the business decision to purchase a case of the product for themselves by simply connecting with the LESC.

These steps, among others, support positive, responsible growth for everyone by eliminating the buildup of slow-moving, low-demand products that remain in the Liquor Enterprise inventory and take up space on Agency store shelves. That shelf space is reserved for products that will move — products retail and wholesale customers want. Another step DOLC takes to ensure the right products are on the shelves at the right time is our listing and delisting process. The delisting process is a straightforward proposition based on a simple formula. The proposition is that slow-moving products should be removed from our "menu" of available products to make room for faster moving products. To help move these products off our shelves, Ohio created the Last Call campaign. The idea behind this campaign, which is currently underway, is to move delisted product from Agencies by reducing costs, freeing up valuable space for new products.

Last Call campaigns, specialty product stores, highly sought-after products, listing and delisting processes are just a few of the essential components of a fast-paced industry. DOLC understands there may be questions surrounding process improvements and product strategy. In fact, we expect them. That is why we stood up the LESC in the first place.

Whether it's by phone or email, we are here to help and we're not going anywhere! Since the launch of the LESC, more than 50,000 queries have been taken. Despite the voluminous amount of calls and emails, more than 80% of all requests, incidents, and inquiries reported to the LESC are resolved during the initial contact. Nearly 98% are resolved within one business day.

Providing customer service is our top priority, so don't hesitate to utilize this tool. The LESC welcomes liquor enterprise related calls from all constituencies across Ohio. If someone has a question, the LESC can either provide the answer, find the answer, or connect the requester with someone who will. We put it here to ensure every stakeholder of Ohio's Liquor Enterprise has what it needs to succeed. For questions, you can reach the LESC at (877) 812-0013 or [liquoragencyhelp@com.state.oh.us](mailto:liquoragencyhelp@com.state.oh.us). ■

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The "Quick Counter™ APP" comes with either an Apple I-Pod or RCA tablet along with a push button barcode scanner. All of this controlled by a cloud based control panel supplied with the app. Your database is uploaded to the cloud and controlled by you. This control panel pushes the changes down to the "Quick Counter™" so they will always be ready for accurate inventory counting. Our cloud base service is located in the Google environment and protected by the best and most secure servers in the world, Amazon.

As each inventory item is scanned from either the shelf tags or from the barcoded inventory sheets, the APP brings up that item's description information and allows for a quantity entry. This quantity entry goes into a designated inventory location column and into the correct corresponding inventory item number. The quantities can come from various locations within the store/storage environment and are automatically added and compiled into a grand total column. Once the inventory counting has been completed, a submit button brings up a place for an email address. After the email has been sent and opened, the information appears in an Excel format, including the name, date and time of the inventory counting. All of the items that were counted and entered are in the exact sequence of the database. The counted amount totals are then copied, pasted and/or imported into the database.

Pricing for the "Quick Counter™ APP" is simple, \$700.00 per year licensing fee and \$25.00 to download the app to each device through the Google Play Store for android or the Apple Store IOS devices. Tablets and Scanners are available through Saxon Inc. in the following configurations.

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# Healthy Alternatives at the Checkout Line



**W**hether you are incorporating a farmer's market stand outside your store or produce at the checkout lines, food retailers are finding creative ways to increase healthy alternatives.

As part of its reFresh initiative, the National Association of Convenience Stores (NACS) worked with food and merchandising experts to develop eight convenience store-specific ideas to grow sales based on evidence-based practices. NACS then undertook pilot tests to further define how these practices could grow sales.

For these case studies, retailers allowed NACS to test key insights and share the results with other retailers who can consider how these findings may improve their own operations.

The NACS reFresh initiative was established in 2014 to help convenience retailers address the critical topics important to their business and create positive perceptions of the industry overall. It focuses on three elements:

- **Creating tools** with new ideas that help retailers enhance their operations and communication.
- **Sharing facts** and data to challenge an outdated reputation, educate the public, and demonstrate how the industry is changing for the better.
- **Forming partnerships** with credible nutrition and community-focused groups to decrease misperceptions and underscore the industry's positive business practices to the public, media and policymakers.

One pilot test involved the public university, Utah State University (USU); In 2017, the University launched the healthy checkout pilot to determine whether sales of healthier items would increase when placed near the register or checkout area when impulse purchases most occur.



The area within six feet of the register or the line in which customers wait is considered the checkout area and often the place customers make impulse purchases.

USU has more than 28,000 students enrolled and about 18,000 living on or near campus. There are seven food retail establishments on campus, two of which are C-Stores. The on-campus C-stores are Quickstop and Emma's Nook and both are open Monday through Saturday; they offer a variety of hot and cold foods as well as snacks and beverages. Shaw's 88 Kitchen features a variety of grab-n-go items Monday through Friday. All the stores serve students and staff; however, students make up the largest portion of the customer base across the food retail stores.

USU worked with NACS and the Project on Nutrition and Wellness (PNW) to design and execute the healthy checkpoint pilot test.

#### KEY CRITERIA THAT SNACKS MUST ADHERE TO:

- Have no more than 200 calories per item/package
- Have no more than 35% fat (unless the item contains 100% nuts or seeds)
- Have no more than 10% calories from saturated fat;
- Have 0 grams of trans fat
- Have no more than 35% of calories from total sugars and a maximum of no more than 10 grams of total sugars in the product
- Have no more than 200 mg of sodium per item

#### ITEMS THAT WERE SELECTED FOR THE PILOT TEST INCLUDES:

- Whole fruit (including bananas, apples and oranges)
- Kellogg Nutri-Grain Soft Baked Breakfast Bar Apple Cinnamon
- Kellogg Nutri-Grain Soft Baked Breakfast Bar Strawberry Yogurt
- Kellogg Nutri-Grain Soft Baked Breakfast Bar Strawberry
- KIND Bar Almond & Coconut
- KIND Bar Caramel Almond & Sea Salt
- KIND Bar Fruit & Nut Peanut Butter & Strawberry
- Lucky Charms Marshmallow Treats Bar
- PowerBar Performance Energy Bar Chocolate
- PowerBar Performance Energy Bar Peanut Butter
- ProBar Chocolate Coconut
- ProBar Coffee Crunch
- Rice Krispies Treats Original bar
- Rice Krispies Treats Double Chocolatey Chunk bar
- Special K Pastry Crisps
- Wrigley's 5 Gum Cobalt Sugarfree
- Wrigley's 5 Gum Rain Sugarfree
- Wrigley's 5 Gum React 2.0 Mint Sugarfree
- Wrigley's 5 Gum RPM Mint Sugarfree









- Wrigley's Gum Extra Peppermint Sugarfree
- Wrigley's Gum Extra Polar Ice Sugarfree
- Wrigley's Gum Extra Spearmint Sugarfree
- Wrigley's Gum Extra Winterfresh Sugarfree
- Wrigley's Gum Extra Sour Green Apple Sugarfree Gum

Most of the items selected were already being sold at USU's convenience stores, with the addition of the Pro-Bars for the pilot test.

The execution of the study included the first healthy checkout display launched at USU's Quickstop convenience store in January 2017. USU set up new display racks by the register at Quickstop to feature the items prominently.

The store was chosen as the first location for the pilot test given its central location in the student center. Quickstop is USU's most popular convenience store and has the highest sales of both convenience stores on campus.

Initially, USU started with a small countertop display at Quickstop and later switched to a larger, floor display given the early success of the pilot. In March 2017, a second food retail location, Shaw's 88 Kitchen, was selected as the second campus store to feature the healthy checkout display.

Also, during this time, USU added a second display to the Quickstop location because of the early-on success of the pilot. In August 2017, USU added a third convenience store to the pilot, Emma's Nook.

The healthy checkout pilot demonstrated an increase in sales of healthier items. Sales of healthy items already being sold at Quickstop increased once moved to the front of the store.

**Convenience Matters:** The pilot study showed that Convenience matters. USU noted that their customers were looking for healthy options, but by making these snacks conveniently located by the checkout area, students and staff were more likely to purchase them.

**Sales Growth Opportunity:** According to a 2015 Hudson Institute report commissioned by NACS, 75% of convenience store customers are eating healthier than they used to, and 66% of convenience store shoppers are looking for healthy foods that can be eaten on-the-go.

There is ample opportunity to apply the results of this pilot test to other convenience stores now that healthy snacking is the norm and that also includes fruits and vegetables.

"Produce is a great opportunity for convenience stores; technology, distribution enhancements and consumer trends are making it easier for convenience stores to have success with a produce offer," said Jeff Lenard Vice President, Strategic Industry Initiatives NACS. "As far as technology, the open-air cooler is built for healthy options and growing those sales. The cooler enhances convenience by eliminating doors and one barrier to selecting a product – you can just grab it and go. And this cooler is perfect for those value-added fruit cups (they fit nicely in a cup holder) or packaged salads, for instance."

Distribution has considerably evolved. A few decades ago, convenience stores sold almost all shelf-stable packaged items and the need for more frequent delivery was much less important.

"Today, stores may get multiple deliveries per week, and more distributors are providing fresh options," said Lenard. "In fact, five convenience store distributors have signed commitments with the Partnership for a Healthier America (PHA) to provide more healthy options in stores: McLane Co., Core-Mark, Harold Levinson Associates, S. Abraham & Sons and Esstar. Cumulatively, these company's service more than 75,000 U.S. convenience stores. (By comparison, there are approximately 50,000 grocery stores in the country.)"

Eight convenience retailers (plus NACS) also signed commitments with PHA. The first convenience store to do so, Kwik Trip, sells more than 500 pounds of bananas per store per day. "While that amount is unusual for most convenience stores – let alone grocery stores – it has become common for convenience stores to sell produce," said Lenard. "In fact, I think most customers expect at least a basket of bananas available for a quick snack."

And that relates to the third trend: consumers are seeking more healthy options on the go. Fruit, whether whole or in cups, is a huge growth opportunity. NACS is also working with the United Fresh Produce Association to develop toolkits to help retailers explore produce sales. "And we share our research and data from other companies to showcase trends," said Lenard. "But most of all, we suggest that it will take time to grow a produce program." ■



## Fresh for The Future

■ BY ASHOURINA SLEWO // DENHA MEDIA GROUP

**T**aking residence in Burr Ridge, Illinois, Brookhaven Marketplace is a family owned business. With the help of his partner, John Peter, better known as JP, Minos Eliopoulos oversees the operations of Brookhaven Marketplace.

According to their website, Brookhaven Marketplace, “started more than thirty-five years ago when two immigrant cousins from Greece, John and Andy, went their separate ways as they began new lives in the Chicago area.”

Andy opened Andy’s Fruit Ranch, an open-air produce market in Chicago that featured fresh produce – purchased by Andy at the produce terminal at the South Water Market each morning – and not much else as his market was not intended to be a full line grocery store.

John, also interested in food, took a different route. With a passion for deli meats, cheese, and smoked meats, John opened an, “old world bakery/deli with imported foods from Eastern Europe and the Mediterranean,” in Addison, IL.

The two businesses succeeded and flourished over time and it was not until Andy and John’s sons, Minos and John Peter, came to the conclusion that the two businesses should be combined.

According to their website, “It’s not exactly certain just how the two sons came to the idea, but in time each realized that combining the concept of a fresh, expansive produce store well recognized for its variety, freshness, and low prices, with a fabulous fresh bakery and deli which also sold fresh meat, seafood, and international groceries, would be a venture that they could both prosper from.”

Since then, Minos and JP have been able to build on their initial successes and continue expanding as they opened two more locations. They pride themselves on the market’s steady evolution through the years.

“We are continuously trying to stay ahead of the curve by updating,



remodeling and changing business models,” explained Eliopoulos. “If you stay complacent you will slowly lose effectiveness.”

Eliopoulos and his partner pride themselves on being able to provide the freshest products and best prices to their customers. “We are a family owned local grocer with many years of experience that pride ourselves on quality products at affordable prices,” he said. “We consider ourselves foodies and always on the lookout for new exciting products while also carrying the best classics.”

As far as Brookhaven’s customer base, there is no one type of customer as the market is home to an array of products that appeal to a variety of people. This does not however, stop them from specializing in certain areas.

According to Eliopoulos, Brookhaven Marketplace specializes in, “Eastern European products, homemade specialties, prepared foods and catering.”

Looking to the future, Eliopoulos hopes to continue in improving Brookhaven, both in what is offered in store and customer service. Eliopoulos hopes to achieve this by, “continually serving our customers the best way possible and to be better today than we were yesterday.”

According to their website, it is their goal to, “free up space so that we can expand the variety of unique, interesting, and often hard-to-find items which our customers have come to expect.”

In addition to being in tune with the wants and needs of their customers, being an AFPD member allows Brookhaven Marketplace to stay ahead and, in the loop, while also having an advocate to tackle issues affecting retailers.

“It is nice that many of the Chicago independent grocers can meet and talk about business in general, issues, trends, and pitch ideas to each other, explained Eliopoulos. “Our biggest accomplishment was getting together to fight the sugar tax.” ■

### RETAILER: BROOKHAVEN MARKETPLACE

**Location:** Burr Ridge, Illinois

**Founded:** 1972

**Employees:** 250

**AFPD Member Since:** 2016

**Slogan:** “The finest foods from around the world.”





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## Fetal Alcohol Spectrum Disorders (FASDs): What you Need to Know

■ BY JACOB HAFEEY, INTERN // MICHIGAN DEVELOPMENTAL DISABILITIES INSTITUTE

People are unknowingly struggling with and contributing to what are known as Fetal Alcohol Spectrum Disorders (FASDs). “FASD” is an umbrella term that comprises fetal alcohol syndrome (FAS), alcohol related neurodevelopmental disorders (ARND), and alcohol related birth defects (ARBD).

Research estimates 2 out of every 1,000 Americans have FAS and 15 out of every 1,000 have an FASD. Recent studies illustrate that 5% to 10% of elementary school children have been prenatally exposed to alcohol and have an FASD. Up to 70% of children who are in foster care have an FASD.

FASDs are caused by women drinking alcohol while they are pregnant. The developing fetus is exposed to alcohol before birth, and then after birth the individual experiences the

impact of having an FASD. The effects range from mild to severe and affect a person’s ability to regulate their emotions, learn effectively, and to interact socially through the lifespan.

Fifty-five percent of women in the United States between the ages of 18 and 44 report any drinking. 18.5% of women in this age bracket report binge drinking. Among women in the United States who are pregnant, 10% of them report any drinking and 1/3 of the women from that group report binge drinking.

In Michigan, half of all pregnancies are not planned. In 2015, 61.7% of women in the state of Michigan drank alcohol in the three months before conception. Approximately 6,700 women (6.2%) consumed alcohol in the last three months of pregnancy.

FASDs are completely preventable if women abstain from alcohol during pregnancy. There should be warning signs meant to inform customers of the

risks of prenatal alcohol exposure for developing infants. Alcohol Warning Signs legislation (AWS) in other states have been shown to decrease alcohol consumption during pregnancy by as much as 11%. Data from the Behavioral Risk Factor Surveillance System (BRFSS) illustrates a 35% decrease in the odds of any drinking and a 75% decrease in the odds of binge drinking among pregnant women after these laws were passed. The Michigan Coalition for Fetal Alcohol Resources Education and Support (MCFARES) is advocating passage of these laws in order to decrease the frequency of FASDs in Michigan.

For more information about Fetal Alcohol Spectrum Disorders, please contact Charisse Cossu-Kowalski of MCFARES at [charisse@mcfares.org](mailto:charisse@mcfares.org) or 586-329-6722 or Ann Carrellas at the Michigan Developmental Disabilities Institute at [ann.carrellas@wayne.edu](mailto:ann.carrellas@wayne.edu) or call (313) 577-8562. ■



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with an alcohol-free  
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## ILIT's and The Family Business-Great Marriage!



■ BY RANDALL A. DENHA, J.D., LL.M.

It is common that one of the largest assets in a family business owner's estate is his or her interest in the family business. This situation can be problematic, because the owner's interest in the company is included in the value of the owner's gross taxable estate. The estate is required to pay debts, expenses, and taxes based on the taxable estate figure—requiring liquid assets when necessary. If needed, the liquidation of an interest in a business may involve acquiring an appraisal of the decedent's interest and selling all or a portion of it at fair market value, both of which may need to happen within fifteen months after death. Finding an interested buyer to purchase the owner's share in a family owned business is arduous and possibly implausible. Additionally, an outside investor who becomes a major stakeholder may not be the best fit for the family business. Here is where an irrevocable life insurance trusts (ILIT) may be useful. This trust owns the life insurance

policy for the business owner, completely removing it from their estate and reducing the gross taxable value. It also allows for an immediate payout, which can be used to pay debts and taxes after the owner has passed. The ILIT may, therefore, create a win-win situation: not increasing the overall taxable estate while setting aside protected funds to pay whatever debts and taxes may come due.

### HERE IS WHAT IS REQUIRED TO SET UP AN ILIT:

- The trust must be created first, naming the beneficiaries, a trustee, and the circumstances under which the trust is distributed.
- Second, the business owner gifts to the trustee of the ILIT the amount that will be owed for the initial premium on the policy.
- Third, the trustee of the trust buys the life insurance policy on the life of the business owner, using the funds gifted to the ILIT. This step takes special care to avoid any "incidents of ownership" on the business owner's behalf. If the owner keeps the right to assign, cancel, revoke, or change the policy, the life insurance amount will be pulled back into the taxable estate. Most of this can be avoided by naming a trustee that is not the business owner or the business owner's spouse.
- The trustee buys the policy and pays its ongoing premiums in a special way. The business

owner gifts the amount owed on the policy to the trustee, with most or all of this gift immediately available for the benefit of each beneficiary. Thus, each gift to the trust qualifies for the annual gift tax exclusion. The trustee then notifies each beneficiary that a gift has been received on their behalf, and, unless a beneficiary elects to receive their gift, the trustee will invest the funds (usually by paying the premiums).

- After the business owner's death, the trustee collects the death benefit proceeds on the insurance policy, making them available to pay taxes and expenses, and then administers the rest of the funds as instructed under the ILIT.

Irrevocable life insurance trusts are a valuable method for providing liquidity to the estate of the owner of a family business. By not having to sell the business in order to pay estate taxes, the trust has protected the business, not increased the taxable estate, and picked up the tab for the estate tax owed. What a union! ■

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



## Ohio Workers Compensation Deadlines

With many BWC discount program deadlines approaching at the end of May, this is an opportune time to define the different programs; their requirements and program compatibility. If you need any guidance, your CareWorksComp representative can review the savings and viability of these programs.

### UPCOMING DEADLINES:

- **MAY 1, 2018** - policy year (PY) 2018 estimated annual premium notices will be sent.
- **MAY 15, 2018** - last date to request a change to your installment plan for PY 2018.
- **MAY 31, 2018**
  - Drug Free Safety Program (DFSP) application deadline for a 7/1 start date.
  - Industry Specific Safety Program (ISSP) application deadline for a 7/1 start date.
  - Transitional Work Bonus application deadline for a 7/1 start date.
- **JUNE 21, 2018** - due date for the first installment for PY 2018! (Please note this was recently updated by BWC.)
- **JUNE 30, 2018**
  - Early Payment Discount due date (employer must pay full PY 2018 estimated annual premium in order to receive this discount.)
  - Deadline to complete Safety Council participation requirements for PY 2017.
  - Deadline to complete ISSP loss-prevention activities for PY 2017.
  - Deadline to complete the ISSP on-site consultation survey (form SH-29) for PY 2017.

The BWC offers many programs and options for saving money, and here is a general overview of what these programs are and their compatibility with the various alternative rating programs available.

### DRUG FREE SAFETY PROGRAM (DFSP)

This program allows employers to implement a drug and alcohol policy, testing, and safety training program to earn a rebate on premiums. There are two levels to the DFSP; a 4% premium rebate is given at the basic level participation, and a 7% premium rebate is given at the advanced level participation. The DFSP is compatible with traditional Group Rating, Grow Ohio, Small Deductible Program, and individual rating.

### GO GREEN DISCOUNT PROGRAM

This program is part of the BWC's Destination Excellence Program and it offers a 1% premium rebate (up to \$2,000) in exchange for an employer conducting their BWC transactions via the BWC's website at [www.bwc.ohio.gov](http://www.bwc.ohio.gov). This includes receiving payroll reports, report payroll, paying premiums, and filing First Reports of Injury (FROI). This rebate is given automatically by BWC to eligible employers. It is compatible with all alternative rating programs.

### INDUSTRY-SPECIFIC SAFETY PROGRAM (ISSP)

This program offers employers the opportunity to receive a 3% premium rebate for completing an online safety assessment and completing up to three loss prevention activities, depending on amount of payroll. ISSP is compatible with traditional Group Rating, Grow Ohio, individual rating, and the One Claim Program.

### LAPSE FREE DISCOUNT PROGRAM

This program is part of the BWC's Destination Excellence Program and it offers a 1% premium rebate (up to \$2,000) in exchange for an employer not having any lapses in coverage during the 60 months prior to the rebate eligibility evaluation date. This rebate is given automatically by BWC to eligible employers. It is compatible with traditional Group Rating, Grow Ohio, individual rating, and Group Retrospective rating.

### SAFETY COUNCIL REBATE PROGRAM

This program's goal is to increase safety awareness by joining a local safety council. There is a total premium rebate incentive of 4% awarded to employers, broken down as follows:

- 2% Participation Rebate for attending their safety council's monthly meetings (at least 10 out of 12).
- 2% Performance Rebate for reducing either the frequency or severity of claims by 10% or with maintenance at zero.

The Safety Council Rebate Incentive Program is compatible with all alternative rating programs, however traditional Group Rating is only compatible with the 2% Performance Bonus, and Group Retrospective Rating is only compatible with the 2% Participation Rebate.

### TRANSITIONAL WORK BONUS (TWB)

This program is designed to reward employers (up to 10% of pure premium) who successfully use approved transitional work plans to facilitate early return-to-work for injured workers with eligible claims. It requires that the employer complete a transitional work bonus application by the deadline. This program is compatible with traditional Group Rating, Grow Ohio, individual rating, and the One Claim Program. ■

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## New Enforcement Action on JUUL and Other E-Cigarettes

■ BY U.S. FOOD AND DRUG ADMINISTRATION

### STATEMENT

- FDA cites 40 retailers for violations related to youth sales of JUUL e-cigarettes
- Agency announces a new blitz of retail establishments targeting youth sale violations
- Agency takes new action to examine youth appeal of JUUL
- Agency takes steps to foreclose online sales of JUUL to minors
- These are the first steps in a new effort aimed at stopping youth use of e-cigarettes

Protecting our nation's youth from the dangers of tobacco products is among the most important responsibilities of the U.S. Food and Drug Administration – and it's an obligation I take personally. We recognize that if the FDA is to end the tragic cycle of successive generations of nicotine and tobacco addiction, we must take every opportunity to disrupt that process where it starts: youth access to and use of tobacco products.

That's why, as part of our comprehensive plan announced in July, we're pursuing a policy to prevent future generations from becoming addicted in the first place by rendering cigarettes minimally or non-addictive. A key part of that plan was establishing the foundational framework for regulating non-combustible tobacco products for adults, like e-cigarettes.

But as we work to keep

kids from making the deadly progression from experimentation to regular cigarette use, it's imperative that we also make sure children and teenagers aren't getting hooked on more novel nicotine-delivery products.

Today, we're announcing several new actions and efforts aimed at doing just that as the first steps in a new Youth Tobacco Prevention Plan focused on stopping youth use of tobacco products, and in particular, e-cigarettes.

The troubling reality is that electronic nicotine delivery systems (ENDS) such as e-cigarettes have become wildly popular with kids. We understand, by all accounts, many of them may be using products that closely resemble a USB flash drive, have high levels of nicotine and emissions that are hard to see. These characteristics may facilitate youth use, by making the products more attractive to children and teens.

These products are also more difficult for parents and teachers to recognize or detect. Several of these products fall under the JUUL brand, but other brands, such as myblu and KandyPens, that have similar characteristics are emerging. In some cases, our kids are trying these products and liking them without even knowing they contain nicotine. And that's a problem, because as we know the nicotine in these products can rewire an adolescent's brain, leading to years of addiction. For this reason, the FDA must – and will – move quickly to reverse these disturbing trends, and, in particular,

address the surging youth uptake of JUUL and other products.

To address all of these concerns, the FDA is announcing a series of new enforcement and regulatory steps.

First, we're announcing that the FDA has been conducting a large-scale, undercover nationwide blitz to crack down on the sale of e-cigarettes – specifically JUUL products – to minors at both brick-and-mortar and online retailers. The blitz, which started April 6 and will continue to the end of the month, has already revealed numerous violations of the law.

The illegal sale of these JUUL products to minors is concerning. In fact, just since the beginning of March, FDA compliance checks have uncovered 40 violations for illegal sales of JUUL products to youth. The FDA has issued 40 warning letters for those violations, which we are also announcing today. This includes warning letters that are the result of the blitz. Others are a result of our sustained enforcement efforts to reduce tobacco product sales to minors. And we anticipate taking many more similar actions as a result of the ongoing blitz and our focus on enforcement related to youth access.

We'll hold retailers accountable for continued violations. Let me be clear to retailers. This blitz, and resulting actions, should serve as notice that we will not tolerate the sale of any tobacco products to youth.

This isn't the first time we've taken action against retailers



for selling these e-cigarettes and other tobacco products to minors, and it won't be the last. In fact, the FDA has conducted 908,280 inspections of retail establishments that sell tobacco products, issued 70,350 warning letters to retailers for violating the law and initiated about 17,000 civil money penalty cases. We have also issued more than 110 No-Tobacco-Sale Order Complaints, which can result in retailers being prohibited from even selling tobacco products for specified periods of time.

It's clear there's a need for strong federal enforcement of these important youth access restrictions and we'll continue to hold retailers accountable by vigorously enforcing the law with the help of our state partners. Today's action should serve to put retailers on notice to stop selling products to minors.

Second, as part of this effort, we also recently contacted eBay to raise concerns over several listings for JUUL products on its website. We're thankful for eBay's swift action to remove the listings and voluntarily implement new measures to prevent new listings from being posted to the web retailer's site. Our overarching goal – one we hope everyone shares – is to make sure JUUL, and any other e-cigarettes or tobacco products, aren't getting into kids' hands in the first place.

Third, we're also taking additional steps to contact the manufacturers directly, and hold them accountable. We need to examine all the available information to understand why kids are finding these products so appealing – and address it.

That's why today, the FDA

also sent an official request for information directly to JUUL Labs, requiring the company to submit important documents to better understand the reportedly high rates of youth use and the particular youth appeal of these products. The information we're requesting includes: documents related to product marketing; research on the health, toxicological, behavioral or physiologic effects of the products, including youth initiation and use; whether certain product design features, ingredients or specifications appeal to different age groups; and youth-related adverse events and consumer complaints associated with the products. We don't yet fully understand why these products are so popular among youth. But it's imperative that we figure it out, and fast. These documents may help us get there.

We plan to issue additional letters to other manufacturers of products that raise similar concerns about youth use. If these companies, including JUUL, don't comply with our requests, they will be in violation of the law and subject to enforcement.

Fourth, we are planning additional enforcement actions focused on companies that we think are marketing products in ways that are misleading to kids. I will have more to say on this in the coming weeks.

These actions are just the first in a series of efforts we're pursuing as part of our newly formed Youth Tobacco Prevention Plan. We will announce additional steps in the coming weeks and months. And I hope that this sends a clear message to all tobacco product manufacturers and retailers that the

FDA is taking on this issue with urgency, and if kids are flocking to your product or you're illegally selling these products to kids, you're on the agency's radar.

We appreciate that JUUL Labs has already expressed recognition of this problem and has reached out to the FDA and other stakeholders to discuss these concerns. But we must all recognize that more needs to be done. As we've said before, there is no acceptable number of children using tobacco products. We share the belief that these products should never be marketed to, sold to, or used by kids – and we need to make every effort to prevent kids from getting hooked on nicotine. This responsibility falls not only to the FDA, but also the companies making these products, the retailers selling them, and the online venues that help to fuel the teen popularity of, and access to, these products.

Finally, as we pursue additional steps to keep kids from using tobacco products, we're also continuing to invest in our compelling, science-based campaigns to educate youth about the dangers of all tobacco products including e-cigarettes.

Last fall, the first content from our youth e-cigarette prevention campaign – an ad showing youth using a USB-like tobacco product – launched online. A full-scale e-cigarette prevention effort under "The Real Cost" brand umbrella is planned for a September launch.

We're also exploring clear and meaningful measures to

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#### E-CIGARETTES

*continued on page 33.*





MICHIGAN //

## Mark Your Calendars: Upcoming Michigan Treasury Outreach Seminars



### Michigan Department of TREASURY

The Michigan Department of Treasury is organizing a number of helpful seminars throughout 2018 to give our Michigan businesses a leg up with tax remittance and regulations. All businesses are welcome to attend! We hope to see you at one of our helpful seminars! **Registration required.**

#### NAVIGATING YOUR NEW BUSINESS SEMINARS

Treasury's New Business Seminars feature a collaboration with the Department of Licensing and Regulatory Affairs (LARA) and the Michigan Unemployment Insurance Agency (UIA). These seminars are perfect for new businesses, growing businesses, or anyone seeking to gain an understanding of general compliance standards.

- **Saginaw Area:** May 3, 2018  
8:30 AM – 4:00 PM EST
- **Detroit area:** June 20, 2018  
8:30 AM – 4:00 PM EST

#### MICHIGAN TREASURY ONLINE (MTO) SEMINARS

Treasury's MTO Seminars provide an in-depth discussion of MTO functionality and the best way to use MTO for your business interactions with Treasury. These seminars also include a live navigation demonstration.

- **Saginaw area:** May 7, 2018  
1:00 PM – 3:00 PM EST
- **Detroit area:** May 10, 2018  
1:00 PM – 3:00 PM EST
- **Kalamazoo area:** May 16, 2018  
1:00 PM – 3:00 PM EST

#### NAVIGATING A SALES TAX AUDIT SEMINARS

Treasury's Sales Tax Audit Seminars examine sales tax, filing returns and making payments via Michigan Treasury Online (MTO), business record integrity, and the audit process. These seminars are geared toward small to mid-sized businesses, but open for all to businesses to attend.

- **Saginaw area:** May 7, 2018  
10:00 AM – 12:00 PM EST
- **Detroit area:** May 10, 2018  
10:00 AM – 12:00 PM EST
- **Kalamazoo area:** May 16, 2018  
10:00 AM – 12:00 PM EST

*If you would like to continue receiving periodic notifications about upcoming outreach events, please send an email to [TreasuryOutreach@michigan.gov](mailto:TreasuryOutreach@michigan.gov) to join our mailing list or call (517) 373-3200. ■*

## Credit Card Companies Ditch the Signature

All major credit card firms will no longer require a signature for purchases made with chip cards

■ BY NACS ONLINE

All major credit card companies will no longer ask for signatures for transactions made with chip cards, Fox News reports. The change has been coming slowly since cards with security chips first appeared in the United States two years ago.

Experts have touted chip cards as more secure than magnetic strip cards, since the technology makes counterfeiting the cards extremely difficult. Signature authentication,

which has been around for years, hasn't added to card security. "We assign a value to the signature. We think there are some sort of legitimacy to signing a receipt. The reality is it's just not a robust form of security," pointed out Bankrate.com analyst Robert Barba.

Cybersecurity expert Alan Brill, Kroll senior managing director, added that financial firms already have security systems to prevent fraud, so having signature authentication is unnecessary. Card

companies make "risk decisions a million times an hour," he said, while their "systems dynamically do a good job" at reducing fraud.

Customers already prefer debit cards to credit cards, according to a recent study. Debit cards typically have personal identification numbers (PINs) associated with them, rather than signatures. National Retail Federation spokesman Craig Shearman said that "a chip and a PIN provides a full amount of security." ■



OHIO //

## Kroger Nabs First New Ohio Liquor Store as State Aims for New Shopping Experience

■ BY ALEXANDER COOLIDGE // WWW.CINCINNATI.COM

Kroger in Corryville is the first new liquor store to open in Ohio in three years as the state pushes a new format that will reshape customer experience and boost sales.

The Ohio Division of Liquor Control plans to expand the 465 stores across the Buckeye State by 4%, adding 20 new locations by the end of 2018. “The blitz comes after three years of standardizing computer systems for all the

locations, during which no new licenses were granted,” Ohio officials said.

As part of the expansion, Ohio liquor officials are unveiling a new store format they believe will grow sales.

Under the plan, stores will be organized to showcase products by region, including Ohio-made beer and wines. Labeling will be enhanced to give shoppers pairing information and recipes. Stores will also be encouraged to hire knowledgeable clerks to make informed recommendations.

The new stores, including the Kroger in Corryville, will feature the new approach. State liquor officials will encourage existing stores to integrate the strategy.

Ohio officials didn’t release any sales projections with the new plan.

In Ohio, the state owns all the liquor-selling operations, while private businesses from mom-and-pops to supermarket giant Kroger serve as vendors. Prices are set by the state and vary only by the county sales tax.

Kroger operates 77 liquor stores in Ohio. ■

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## What Consumers Think About Gas Prices

New NACS report reveals insights on consumer perceptions related to gas prices and the economy overall

■ BY NACS ONLINE

With crude oil prices now hovering around \$75 per barrel, there are real concerns on how higher oil prices could affect everything from the stock market to demand at the pump. To help cut through the clutter, a new NACS report focuses on what drivers say about gas prices.

Among the issues covered in the report are whether consumers are more affected by whether prices are high or whether they are increasing/decreasing. The report also looks at consumer perceptions of the industry and how it sells fuels.

These insights are highlighted

in a new NACS report, “What Consumers Think About Gas Prices (PDF),” available for download at [www.convenience.org/YourBusiness/FuelsCenter/Documents/What-Consumers-Think-About-Gas-Prices.pdf](http://www.convenience.org/YourBusiness/FuelsCenter/Documents/What-Consumers-Think-About-Gas-Prices.pdf). By taking a deep dive into economic sentiment, the report reveals consumer perceptions related to gas prices and the economy overall.

The report also features conveniences that are of interest to consumers, such as automated checkout technologies, food trucks, mobile ordering and meal kits.

“Gas prices are transparent, meaning they are posted daily on signs, websites, social media and

apps so consumers can choose where they fill-up. Add to the mix the regular drumbeat of gas prices rising or not falling fast enough in consumers’ minds and you can see why refueling is such a regular part of daily conversations. We want to add transparency to the process and encourage retailers to share this report with their customers and in social media,” said NACS Vice President of Strategic Industry Initiatives Jeff Lenard.

The report is the first of three new reports that will be added to the NACS Fuels Resource Center that examines consumer perceptions and insights related to fueling. ■





## Why The U.S. Hispanic Grocery Market Is One To Watch



■ BY PARKER MORSE //  
THE MARKETING INSIDER

The U.S. Hispanic consumer segment is now surpassing \$1.5 trillion in purchasing power. To put that in perspective, that's akin to the 16th-largest economy in the world. That's larger than the economy of Mexico. Moreover, it's growing at a relatively fast clip and is estimated to hit \$1.7 trillion by 2019. Much of that is grocery spending: There was a 22% increase in Hispanic spending at grocery from 2010 to 2015. By 2020, Hispanic consumers will be buying \$96 billion in groceries, an astonishing 47% jump from a decade prior.

U.S. Hispanic shoppers, on average, spend more of their household income on groceries than their non-Hispanic neighbors. It's a sizable gap:

according to Nielsen data, non-Hispanics spend an average of \$71 per visit on food, while Hispanic shoppers spend \$81 on food. It's because of these differences that I find the Hispanic grocery market so fascinating and important to watch — and there are certainly developments to pay attention to.

Fiesta Mart, the largest Hispanic grocery in Texas, is being acquired by the company running El Super (popular in California, Arizona, Nevada, and New Mexico), leading to a new company with sales of over \$3 billion. These deals do not have insignificant dollars attached; the Houston Chronicle reported that the purchase price may be \$300 million. Fiesta operates 63 stores in Dallas and Houston; El Super has 59 stores across its markets.

It's clear that the acquiring company saw an opportunity: over half of the rapidly growing U.S. Hispanic population lives in the five states where these two Hispanic grocers are situated. It's also possible that consolidation in this market might be necessary for survival purposes, given that larger players like Walmart, Kroger, and Aldi are looking to prioritize and focus on Hispanic shoppers. In announcing the deal, Fiesta CEO Sid Keswani said that the merger of Fiesta and El Super's "scale, geographic reach, talented teams, and market knowledge" will be a boon to both chains.

El Super isn't the only Hispanic grocer that is capitalizing on the growth in the Hispanic market.

Fresco y Mas has just debuted

in Central Florida, as a Winn-Dixie store was converted into a Hispanic grocery complete with freshly baked Cuban bread, live Latin music, and vibrant yellow signage.

The Fresco y Mas rebrand was announced as Southeastern Grocers, its parent company, goes into bankruptcy. Part of Southeastern Grocers' plan to save itself is to rebrand some of their stores under different banners — such as Fresco y Mas — to better cater to nearby consumers. Making available produce such as yucca, malanga, and calabasa at Fresco y Mas, which wasn't available at Winn Dixie, sends a message to the Hispanic consumer that catering to the community is important.

"We know that no one community or customer is the same," said Southeastern's CEO, Anthony Hucker. "We believe in grocery stores that are catered to each community. The strategy at Fresco y Mas is really simple — we try to provide them with a really authentic Hispanic shopping experience that truly reflects the specific needs of the Hispanic communities." With the realization that Hispanic consumers have their own unique wants and needs going mainstream, targeting these consumers with unique marketing and advertising messages will go mainstream as well.

In fact, 38% of Caucasian consumers and 56% of Asian consumers find Hispanic snacks appealing. This crossover appeal is yet another trend that makes the Hispanic grocery market one to watch. ■

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**Jim O'Shea  
President  
MoTown Snack Foods**

[Jeff Daniels](#) reviewed [Motown Munchies](#) — **5 star**  
Was looking for Bettermaid red hots..got the Motown Hot and Spicy..wow..kicks the hell out of the reds! Great job guys! Now..get your butts in big retailers!

[Jason Lewkut](#) reviewed [Motown Munchies](#) — **5 star**  
These are the best damn chips (Hot n' Spicy) i have ever had. I hate when chips say they are hot and i taste nothing but salt. These are for the person who likes the perfect amount of bite into a chip. I can eat half a bag and then need a beer. Thank you for the amazing product. I live in Canton and drive to Dearborn Heights to get them. Well worth the trip. I bought all the flavors they had and will try the rest soon.

[Helen Koko](#) reviewed [Motown Munchies](#) — **5 star**  
Picked these up today at a party store in Westland I was intrigued by the name and said, I'll try. First time I'd come across them anywhere..... Loved! The cut on these didn't seem as thick as Better Made, and found that I prefer your chips' thinner-ness. They were not as heavy-tasting as Better Made either. I will definitely buy these again, but not sure where else to find them? Good job!

[Ziggy Whitehouse](#) reviewed [Motown Munchies](#) — **5 star**  
Fresh tastes! Yum! I will try again. I got the plain the first time and look forward to trying the flavors.

[Caleigh Pinoniemi](#) reviewed [Motown Munchies](#) — **5 star**  
Just got the Hot & Spicy potato chips from a party store in Belleville...yikes!!!! Very hot and spicy, but excellent flavor and crunch. Will recommend to friends!

[Ann Marie Lince](#) reviewed [Motown Munchies](#) — **5 star**  
Just found and had the Chive n' Onion. omg amazing and has great flavor not just salt. Can't wait to try other flavors

[John Flanagan](#) reviewed [Motown Munchies](#) — **5 star**  
Have the bbq and the Hot and Spicy. Very HOT! I love spicy but can only do about 15 chips. So good! And a great value at Freshway Market in Walled Lake.

[Melissa Brimm](#) reviewed [Motown Munchies](#) — **5 star**  
Absolutely amazing!!! Salt and Vinegar are unbelievably delicious!!

[Samuel Wilder](#) reviewed [Motown Munchies](#) — **5 star**  
Tried the Hot n Spicy. I'm in love. Better Made better watch out.

[Myles Conner](#) reviewed [Motown Munchies](#) — **5 star**  
The Hot n' Spicy chips are worthy of a one chip challenge. I gave 2 people 1 chip and they almost ♦

[Dan Loftus](#) reviewed [Motown Munchies](#) — **5 star**  
Awesome flavor, perfect seasoning, and priced right!

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## Convenience Stores Sales, Profits Edged Higher in 2017

INDUSTRY SNAPSHOT	2017	% CHANGE
Inside Sales	\$237.0 B	1.7%
Fuel Sales	\$364.1 B	14.9%
Total Sales	\$601.1 B	9.3%
Pretax Profit	\$10.4 B	1.6%
U.S. Store Count	154,958	FLAT

(Sources: NACS State of the Industry Report® of 2017 Data; 2018 NACS/ Nielsen Convenience Industry Store Count)

■ BY NACS ONLINE

U.S. convenience stores experienced a 15th straight year of record in-store sales and a 4th 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.

The industry's numbers were announced during the NACS State of the Industry Summit, which took place April 10th-12th at the O'Hare Hyatt Regency in Chicago. More than 600 leading retail and supplier company representatives are at the industry's top conference for benchmarking and analysis of retail trends.

### SALES, PROFITS INCREASE LED BY FUELS

Convenience stores sales overall surged 9.3% to \$601.1 billion, led by a 14.9% increase in fuel sales. Convenience stores sales overall are 3.2% of the overall U.S. gross domestic product of \$18.57 trillion (2016 data). Put another way, one of every 30.9 dollars spent in the country was spent at a convenience store in 2017.

The sales increase at convenience stores in 2017 was largely because of higher gas prices in 2017 (up 12.8% to \$2.38) and a 1.9% increase in gallons sold. Meanwhile, fuel gross margins in 2017 increased to 22¢ per gallon. Paired with increased sales volume overall, fuel gross profits increased 11.7% per store.

Convenience stores sell an estimated 80% of the fuel purchased in the country and while fuel sales account for 61% of sales dollars, fuels margins are still relatively slim and fuels only account for 38% of total profit dollars at convenience stores. Overall, convenience store profits were \$10.4 billion, a 1.6% increase over 2016. The last time the convenience store industry reported negative profits was 1991.

### IN-STORE GROWTH POWERED BY FOODSERVICE

Meanwhile, in-store sales increased 1.7% to a record \$237.0 billion. The last time the U.S. convenience store industry reported a decrease in in-store sales was 2002, when sales dropped 2.4%.

Foodservice, a broad category that mostly includes prepared food (69% of both category sales and profits) but also commissary foods and hot, cold and frozen dispensed beverages, continues to be a key focus for growth in the convenience store channel.

Foodservice sales overall in 2017 were \$53.3 billion, accounting for 22.5% of in-store sales in 2017 and 33.9% of gross profit dollars. The category also was the biggest differentiator in terms of profits: top-quartile performers had

prepared food sales that were 3.6 times greater than bottom-quartile stores; coffee sales at top performers were 5.2 times greater than those of the bottom quartile.

While tobacco products, including cigarettes, cumulatively were 34.1% of in-store sales dollars, they accounted for only 17.1% of gross profit dollars. Cigarette sales accounted for 28.6% of in-store sales dollars, a sharp decline from 36.9% in 2011. Meanwhile, the category other tobacco products (OTP) was a bright spot, with an 11.2% increase in sales dollars and an 9.2% increase in gross profit dollars.

Convenience stores sell 23.8% of packaged beverages in the United States according to Nielsen and saw a slight 0.4% sales increase in 2017. Packaged beverages (non-alcohol) accounted for 15.8% of revenue dollars and 20.1% of gross profit dollars. Within the category, enhanced water saw the strongest sales increase (9.1%); ready-to-drink iced teas (3.5%), alternative beverages (3.5%) and bottled water (0.6%) also posted sales increases, continuing the trend of consumers seeking more healthier and/or functional beverage options at convenience stores.

Snacking categories all had sales growth, as salty snacks (up 5.6%), candy (up 2.6%) and alternative snacks (up 2.0%) all had strong growth as some consumers, especially millennials, moved toward snacking and away from traditional meals. This was the second consecutive year that alternative snacks, a category driven by protein- and energy-rich items, reached the top 10



in-store merchandise categories, signaling a growing desire by consumers for immediate/healthier snacking options.

### TOP IN-STORE CATEGORIES

Here are overall merchandise sales groups as a percentage of overall merchandise sales:

- Tobacco (cigarettes and OTP): 34.1% of in-store sales
- Foodservice (prepared and commissary food; hot, cold and dispensed beverages): 22.5%
- Packaged beverages (carbonated soft drinks, energy drinks, sports drinks, water, juices and teas): 15.8%
- Center of the store (salty, candy, packaged sweet snacks and alternative snacks): 9.9%
- Beer: 8.5% (12.4% for stores selling beer)
- Other: 9.2%

### 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 continues to create 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 2.48 million people in 2017, wages were up 8.3% and the average wage for a store associate increased to \$10.19 per hour. Turnover for store associates was 115%, down from

133% in 2016 but a huge increase from the 73% that was reported in 2010 when unemployment was much higher, because of the Great Recession. The rise is primarily due to tighter labor markets resulting from being in the seventh year of economic recovery. Turnover for store managers was only 18%, down from 27% the year prior.

The industry's 2017 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 2017 Data. Metrics related to turnover were from the recently released NACS Compensation Report® of 2017 Data. ■

### E-CIGARETTES

*continued from page 27.*

make tobacco products less toxic, appealing and addictive with an intense focus on youth. Specifically, as part of our comprehensive plan, we intend to pursue product standards and other regulations for electronic nicotine delivery systems, such as e-cigarettes, to address known hazards and concerns, including exploding batteries and accidental ingestion. Ultimately, our work on tobacco and nicotine regulation is aimed at achieving the greatest public health benefit.

Make no mistake. We see the possibility for ENDS products like e-cigarettes and other novel forms of nicotine-delivery to provide a

potentially less harmful alternative for currently addicted individual adult smokers who still want to get access to satisfying levels of nicotine without many of the harmful effects that come with the combustion of tobacco. But we've got to step in to protect our kids.

As the FDA considers regulating nicotine levels in cigarettes to render combustible cigarettes minimally or non-addictive, products such as e-cigarettes may offer a potentially lower risk alternative for individual adult smokers. These ENDS products will still need to be put through an appropriate series of regulatory gates by the FDA. However the viability of these products is severely undermined if those products entice youth to start using tobacco and nicotine.

The youth-focused steps we're taking are consistent with our responsibility to protect kids and significantly reduce tobacco-related disease and death, and I intend to do everything within my power to fulfill that duty.

The FDA, an agency within the U.S. Department of Health and Human Services, protects the public health by assuring the safety, effectiveness, and security of human and veterinary drugs, vaccines and other biological products for human use, and medical devices. The agency also is responsible for the safety and security of our nation's food supply, cosmetics, dietary supplements, products that give off electronic radiation, and for regulating tobacco products. ■



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DivDat Kiosk Network ..... (248) 399-0715  
Envios De Valores La Nacional Corp. ... (917) 529-0700

## CREDIT CARD PROCESSING

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

## DELI & MEAT MANUFACTURERS & DISTRIBUTORS

**AFPD** Sherwood Food Distributors .. (313) 659-7300  
**AFPD** Lipari Foods, Inc. .... (586) 447-3500  
A to Z Portion Control Meats ..... (419) 358-2926  
Dutch Farms. .... (773) 660-0900  
Wolverine Packing Company ..... (313) 259-7500

## ENERGY, LIGHTING & UTILITIES

DTE Energy ..... 1-800-477-4747  
DTE Your Energy Savings ..... 1-855-234-7335  
GenPro ..... 1-866-439-1424  
Mid-American Energy Services, LLC ... (563) 333-8570  
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  
Taylor Freezer/Broaster Chicken ..... (734) 525-2535

## FRANCHISING OPPORTUNITIES

DCT Enterprises-Little Caesars Pizza .. (989) 792-0322  
Fuddruggers of Southfield ..... (248) 809-6714  
Jopatico-Little Caesars Pizza ..... (989) 686-3600

## GAS STATION BRANDING & MAINTENANCE

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

## GASOLINE WHOLESALERS

Armada Oil & Gas ..... (313) 582-1777  
Beck Suppliers, Inc. .... (419) 332-5527  
Central Ohio Petroleum Marketers ... (614) 889-1860  
Corrigan Oil ..... 1-800-FAST-OIL  
Gilligan Oil Company of Columbus ... 1-800-355-9342  
High Pointe Oil Company, Inc. .... (248) 474-0900  
Markham Oil Company, Inc. .... (517) 861-7366  
Obie Oil, Inc. .... (937) 275-9966  
R&R Takhar Operations, Inc. .... (937) 665-0881  
Select Distributors, LLC ..... (844) 208-8097

## GREETING CARDS

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

## GROCERY WHOLESALERS & DISTRIBUTORS

D&B Grocers Wholesale. .... (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  
SpartanNash ..... (616) 878-2248  
SUPERVALU West Region ..... (262) 942-3387  
Value Wholesale Distributors ..... (248) 967-2900

## HOTELS, CONVENTION CENTERS & BANQUET HALLS

Genoa Banquet Center ..... (517) 545-1000  
Penna's of Sterling ..... (586) 978-3880  
Petrucello's ..... (248) 879-1000  
Suburban Collection Showplace ..... (248) 348-5600

## ICE CREAM SUPPLIERS

**AFPD** Nestle DSD (Small format only) ... (616) 291-8999  
**AFPD** Prairie Farms Ice Cream Program **M**  
..... 1-800-399-6970 ext. 200

**AFPD** Blue Bunny Ice Cream **M**.... (810) 234-4155  
Bartos Distributing, Inc. .... (734) 422-7725  
Cedar Crest Dairy, Inc. .... (616) 797-1103  
Velvet Ice Cream Co. .... (740) 892-3921

## ICE PRODUCTS

**AFPD** U.S. Ice Corp. **M**..... (313) 862-3344  
Arctic Glacier Premium Ice. .... 1-800-327-2920  
Home City Ice ..... (513) 598-3738

## INSTORE MUSIC/AUDIO MESSAGING

**AFPD** Vibenomics, Inc. .... (812) 205-7000

## INSURANCE SERVICES: AUTO & HOME

**AFPD** Lakeview Insurance/Liberty Mutual Auto & Home  
Discount Program **M** **IL** ..... (586) 553-9954

## INSURANCE SERVICES: COMMERCIAL

**AFPD** 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  
JA Knapp Agency ..... (740) 362-4044  
The Campbell Group ..... (269) 324-3688  
USTI/Lyndall Insurance ..... (440) 247-3750

## INSURANCE SERVICES: HEALTH & LIFE

**AFPD** BCBS of Michigan **M**..... (313) 225-9000  
Blue Care Network ..... (248) 799-6300  
Business Benefits Resource, LLC. .... (248) 381-5045  
Independent Food Retailers Association . (517) 337-4877  
Omega Benefit Strategies ..... (888) 404-5049

## INSURANCE SERVICES: WORKERS' COMPENSATION

**AFPD** Conifer Insurance Company .... (248) 559-0840  
**AFPD** CareWorks **IL** .... 1-800-837-3200 ext. 7188

## LEGAL SERVICES

Bellanca & LaBarge ..... (313) 882-1100  
Cummings, McClorey, Davis & Acho, PLC (734) 261-2400  
Day Ketterer Ltd. .... (330) 650-4362  
Denha & Associates, PLLC. .... (248) 265-4100  
Kecskes, Silver & Gadd, PC ..... (734) 354-8600  
Kullen & Kassab, PC ..... (258) 538-2200  
Lippitt O'Keefe Advisors, LLC ..... (248) 646-8292  
Pepple & Waggoner, Ltd. .... (216) 520-0088  
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  ..... (313) 659-7300

 Dairymens  ..... (216) 214-7342

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

Cedar Crest Dairy, Inc. .... (616) 797-1103

Dutch Farms ..... (773) 660-0900

LaLa Branded Products ..... 1-866-648-5252

## MISCELLANEOUS

Pavelid Technology ..... (248) 330-7833

## OFFICE SUPPLIES

 Office Depot ..... (855) 337-6811

## PAPER PRODUCTS & PACKAGING SUPPLIES

Joshen Paper & Packaging ..... (216) 441-5600

## PIZZA SUPPLIERS

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

## POINT OF SALE & RETAIL TECHNOLOGY

 Great Lakes Data Systems *(LOC Software)*

..... (248) 356-4100 ext. 107

Active Software & Hardware ..... (248) 577-9000

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

City Hive, Inc. .... (917) 562-6618

Randall Data ..... (734) 453-9200

Success Systems ..... 1-800-653-3345

## PRINTING, PUBLISHING & SIGNAGE

 Wheelhouse Graphix ..... 1-800-732-0815

Ahearn Signs, Inc. .... (734) 699-3777

American Solutions for Business ..... (216) 672-3819

Fisher Printing ..... (708) 598-1500

Huron Web Offset Printing ..... (519) 845-0821

Pace Custom Printing ..... (248) 563-7702

## PRODUCE DISTRIBUTORS

 Heeren Brothers Produce  ..... (616) 452-2101

Anthony Marano Company ..... (773) 321-7500

Michigan Potatoes ..... (517) 253-7370

## PROPANE

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

Corrigan Oil ..... 1-800-FAST-OIL

## REAL ESTATE

 Sell Your Business Program ..... 1-800-666-6233

NAI Farberman *(Commercial Real Estate)* ..... (248) 351-4386

## REFRIGERATION SOLUTIONS (COMMERCIAL)

SRC Refrigeration *(Growlers)* ..... 1-800-521-0398

RW International ..... (586) 920-2796

## RETAIL FIXTURES & DISPLAYS

 Display Max ..... (810) 494-0400

Detroit Store Fixture Co. .... (313) 341-3255

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

Netco Services ..... (248) 850-2228


UTS ..... (248) 669-2300


## 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 ..... (734) 207-4906

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

## 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

## WINE & SPIRITS COMPANIES

 Benchmark Beverage Co. .... 1-800-666-6233

Cornerstone Wine Distributor ..... (586) 839-2552

Diageo ..... 1-800-462-6504

Heaven Hill Distilleries ..... 1-800-348-1783

Luxco ..... (313) 333-4637

Native Spirits Limited ..... (602) 741-6119

Pernod-Ricard USA ..... (248) 717-3177

Proximo Spirits ..... (810) 278-0599

Remy Cointreau USA ..... (248) 347-3731

Southern Glazer's Wine & Spirits of Michigan

..... (248) 698-1660

Vektor Vodka ..... (602) 741-6119

## WINE & SPIRITS DISTRIBUTORS

Great Lakes Wine & Spirits ..... 1-888-860-3805

RNDC of Michigan ..... 1-888-697-6424

## 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







## MAY 8, 2018

### AFPD'S 34TH ANNUAL INNOVATIONS BUYING SHOW

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

*Burton Manor // Livonia, Michigan*

## JUNE 19, 2018

### AFPD FOUNDATION'S 10TH 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, Ohio and Illinois. Help the AFPD Foundation invest in the leaders of tomorrow. Tickets and sponsorship opportunities available.

*Detroit Athletic Club // Detroit, MI*

## JULY 18, 2018

### AFPD'S 42ND 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, 2018

### AFPD'S 20TH 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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### CONTACT:

T: (800) 666-6233

F: (866) 601-9610

E: [info@AFPDonline.org](mailto:info@AFPDonline.org)

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# 10% SAVINGS

When your business is more energy efficient, it's also more profitable—and DTE Energy wants to help make that happen. Take John Logiudice, owner of Florentine Pizzeria, for example. DTE worked with him to make some small changes that led to big savings. Simply installing a programmable thermostat, sink aerators, LED lights and a pre-rinse spray valve in the kitchen saved John around 10% a month on his energy bill.

If you'd like to manage energy use to save money at your business, visit [dteenergy.com/savenow](http://dteenergy.com/savenow).



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We're proud to offer the Our Family brand to independent retailers. It's a brand your customers can trust - WE GUARANTEE IT!

# HERE FOR YOURS.



*Our Family® anchors a broad portfolio of private brand items currently provided to retailers like you.*



Meat, deli, bakery, seafood, and ready to heat selections



Experience unique flavor profiles from around the world



Natural and organic selections

TopCare®

Health and beauty products for the whole family



A full line of quality baby care



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Ed Callihan 330-903-8076

Roger Delemeester 989-245-0337



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