Consumers Continue to Turn Off the Faucet and Tap into Bottled Water

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OVERALL BEER VOLUME DIPS IN 2017

The beer category suffered in 2017, with total volume falling 1.1% to 2.8 billion 2.25-gallon cases, according to the Beverage Information Group’s 2018 Beer Handbook. Total beer consumption has declined for five consecutive years, as U.S. consumers imbibe more spirits and wine.

HISTORY OF SUCCESS FOR ANNUAL HIGH FIVE TURKEY DRIVE

Having started in 1980, the Midwest Independent Retailer Association’s (MIRA) High Five Turkey Drive has a history of nearly 40 years. What started with then AFD member Mark Karmo collecting less than 20 turkeys from member supermarkets to be donated to the Mother Waddles Charity has grown exponentially.

COVER STORY // CONSUMERS CONTINUE TO TURN OFF THE FAUCET AND TAP INTO BOTTLED WATER

John Jonna, former co-owner of Merchant of Vino Gourmet stores remembers when bottled-water started to hit the market in the 80s. “Who would buy bottled water, we thought,” said Jonna. “Water is free. Who was going to pay for it?”

OVERALL BEER VOLUME DIPS IN 2017
The beer category suffered in 2017, with total volume falling 1.1% to 2.8 billion 2.25-gallon cases, according to the Beverage Information Group’s 2018 Beer Handbook. Total beer consumption has declined for five consecutive years, as U.S. consumers imbibe more spirits and wine.
Always Count Your Blessings

Any people have been devastated by the hurricanes and storms that have hit a number of cities the past few months. In addition, a well known grocery and former association board chairman, Terry Farida, had a freak life-threatening accident while working out and is now recovering slowly. In addition, another former Chairman, Jerry Yono, tragically lost his 28-year-old grandson. Please keep them in your thoughts and prayers. It goes to show you that one day you can be on top of the world and the next day your world and life can change drastically. Life is fragile, and we should always be thankful for everything we have been blessed with.

We all realize the struggles and ever-changing industry we are doing business in, but as tough as it may get for you, please realize how fortunate you are to own and run a business. The saying goes, "it can always get better and it can always get worse." So just enjoy the moment you have in front of you, right now. Our industry is not showing any signs of slowing down its volatility or the consolidation that is creating this seismic change. Some people blame technology, some blame other industries that are taking away our workforce and believe it or not some even blame our association for not changing. Some people blame technology, some blame other industries that are taking away our workforce and believe it or not some even blame our association for not changing. People need to look into the mirror and ask themselves, “How can I get better?” or “What do I need to do, so I can take my business to the next level?”

While others are complaining, a number of aggressive operators are growing and expanding at a very fast rate. Why the difference in approach? Are some retailers and distributors smarter than others? Are they in the right place at the right time or are they just lucky? I would argue some have a better vision of their five-year plan and others see that industry unpredictability is the perfect time to double down on growth. While some owners want to bail out and sell their family businesses, buyers are getting the pick of the litter. Also, I would argue that instead of WASTING ENERGY complaining about things outside their control, they put all their time and energy into getting better and finding ways to get ahead in this ever-changing industry.

I guess an important question would be: do you actually like your job? Do you like what you are doing day-in and day-out or is this just a means to an end, just another way to pay your bills and make a living. I have said this before, there is nothing wrong with the latter approach, but you still need to stay competitive and viable instead of slowly dying on the vine. Our association is a mirror of the industry and every challenge I have mentioned and others I have not, we have been dealing with directly and internally. We have been trying to take control of our own destiny and invest and even reinvest in what we have done right in the last ten years, which has brought about our growth in an era where most associations are going out of business. We need members who are loyal and invested in this industry to help us continue to bring you the service and programs needed to remain viable and grow. We do not plan to cut back services and give less support, because during these times is when you need more of the Midwest Independent Retailers Association, not less.

We have a lot of exciting things coming your way in 2019! Please remember that the beauty of being a small business owner is the human side you bring to your customers and employees and don’t forget to count your blessings every day! Wishing you and your family a Happy and Blessed Thanksgiving! God bless and please help others in need via our Annual “High Five” Turkey drive! ■
History of Success for Annual High Five Turkey Drive

BY ASHOURINA SLEWO // DENVHA MEDIA GROUP

Having started in 1980, the Midwest Independent Retailer Association’s (MIRA) High Five Turkey Drive has a history of nearly 40 years. What started with then AFD member, Mark Karmo, collecting less than 20 turkeys from member supermarkets to be donated to the Mother Waddles Charity has grown exponentially.

Through the years, the association has had the opportunity to watch their turkey drive grow from both how many turkeys they donate to where the turkey drives take place. Steadily, the turkey drive has grown to the point in which MIRA is able to provide 6,000 turkeys to local families each year.

Additionally, the turkey drive is no longer just a program in for Detroit residents. In the state of Michigan, the turkey drive has reached Lansing. Beyond state lines, members in Ohio & Illinois are now also able to participate in the annual program.

As a result, there are a number of options for retailers and members to get involved and contribute to the overall goal.

“Retailers/members can help in a few different ways. They can send in monetary donations to the office or donate online,” explained Ila Konja, MIRA event planner. “The cost of a turkey is about $15. For $150, we can give out 10 turkeys to families in need. They can also participate in the turkey hands promotion where their customers can donate at the register and complete a ‘turkey hand’ with their name on it and post it on the wall or designated area of the store.”

These paper turkey cutouts are a recent addition to the turkey drive. The turkey cutouts officially rolled out in 2015.

“We send packets to the stores that participate. The packets include pads of 50 ‘hands’ and a poster. Each store requests as many as they think they can sell,” said Konja. “Paper turkeys are a fun, simple way to raise funds while sending a message to the retail customers, and their communities, that we care about feeding the hungry.”

The money raised from these paper turkey hands can either be used toward a charity of the store’s choice or donated to MIRA and used for the turkey drive. According to Konja, supermarkets do particularly well with the turkey cutouts.

Former Board Member, Marsha Keenoy, is credited with having branded the High Five Turkey Drive with cutout paper turkeys. The idea originates in the belief that the holidays are a time to slow down in an effort to appreciate life beyond its materialistic means.

“I wanted folks to be reminded when their mom/dad taught them how to draw their first turkey. Placing their hand on a piece of paper then outlining it,” she explained. “The holiday season is so busy, let’s slow down and spend time creating good memories, not just making it materialistic. Be thankful to God for all the amazing good things we have.”

While the paper turkey cutouts are effective in raising funds, they are not the only way for retailers and members to contribute.

“We accept monetary donations and also products to help give complete meals to those in need. Monetary donations can be made by check and mailed to the office or website,” explained Konja.

In Lansing, Keenoy employs other methods of raising awareness and collecting donations. “All efforts make a difference. The paper cutouts when hung, do bring awareness to the fact that there are hungry people in need and we need to step up and help,” she said. “Other methods include Playmakers FUN RUN put on in Lansing by the Capital, school donations during their harvest fun nights selling t-shirts, bar promos during Halloween parties, and TV campaigns that lead to on line donations.”

Retailers and members are also invited to volunteer their time. “We can use the help the day of distribution to pass out the turkeys and other donated items,” said Konja.

Despite all the changes the turkey drive has undergone, the goal has always remained the same: to raise awareness of the growing hunger throughout the region and working to remedy it.

“It is critical folks see others give back,” said Keenoy. “This simple rain drop can create a flood. We need to keep driving rain drops in our community for the next generation to learn that we give back to our neighbors.”
Continued Success for Meat Cutters Class

BY ASHOURINA SLEWO // DENHA MEDIA GROUP

Since the inception of the Meat Cutters class from Michigan State University's (MSU) Meat Quality Extension Education Program, there have been two graduating groups of students. The first course took place in August of 2017, with eight students successfully completing the class and receiving their certification. January of this year, five more students successfully completed the course. In addition, there is currently a class of seven students underway.

The Meat Cutters class has seen great success with each new course. In addition to the group of students participating in the current class, there are already 10 more students slated to participate in the January 2019 course.

“We have more applications currently than we have spots for participants in January 2019," said Jeannine Schweihofer, MSU Senior Meat Quality Extension Educator. “Partnering with MSU on this program has proven to be very fruitful,” said Auday Arabo, president and CEO. “It is so great to see how quickly these courses are filling up, there's quite a bit of enthusiasm. We support this program. We know that there is a great need for this profession in the food industry.”

The certification program is open to all employees of grocery stores and meat processors who want to make a career in meat cutting and/or advance their skills in meat cutting and processing. Current employees of grocery stores – including employees not yet working in the meat department – and meat processors are invited to apply for a spot in an upcoming certification training course.

The two-page application is available online. Once submitted, each application goes before a committee for review where applicants are either denied or accepted.

Once accepted, students can expect to tap into a wealth of knowledge and experience over the course of the class. Students should expect to learn a variety of skills and techniques that will make them an asset in the food industry.

According to Schweihofer, students will learn about the following: proper personal protective equipment and knife handling/sharpening skills. Beef and pork carcass breakdown and where cuts originate from a carcass. Hands-on meat cutting and packaging experience. Proper sanitation skills and hands-on experience. Proper meat grinding techniques and sausage making.

Students will also go over the basics of meat color, packaging, display, display lighting, inspection, label requirements, pricing and yield calculations, and more.

Working closely with the program, Schweihofer hopes the students are able to get a better understanding of the industry and meat cutting through the course.

“I hope the participants gain a better understanding of the meat industry, learn ways to improve their work or technique, and have the basic skills to succeed as a meat cutter in the future,” she explained.

Aside from MSU Meat Cutters class, there are no formal training or certificate programs available for meat cutters in Michigan. There are, however, many jobs available in the meat cutting industry. These positions go unfilled due to the lack of training.

“Meat cutters are in high demand in Michigan’s meat industry. Meat processors and grocery stores have high turnover rates for employees and jobs available,” explained Schweihofer. “Finding qualified workers has been an existing challenge for the industry for several years.”

This program will allow for those who are interested to receive training, and ultimately their meat cutting certification. This in turn will fill positions across the industry. Feedback thus far has been positive among participants.

This course has been coordinated with input from the Michigan Meat Association and the Midwest Independent Retailers Association (MIRA). Funding for the program was made possible by the Michigan Alliance for Animal Agriculture.
Give Thanks

Happy Holidays

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What Do We Know About the Future?

I don’t pretend to be a predictor of the future. Nor, do I have a crystal ball to look into. But, there are some leading indicators that can give us a rather blurred but reliable picture of the future of fuel marketing.

If we’ve learned anything over the past decade, we’ve learned that there is little, if any, margin selling gasoline. For some unexplainable reason retailer’s feel the uncontrollable urge to giveaway their primary product in hopes that the motorist will come in the store and buy some item that actually produces some margin. We even see “big box” stores publish profit and loss statements with (and without) gasoline sales. Noting that the gas business is merely an expensive advertisement to attract customers. I believe we will continue to operate within that marketing philosophy for the foreseeable future. There will always be some marketer that wants a bigger piece of the constant, or even shrinking, retail gasoline pie. He will discount his product to increase the share, and when competitors respond with similar or even more dramatic price reductions, the downward spiral will begin. Motorists do not buy more gas because it’s cheaper. They have no ability to store it. They don’t drive more because they paid less. But, similar to geometric axioms, irrational retail gasoline pricing appears to be here to stay.

So, here’s what you need to know, so you can plan for the future, and survive.

There will be broader competition. More non-traditional outlets – grocery chains, even home improvement store – will be competing for fuel business and they can afford to use gas as a loss leader.

Marketers will need to Build Their Own Brand. Some are abandoning branded gas to save several cents a gallon because of very slim profit margins. Motorists are also less brand-loyal and more price conscious when they can check gas prices online with their smartphone. The younger driver and leasing drivers subscribe to the philosophy that “gas is gas” and therefore consider “price” as their primary motivator when purchasing fuel. Brand loyalty is diminishing.

Vending machines at the pump island are a consideration. C-Stores are installing vending machines at the pump finding that 60-70% of customers who buy fuel never enter the store to buy higher-margin items. Soft drink machines are the most common, but some store are promoting sandwiches and snacks.

The line between gas stations, supermarkets, convenience stores, fast food restaurants, party stores, and dollar stores is becoming very blurred. Everybody seems to be offering everything.

“Motorists do not buy more gas because it’s cheaper. They have no ability to store it. They don’t drive more because they paid less. But, similar to geometric axioms, irrational retail gasoline pricing appears to be here to stay.”

Just to provide an example. I was at my bank the other day and mentioned to the manager that everybody seems to be offering expanded food service. I kidded him that I truly expected to see a salad bar or some food service at his bank soon. Lo and behold, last night on TV I saw an ad for some bank that was differentiating itself from the banks by adding a café inside their bank!

If an or concept seems a trifle “goofy” don’t discount it. You may just be on the brink of the newest phenomena to sweep the industry!
Experience how SAS continues to be a leader in the industry by consistently exceeding expectations through innovative solutions in distribution, marketing, and technology.

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MATT MINER // CAPITOL STRATEGIES GROUP

Getting Ready for Michigan’s Lame Duck Legislation Session

BILL TO PROTECT ALCOHOL SALES RECORDS FROM FOIA INTRODUCED IN THE MICHIGAN SENATE

Senator Rick Jones, a staunch advocate for the protection of the Half-Mile Rule, introduced a bill this fall to protect from the Freedom of Information Act, liquor sales records of private businesses in the state of Michigan. Currently, all sales orders of liquor made by private businesses through the state of Michigan’s warehouses are subject to the Freedom of Information Act. This means that the state must publish sales orders from private businesses in its journals for all competitors to see. Since the elimination of the Half-Mile Rule, this information has been used to give speculators a tool to poach business from long established merchants in this state. MIRA and its advocacy team at the state capitol are pushing for passage of this bill during Lame Duck Session after the election.

BOTTLE BILL REPEAL TO MAKE LAME DUCK PUSH

Supporters of a bottle bill repeal met to discuss organizational efforts to repeal the bottle bill and replace it with a comprehensive statewide recycling initiative. Recent polling suggests that the timing for such an initiative is good and that the Lame Duck Session provides the framework to address this issue by bringing multiple issues to the table. While the hill is steep to accomplish this initiative, it does start a dialogue about the future of recycling and the viability of the aging bottle bill.

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Exclusive credit card processing program for MIRA members. No matter how you want to accept payments, MIRA has a solution that will flawlessly fit your business needs!

Let us review 2 or 3 of your monthly statements and we will guarantee you savings or MIRA will pay your annual membership dues (one time only).

Payment Processing
- We offer an array of payment processing solutions to help you grow your business and accept payments in-person.

eCommerce
- Safe and secure solutions that allow your business to accept payments online with online shopping cart integrations.

Emerging Markets
- Do you need to accept payments in a non-traditional way? We offer a wide array of customized solutions in emerging markets such as healthcare, education, rent, and business-to-business transactions.

Business Funding
- We partner with a direct lender that provides funding to small businesses nationwide. Your business can receive loans, cash advances, or credit lines to help your business prosper.

Reporting
- Our reporting system gives your business the ability to stay up-to-date with real-time reporting at your fingertips any time, any where – making it easy to manage your business.

Security
- Protect your business and your customers. We make it a priority to educate you on how to reduce counterfeit and fraud through acceptance and best practices.

TO SIGN UP FOR THIS PROGRAM, CALL THE MIRA OFFICE AT (800) 666-6233 OR EMAIL INFO@MIRAMW.ORG
Proposition 18-1: What it Means for Employers Across the State

Proposition 18-1 to legalize recreational marijuana is nothing more than a fast track for an industry that consistently puts profits over people, and money over public health.

Between a drugged workforce and an inability to find clean workers, Proposition 18-1 means more headaches for employers across the state.

Workforce issues are everywhere but introduce legalized recreational pot and it will only get worse. It’s becoming considerably more difficult to sustain a workforce with employees who can’t pass drug tests. Consider Colorado, the first state to legalize the use of recreational marijuana. Workers there are testing positive at much higher rates than in states that haven’t commercialized. One company in Colorado has had to cross borders to find workers who are clean of the drug. Is that what we want for the Michigan jobs?

And there is more. Since legalization measures passed nationally, workplace marijuana use has spiked, increasing 178% in four years and marijuana users are more likely to miss work and have disciplinary problems. Even when controlling for alcohol use, pot users are 40% more likely to miss a day of work in the last month due to illness or injury. They are also 106% more likely to miss a day of work because they just didn’t want to be there.

A 2014 survey showed that 10% of Americans admit having gone to work stoned. Legal pot poses unique dangers to the workplace: greater negative impact on workplace performance than alcohol, easily concealed, and longer-lasting effects. Marijuana legalization opens the door to myriad lawsuits against employers. The marijuana industry has vowed to make employee “rights” to pot use a priority.

But it isn’t just the workforce. Proposition 18-1 will impact life all around us. And like many legalization efforts, the movement is full of misinformation. Here are a few facts:

- This isn’t your father’s pot. The fact is, today’s marijuana is much more potent – and harmful – than in the past. The pot industry routinely sells products with THC up to 99% potent; the weed of Woodstock was only 5% THC.
- People can possess 140 joints on their person at one time,
- It would legalize and commercialize pot infused gummies, candies, sodas, and other edibles. Storefronts and shops will be filled with these brightly-colored and harmless-looking products that attract the eyes of children: A target of Big Marijuana just like Big Tobacco several decades ago.
- Pro-pot groups are claiming the state would reap the benefits of state regulation, but pot legalization would cost Michigan much more than it would ever bring in – in the form of car crashes, school dropout rates, workplace problems, and other issues. Colorado, the first state to legalize recreational marijuana, is still struggling to fund a massive budget deficit while the state’s education budget continues to be underfunded and school teachers have gone on strike.
- New data released by the Insurance Institute for Highway Safety (IIHS) finds car crashes are up a combined 6% in four states that have legalized marijuana compared with the states surrounding them that haven’t legalized.
- According to the National Institutes of Health, 70% of today’s illegal drug users started off with marijuana.

Legalizing marijuana has led to a host of unintended consequences. Big Marijuana has led the public to begin to believe that there are no risks to using marijuana.

The great state of Michigan should not have to jeopardize taxpayers, youth, and future generations by subjecting itself to the commercialization of marijuana. Take a step back and look at the experiences of other states. Drugged driving, higher potency pot all over our streets, edibles in front of our kids, a failing workforce—is this what Michigan wants?
Michigan Lottery Makes Giving the Gift of Huge Cash Prizes Possible

Giving the chance to win a huge cash prize makes Michigan Lottery products a popular holiday gift item for many players across the state.

It’s no secret that the holiday season is one of the most lucrative times for retailers. Consumer spending during the holiday season dwarfs all other times of year. According to the National Retail Federation (NRF), consumer spending during the holiday season has increased steadily each year since 2009. The NRF projects that consumer spending this November and December will increase as much as 4.8% to a total of $720.9 billion, up from $687.9 billion last year.

To help maximize sales opportunities for retailers, the Lottery will offer players four holiday-themed games this season. The holiday games once again offer shoppers a wide range of prices and prizes suitable for stocking stuffers or individual gifts.

**THIS SEASON’S GAMES ARE:**
- **Holiday Dazzle:** $10 ticket with top prizes of $500,000 and more than $21 million in total prizes.
- **Peppermint Payout:** $5 ticket with top prizes of $300,000 and more than $15 million in total prizes.
- **Holiday Lucky Times 12:** $2 ticket with top prizes of $30,000 and more than $11 million in total prizes.
- **Festive $50’s:** $1 ticket with top prizes of $5,000 and $8 million in total prizes.

Launched on October 30th, the holiday-themed games give retailers additional sale opportunities by extending the holiday sales season. The Lottery also has a robust advertising campaign planned to support the launch of the games. That advertising campaign is designed to raise public awareness of the games and drive traffic to retailers.

**INSTANT TICKETS // PULL TAB TICKETS**

**NEW INSTANT TICKETS:**
- **On Sale October 30th:**
  - IG 274 – Festive $50’s – $1
  - IG 275 – Holiday Lucky Times 12 – $2
  - IG 276 – Peppermint Payout – $5
  - IG 277 – Holiday Dazzle – $10

**INSTANT GAMES SET TO EXPIRE:**
- **Expining November 5th:**
  - IG 789 – Winter Lucky Times 10 – $5
  - IG 791 – Candy Cane Crush – $1
  - IG 792 – Gifts Galore – $2
  - IG 793 – Holiday Gold – $5
  - IG 794 – Treasure Tree – $10
  - IG 796 – Bingo Plus – $5
  - IG 797 – Double Bonus Cashword – $5

- **Expining December 3rd:**
  - IG 744 – Superstar Cash – $10
  - IG 780 – Tetris – $2

**NEW PULL TAB TICKETS:**
- **On sale October 30th:**
  - MI 532 – The Rock Show – 50¢
  - MI 526 – 777 – $1

**PULL TABS SET TO EXPIRE:**
- **Expining November 6th:**
  - MI 584 – Top $pin – $1

- **Expining December 11th:**
  - MI 589 – Catch Cash – $.50
  - MI 591 – Lucky 7’s – $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.

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.

Fun to give and great to get, it’s easy to see why customers make Michigan Lottery holiday instants their go-to gift. Everyone likes the chance to win up to $500,000, with more than $62.3 million in total cash prizes.

There’s plenty for you, too, with more than $6.4 million in retailer commissions. So, stock up on the holiday gift that offers big winnings, big sales and is everyone’s go-to: holiday instant tickets.
I know I sound like a broken record every month for last 4 months, but the Ohio General Assembly continues to be in recess for the most part, although the Ohio Senate and House have had quick in and out sessions, accomplishing very little. The political climate in Ohio is in chaos as nobody has a good read on who the next Governor will be. Currently the race between Democrat Richard Cordray and Republican Mike DeWine is too close to call, Cordray seems to have slight lead but that could change in minute. Republicans have controlled the Governor’s office for 24 of the last 28 years and Republicans have controlled Ohio Senate for 34 straight years and the Ohio House for 22 of last 24 years. Republicans will still control House and Senate by large margins, but the battle to be the next Speaker of the Ohio House between current Speaker Ryan Smith and Representative Larry Householder will be very divisive. They will try to resolve this prior to end of the year but you have two bulls butting heads. Ohio General Assemblies last for two years so this one will be done at end of this year, if Democrat Cordray wins the Governor’s race then there will be a flurry of activity in a lame duck session, (lame duck is right after November elections and goes till the end of the year) if Republican DeWine wins there will be little of consequence in a lame duck.

In other races statewide: Attorney General, Auditor of State, Secretary of State and State Treasurer are all too close to call. Ohio has 16 Congressional races and Republicans currently hold a 12-4 advantage but that could change this November, incumbent U.S. Senator Sherrod Brown is being opposed by Congressman Jim Rennaci, but Brown is comfortably ahead in this race. Like the rest of the country we don’t know what effect the Kavanaugh hearings will have; will D’s show up in record numbers or will R’s rally to Trump.

One thing is for certain, no matter who wins in November, you will see a major effort next year to address Transportation needs. The current gas tax is not bringing in enough money to fund repairs to roads and bridges, a tax increase and other innovate measures will be proposed to fix this problem.

The good news is the next report will have the winners and an outlook for the future, but one thing will never change, MIRA will always be looking out for members best interest.
QT Egg Nog
Cost $1.98 – RSP $2.69

GALLON DRINKS
Cost $1.10
Sell 3/$5.00

Almond Breeze
Cost $3.29
Sell $3.99

11/1/18 – 11/30/18
Creating an Innovative Experience for Ohio’s Liquor Enterprise

It’s not a new theme for me and I’ve said it time and time again; I want Ohio to be at the forefront of the spirituous liquor industry and I want customers to have an exciting, positive experience when they’re visiting one of our agencies. This isn’t rocket science, it’s just good business.

Our latest venture to accomplish these goals brings my team together with vendor/broker partners and agencies to host raffle events for highly sought-after bourbons. The inaugural event drew a crowd of more than 500 customers who were hoping for the chance to purchase a rare product. These events also allow for cross promotion of other premium bourbons and help Agencies bring in more foot traffic.

The success of this first event, paired with the success of our barrel releases got me thinking – we need to give all our agencies a shot at hosting these events. We hear from our agents all the time that they’d like to host events, so we challenged them to come up with their best event plans and submit them for consideration. We wanted to find those diamond in the rough stores, the ones with creative ideas who were willing to make the event an experience for customers. After all, customers will be in stores for up to 90 minutes waiting for the winners to be called – we want them to be entertained!

While the submission period has closed for those event plans, we’re always looking for new stores to host events, so I still encourage agencies to come up with out-of-the-box, innovative ideas and let us know through the Liquor Enterprise Service Center. They can be reached at (877) 812-0013 or LiquorAgencyHelp@com.state.oh.us.

Speaking of barrel releases, we’ve heard from on-premise accounts that they may be interested in the Ohio barrel picks. We recognize this opportunity for our bars and restaurants to carry a product unique to Ohio without the commitment of purchasing the entire barrel. So, our team is working on a lottery for permit holders to win the chance to purchase one of our barrel selections. We think this is a great chance to give you and your customers more access to these unique products, and we will have more details to share very soon on how permit holders can get in on the fun.

Both the raffle events and permit holders barrel selection lotteries are important to me because they help us buy our product and showcase our stores. We want to highlight all that is great about Ohio’s Liquor Enterprise, and it starts with programs like these and partners like you. We hope you are as excited about these new ideas as we are.
Drive Your Business

Business idling? Stuck in low gear? Need a road map?

Looking for some extra mileage in your Lottery Sales? Let us help you get back in the driver’s seat. These new holiday instant tickets will rev up your sales, with a higher commission-per-transaction ratio and an overall prize payouts of up to 73 percent.

Our petroleum and convenience store partners account for more than 57 percent of all lottery ticket sales. Last year alone, our petroleum and convenience store partners earned more than $104 million in Ohio Lottery selling bonuses and commissions.

Put your sales into overdrive. Get a personal solution from one of our highly-trained sales consultants, regardless of the size of your store.

For a free consultation, call the Ohio Lottery Sales Office

216.774.5680
John Jonna, former co-owner of Merchant of Vino Gourmet stores remembers when bottled-water started to hit the market in the 80s. “Who would buy bottled water, we thought,” said Jonna. “Water is free. Who was going to pay for it?”

Turns out many people would in all sizes and from a variety of companies.

You add in the fact that the Midwest region of the country is surrounded by some the world’s best drinking water – the Great Lakes – and yet, bottled water was not a fad.

Michigan, home to MIRA headquarters, is a Midwestern U.S. state bordering four of the Great Lakes. It contains more than 11,000 inland lakes, spread across its lower and upper peninsulas.

“There are three main factors as to why bottled water sales are up by 30% in recent years,” said Bobby Hesano, D&B Grocers Wholesale. “Health conscious consumers are the main reason. People are replacing soda water that contains high amounts of sugar with carbonated water and carbonated flavored water with no sugar. Le Croix sales are growing rapidly, for instance.”

Joe Gappy from Prince Valley Market in Detroit would agree. “I think people in all general ethnic groups are understanding that sugar and sodas are just bad for you and people are trying to live longer and not poison their bodies,” he said. “Consumers wanting to get bottled water, I believe, is because they think it’s much safer to drink than drinking tap water.”

In 1987, the then AFD, published an article titled Bottled Water … Consumers are turning off the taps and heading to the store for their drinking water. The focus was on bottled water and whether it was just a fad or here to stay. It turns out it not only stayed in the market, but it has become a fast-growing commodity.

Back then, they too credited the craze for bottled water to “an increasingly health-conscious consumer and continued concern about the contamination of ground water supplies” which in turn was expected to “triple the demand for bottled waters over the next three to five years.”

Sparkling waters, mineral waters, and soda waters were all trending up at that time. It was reported in 1987 that, “bottled water sales in the
U.S. are expected to reach a phenomenal $1.6 billion this year, and could go as high as $5 billion by 1990. The International Bottled Water Association projects a steady 15% annual growth rate.”

At that time, the article cited many reasons for the increase of bottled water sales and today, the industry is looking at similar reasons for the bottled water craze in America.

“Many of the Soda companies are buying water brands to stay competitive,” said Hesano. “They have to make up for the lost revenue with their sugary drinks.”

Another reason for consumer demand is, “the lack of confidence with tap water,” said Hesano. “With the Flint water crisis,” consumers are wary of tap water and the pipes. Once you lose consumer trust, it is so difficult to gain it back.”

“I think Hispanics - which are a large percentage of my customers - trust bottled water over faucet water, and I think that is something they’ve grown up with,” said Gappy.

Flint is not the only crisis that has scared consumers. “Look at the Detroit schools,” said Ed Weglarz, MIRA. “They have had issues with their pipes and people are skeptical. They turned to bottled water.”

“Another reason for the increased bottled water sales, I believe, is because some schools in Detroit do not have drinkable water and that might be why it’s being purchased more,” said Gappy.

Buildings are old and what would pass more than 20 years ago in terms of water safety wouldn’t necessary pass inspections today. “There are too many school buildings spread through the city and only so much maintenance money to go around. It would probably better serve the district to close some schools down, but then transportation becomes an issue,” said Weglarz.

Pipes in some older homes and older communities could be contaminated.

“When I lived in Houston, the tap water was not drinkable,” said Hesano. “I had two and half gallons of drinking water in my refrigerator at all times. We only could use the tap water to shower. It was horrible. What happened in Flint, realistically, could happen anywhere. So, people are more cautious and feel safer with bottled water. We are spoiled in the Great Lakes region.”

Natural disasters have also contributed to the increase in sales of bottled water. “Companies like Nestlé are sending massive amounts of bottled water to hard hit areas like Florida, Texas or the Carolinas and Louisiana,” said Weglarz. “More and more companies are tapping in to the Great Lakes region for water.”

Despite their humanitarian efforts, many Michigan residents were outraged when the state granted Nestlé a permit to significantly increase the amount of water it pumps out of a well near Evart, Michigan.

More than 80,000 people submitted public comments opposing the decision. The environmental group Michigan Citizens for Water Conservation has since challenged that permit.

As that legal battle plays out, one environmental law expert thinks Michigan should either collect taxes on companies like Nestlé that take significant amounts of water, or raise the annual fees that bottlers pay.

“My customers like the Nestle brand of water,” said Gappy. “We always carry at least three or four brands of palatalized waters on hand. I think offering variety of brands keeps all customers happy.”

Also contributing to that 30% increase is “the sale of premium water such as FIJI, Icelandic and Eternal which are naturally alkaline spring water,” said Hesano. “These water brands containing the natural PH to balance out acidity are becoming increasingly more popular.”

Although the drinking water in the Midwest is the best in the world, there are some concerns of what environmentalists consider threats.

Enbridge Line 5 is a major oil pipeline in the Enbridge Lakehead System, which conveys petroleum from western Canada to eastern Canada via the Great Lakes states. Line 5 is particularly notable for passing under the environmentally sensitive Straits of Mackinac, which connect Lake Michigan to Lake Huron. However, the pipe is more than 60 years old and, “people are concerned the pipe could break and contaminate the water like Enbridge experienced more than six years ago when the river in Kalamazoo was contaminated,” said Weglarz.

There has been talk about building a tunnel to house a new pipeline, so if it ever did break the oil would be contained and would not get into the water. “Since the Great Lakes represent 20% of fresh water, you can’t take a chance,” noted Weglarz.

This process will take more than 35 permits and about 10 years to complete.

In the meantime, water sales continue to grow, and retailers are taking note. “I am not surprised that bottled water is growing in sales at all,” said Gappy. “As a non-pop drinker from years ago, I keep a case of water in my office at all times. Everyone is realizing that sugar and pop are bad for you.”
In January of this year, Michigan’s minimum wage increased to $9.25. Meanwhile, in Ohio it is at $8.30 and Illinois is at $8.25—these are the three states with the largest concentration of MIRA members.

However, in the City of Chicago, city workers are bound to an ordinance. The City’s ordinance raises the hourly minimum wage to $10 in 2015, $10.50 in 2016, $11 in 2017, $12 in 2018, and $13 in 2019, indexed annually to the Consumer Price Index (CPI) after 2019.

On December 2nd, 2014, the Chicago City Council passed an ordinance that will raise the minimum wage for Chicago workers to $13 per hour by 2019.

The food retail industry is competing with government and other businesses like Amazon that just announced it will increase its minimum wage for all U.S. workers to $15 an hour, including part-time, temporary and seasonal workers starting this month.

The move is said to benefit 250,000 Amazon employees, plus 100,000 seasonal workers it plans to hire this holiday season.

“We listened to our critics, thought hard about what we wanted to do, and decided we want to lead,” said Jeff Bezos, Amazon’s founder and CEO, in a statement.

In the state of Michigan, Amazon also recently opened a distribution center in Shelby Township in September, its newest Michigan location (and fourth fulfillment center), alongside locations in Ann Arbor, Rochester Hills, Birmingham, West Bloomfield, Brownstown, Hazel Park, Livonia, and Romulus and Grand Rapids—many of which are hiring.

“We are competing with any, and all industries, especially for low skilled labor. Today, we joke, if they have a pulse, we hire them,” said Phil Kassa, MIRA Chairman and co-owner of Heartland Marketplace.

Because grocers work on such low margins, it means many will have to increase prices, and eliminate many entry level jobs.

“I can tell you, in the last two or three years, our stores do not hire anyone younger than 18 years of age, and even those at entry level jobs, such as baggers and front-end clerks, we’ve eliminated,” said Kassa. “Also, because of technology, that bigger retailers can afford the up-front cost, we independents will be at another disadvantage, such as what Amazon is doing with outlets that don’t have cashiers. This is just the beginning.”

As reported, union membership has hit historic lows in the country and service workers have gone on strike. Workers in the fast-food industry for instance have walked off jobs as they fight for an increase in the minimum wage.

There has been a concerted effort this year, by many service workers and various groups, to raise the minimum wage to $15 an hour at fast-food restaurants. “Legislators who have never run a business, hired people, had to meet payroll, don’t understand the added cost do to business,” said Kassa. “If we pay an entry level employee $15.00 per hour, then, what do we pay experienced and loyal employees? At the end of the day, I feel they are only hurting our youth, who will have a harder time gaining work experience. Also, as wages go up, so do prices, so how far does $15.00 per hour really go.”

There is a need for meat cutters and MIRA has a program in partnership with Michigan State University to train students to become meat cutters. The average meat cutter makes about $13 an hour according to national statistics from Indeed.com. However, many independents pay more than the average or minimum wage.

Earlier this year a study was released by an economist at the University of California, San Diego and the American Enterprise Institute who estimated that minimum wage hikes of more than a dollar implemented between 2013 and 2016 reduced employment among low-skilled workers by less than 1.5%.

The impact on jobs in the states with similar wage increases was more variable and occasionally there was a positive outcome, possibly because more people were drawn back into the labor market by the better pay.

However, the increase in wages puts a financial strain on retailers working in small profit margins.

“Today we are paying a lot more for employees, and getting a lot less work because of other less labor intense jobs, that pay more. A lot of the younger generation don’t want to do the manual labor; they would rather sit in front of a computer. I guess they work smarter than we did,” said Kassa. “I just think the minimum wage is a joke. I feel the market can and will dictate wages. Today, because of the great economy, we hire for a lot more than minimum wage. We also pay a premium to maintain our better and more loyal associates. It’s all about ‘Supply and Demand’.”
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Increasing Consumer Trust Through Transparency

A new report from Label Insight and the Food Marketing Institute (FMI) revealed that shoppers are increasingly demanding transparency and a closer connection to their food — so much so that 75% report they’ll switch to a brand that provides more in-depth product information, beyond what’s provided on the physical label. When shoppers were asked the same question in 2016, just 39% agreed they would switch brands.

The desire for transparency is in both the perishable and non-perishable food items. In the produce industry, food safety standards have become increasingly technical “We can track what shed and field a product came from,” said Damon Marano, Anthony Marano Company, where produce is their passion. “From a consumer standpoint, produce by nature is transparent. Celery is celery and you know what you are eating.”

That desire for transparency has inspired the produce industry to provide more grab and go packaged items such as vegetables and dip or a cup of fruit with a fork attached for a quick snack. Instead of grabbing a bag of chips or a candy bar at the checkout lines, consumers will be able to grab more fresh items like carrots or cantaloupe. “Consumers are getting smarter and want to know what they are eating,” said Marano.

A majority of farms and produce suppliers are family-owned and multigenerational and they understand the need of the consumer. Across generations and around the country, shoppers are becoming increasingly more interested in the foods they consume. No doubt, information on products are not only listed on the labels but are a click away on any device including Smart phones.

They either are taking the phones to the grocery store or using a search engine before they head to the market to do their research. There is access to information regarding health benefits, ingredients, dietary claims and more.

Consumers today want to know where the produce is coming from such as the farms and countries. Marano recommends that retailers educate consumers on seasonal fruits and vegetables with signage and even show them how to use products in recipes. Marano is creating recipe cards to share with consumers to teach them how to prepare certain fruits and vegetables. Retailers can capitalize on this by better marketing their produce department and educated their produce managers, so they can better communicate with the customers.

Recent research has predicted that the food traceability market will be worth $14 billion by 2019 and the trend has radically changed the way food products are marketed, turning the focus onto the manufacturer’s ingredients, processes and backstory instead of advertising alone.

What is expected to emerge in the food industry traceability and transparency realm is blockchain technology. The blockchain is a software that stores and transfers value or data across the internet. This technology is a way of storing and sharing information across a network of users in an open virtual space. Blockchain technology allows for users to look at all transactions simultaneously and in real-time. In food, for example, a retailer would know with whom his supplier has had dealings. Additionally, since transactions are not stored in any single location, it is almost impossible to hack the information.

Food safety is a requirement and traditionally not a way to make money. Typically, it could take a company like Marano to track a grower 12 to 16 hours. Blockchain could change that in the future. Each generation has a different perspective of transparency, but it’s important to all generations. For Boomers and Gen X-ers transparency means ingredients lists and nutritional information, according to the FMI/Label Insight research. Millennials, while also paying attention to those factors, tend to give more weight than older generations to allergen information, certifications and claims, animal welfare, fair trade and labor practices.

Transparency is not an option anymore, so grocers and brands should take note. With reports showing that more than seven in 10 shoppers are willing to switch from their usual brand to one that provides more in-depth information, it is worth investigating how to provide shoppers with this insight. Transparency can build consumer trust and boost loyalty at a time when retailers competition is as fierce as ever.

When retailers are creative and listen to their customers, they will increase business and this includes properly using social media. “It is an important tool if properly used,” said Marano. “You can promote your transparency and products on social media sites but when someone posts something about an item that may have an issue, it could damage an entire industry. You have to be responsible. Retailers should use social media to promote seasonal products and educate consumers on how to best prepare produce items in recipes.”

Transparency is about providing consumers with enough information so they can make educated choices with the foods they buy and consume.
Tackling estate planning tends to be at the bottom of nearly everyone’s to-do list. After all, not many people enjoy spending time contemplating their own mortality. But after you make the time to do it and feel the sense of accomplishment that comes with checking that off your bucket list, wouldn’t it be a shame to learn you made a mistake? Here are ten common mistakes people make when undertaking their estate planning.

**BENEFICIARY BLUNDERS**

Not naming a contingent beneficiary on retirement accounts and insurance policies -- or failing to review beneficiaries often enough -- is my clients’ No. 1 mistake. The default if no contingent is picked is likely your estate, which may be subject to probate, creditors, delays, etc. No contingent beneficiary on an IRA means NO stretch IRA -- a valuable tax break that enables someone who inherits an IRA to draw out distributions over his or her own life expectancy -- if your original beneficiary has died.

Only a person with a life expectancy can do a stretch. An estate has no life expectancy, therefore, no stretch to minimize taxes and potentially receive significantly more income over your beneficiary’s lifetime.

Forgetting to change an ex-spouse on an IRA can have disastrous consequences for your new spouse or family! (Note, in a retirement plan your new spouse becomes your beneficiary the day you get married, but NOT in an IRA!) If you don’t want your current spouse to be the beneficiary of your retirement plan, then they must agree to you naming someone else. And no, your prenuptial agreement doesn’t matter in this case, because only a spouse can waive those rights, and a fiance isn’t a spouse yet!

**“SELLING” PROPERTY FOR $1**

This was popular years ago in areas that saw rapid appreciation and before tax lawyers really got their foot in the door! The theory was that you could sell it for a very low price and not have to pay taxes on the gain and remove it from your estate. You can sell property for whatever you want but:

- The IRS will deem it a gift if it is less than market value, and
- Your heirs will lose the “step up” in value.

Why is this so bad? Because if I inherit a property worth $1 million and sell it for $1 million I may pay no tax. If I “buy” or it’s gifted for $1 and sell it for $1 million, I pay tax on the $999,999 gain!

**OVERLOOKING DIGITAL ASSETS**

So you’ve accounted for all your assets, liabilities and beneficiaries. You’re done, right? Not so fast. Did you remember to include your digital assets? This includes any documents, pictures, or other information you may have stored in the cloud or on a computer. It also includes passwords to access these things. What about any cryptocurrency? What about overseas bank account passwords? Have you considered what you would like to happen to your social media accounts? Facebook, for example, has options to memorialize, delete, or simply leave your account unchanged. You are also allowed to designate a “legacy contact” who can pin a post on your timeline after your death, such as a funeral announcement. Along with
your estate planning documents, be sure to include a list of all your digital accounts along with their passwords. Also, be sure to include specific instructions for how you would like your social media to be handled. Naming specific investments in your will.

SELECTING AN INAPPROPRIATE TRUSTEE
The trustee is the fiduciary you choose to manage your trust and distribute your assets according to your wishes. Sometimes people do not put nearly enough thought into the person they select as their trustee. They may choose the older child, simply “because they are the oldest,” or an old family friend because “we’ve known him forever.” You should never choose a trustee solely because they are the oldest, you’ve known them the longest, or because you think they’re “nice.” Being a trustee can be a hard job. Trustees must keep impeccable records, and be beyond reproach ethically. They sometimes are called upon to make tough choices in the midst of clamoring beneficiaries. Your trustee needs to be familiar with the demands that will be required and feel that he/she is up to the task. Sometimes people overlook professional fiduciaries since they think they will cost too much. The truth is, any fiduciary is entitled to compensation for the work they do in their fiduciary role. Professional fiduciaries have much to offer in the way of expertise. They can often do things in far less time than a lay fiduciary could, and they have access to resources that lay fiduciaries may not even know about.

LEAVING ASSETS DIRECTLY TO A MINOR WITHOUT DEALING WITH GUARDIANSHIP ISSUES
Who will handle the money for them? Define “for their benefit.” Does a new Escalade count, because the kids won’t fit in my Honda Civic? That phrase welcomes a whole host of potentially abusive interpretations.

FAILURE TO PLAN FOR CONTINGENCIES
Usually when people sit down to do their estate planning they envision the “logical” order of things. Parents die first-- then children inherit. But what if a child predeceases a parent? What if an accident were to cause a child to become disabled? What if you experience a divorce? A well drafted estate plan covers these out-of-the-norm situations. Not planning for the death of a beneficiary.

FAILURE TO RETITLE ASSETS TO A TRUST
It’s not uncommon for folks to go to a lot of work to create a trust, and then once the documents are signed, to think they are done. In actuality, a trust is not complete until all assets have been retitled in the name of the trust. Without any assets actually in the trust, the trust is really just like an empty shell. If you establish a revocable trust, you must be sure to retitle your assets in the name of the trust. Additionally, you should also have a “pour over” will. This type of will transfers all other assets—such as jewelry and cars or anything you may have missed—into the revocable trust. Ownership mistakes and imbalances.

FAILURE TO COORDINATE NON-PROBATE ASSETS WITH THE ENTIRE PLAN
Some assets, like life insurance, retirement proceeds, and annuities, pass to beneficiaries outside the scope of a will. An estate plan should look at the big picture and take into account ALL your assets and how they will be distributed. The distribution of these assets should be coordinated with the will and the entire estate plan as a whole. Not having a residuary clause.

NOT PLANNING FOR THE UNEXPECTED
There could be a sudden decline in your or your spouse’s health, or there could be a change in your assets. What about the divorce of your kid? Your kid’s creditors? Can your heirs handle that much money? There are a multitude of things that you have probably never even thought about. This is commonly addressed by having assets go to a trust where you can control how, to whom and when money gets distributed, unlike an outright inheritance from a trust.

NOT DEALING WITH YOUR OWN MORTALITY!
Yes, you are still going to die someday, whether you want to face that reality or not. The most recent death of Aretha Franklin highlights this fact best. She left no will and all assets are now in probate court. Do not leave your family ruined because you don’t want to deal with an uncomfortable situation!

*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 can be reached at (248) 265-4100 or by email at rad@denhalaw.com.
Can Your Passport be Revoked Due to Tax Debt?

The IRS can now inform the State Department of your delinquent tax debt, and this could lead to a passport revocation or denial. However, your tax debt can only result in a passport revocation if it is considered “seriously delinquent”.

Tax debt is seriously delinquent if you owe over $51,000 (adjusted for inflation) in combined taxes, penalties, and interest. The IRS must also file a Notice of Federal Tax Lien or issue a levy on your property before the tax debt will be certified to the State Department.

If you value your passport and have tax problems, take corrective action to avoid a passport revocation or denial.

WAYS TO AVOID A PASSPORT ACTION
You can avoid a passport action by making sure your balance stays below the seriously delinquent threshold, but only if you do so before certification takes place. Once your tax debt is certified to the State Department, the certification won’t be reversed by paying your balance below the threshold.

You can also avoid a passport action using any of the following strategies:
- Make monthly payments with an IRS installment agreement
- Make payments under an accepted Offer in Compromise
- Request a collection due process hearing for a levy action
- Request innocent spouse relief
- Have your account declared currently not collectible
- File for bankruptcy

Even if you owe more than the seriously delinquent threshold, the IRS won’t certify your tax debt to the State Department if you take any of these actions and honor your commitments.

You can also delay certification by requesting an installment agreement or Offer in Compromise because the IRS won’t initiate a passport action while your request is pending.

HOW TO REVERSE CERTIFICATION
The rules are a little different if your tax debt has already been certified as seriously delinquent.

You should receive an IRS notice in the mail when your tax debt is certified to the State Department. At this point, you won’t be issued a new passport, and the State Department has the ability to revoke your current passport. You’ll need to work out a deal with the IRS to have the certification reversed. Even if you are required to hold a passport to keep your job, the IRS won’t reverse certification unless your play by their rules.

If you can pay your balance in full, the IRS will reverse the certification. You’ll also get your passport back if the tax debt becomes unenforceable, such as when the collections statute of limitations expires.

More commonly, you’ll have to submit an installment agreement request or an Offer in Compromise to get your passport back. The terms of these arrangements vary depending on your financial situation. Consult with a tax resolution attorney if you need help sorting out your options and negotiating a deal.

If you request innocent spouse relief or a collection due process hearing, your certification may also be reversed. However, certification won’t be reversed if your request involves debt that is not the basis for certification.

ACT BEFORE YOUR DEBT IS CERTIFIED
Keep your passport safe by taking action before your tax debt is certified to the State Department. Contact Ayar Law by calling (248) 262-3400 to set up your case evaluation with one of our tax attorneys.
little can. big cheer. mini
Overall Beer Volume Dips in 2017

But craft and imported brews grow, and consumers say they’d pay extra for a sustainable brew

The beer category suffered in 2017, with total volume falling 1.1% to 2.8 billion 2.25-gallon cases, according to the Beverage Information Group’s 2018 Beer Handbook. Total beer consumption has declined for five consecutive years, as U.S. consumers imbibe more spirits and wine.

During 2017, craft and imported beers saw growth and increased market share. The craft beer segment grew 4.9% to 310 million cases. While craft beer’s growth has slowed from 6% for the past two years, the category pushed its market share to 11.1% in 2017, up from 10.4% in 2016 and 9.8% in 2015. Still, oversaturation in some local/regional markets has hurt craft beer. Industry experts say U.S. consumers have never been more experimental or less brand-loyal.

In 2017, the imported beer segment was up 3.5% to 470.7 million 2.25-gallon cases, a market share boost of 16.8%. Beers from Mexico continue to thrive because consumers see them as a step up in flavor and quality from macro U.S. lagers.

Flavored malt beverages were up 1.3% with 112.3 million cases. The category’s growth has cooled considerably, as it was fueled largely by gains in the Bud Light Rita’s line, which slowed recently.

Beer segments that have dropped include light beer, down 3.1% in 2017 to 1.22 billion cases; popular beer, down 2.5% to 180.9 million cases; super-premium and premium beers, down 3.7% to 371.5 million cases and malt liquor, down 4.3% to 52.8 million cases. These segments of the beer category don’t represent the current trend of “craft” or “premium” beverages.

On a side note, a majority of U.S. beer drinkers say they’d pay more for beer produced with sustainable practices, according to a new study from Indiana University and reported by Fooddive.com.

Researchers say that the beer industry has “considerable potential” for reducing energy use and mitigating its impact on climate change. Some breweries already have added solar panels, installed on-site wastewater treatment plants, insulated brewing vessels and recaptured steam from the brewing process.

The Indiana University study revealed that consumers who already pay more for their beer were the most willing to pay a premium for sustainability. In addition, they were likely to report lifestyle activities associated with the common good, such as doing volunteer work, recycling, composting and buying locally produced food and products. There was no significant correlation between the type of beer that consumers preferred and their willingness to pay more for sustainability.
Changes to ASE Michigan Certification Verification

BY RICHARD H. AUSTIN // MICHIGAN OFFICE OF INVESTIGATIVE SERVICES

Effective October 4th, 2018, the Michigan Department of State will no longer accept fax copies or images of ASE certificates or test results. Any person using ASE credentials for State of Michigan mechanic certification or re-certification must follow the procedure outlined below:

- Login to your myASE account at https://www.ase.com/Home.aspx
- On the Certification Status page, navigate to “Certification” tab and then to “Current Status” subtab. Click on the “View Status Letter” link at the bottom of the page.
- On the ASE Status Letter page, click the “E-mail Status Letter” link below the ASE Certification Details chart.
- On the E-mail Certification Status Confirmation page, click on the “Continue” button.

You are all done. This process will send an email to the Business Licensing Section that has an imbedded link allowing the Department of State to verify your credentials directly through ASE.

For more information, including a visual walkthrough, please visit our website at www.Michigan.gov/sos, follow the Automotive Related Businesses link to the Information for Mechanics page and click on the ASE Information link.

Lipari Foods Finalizes Acquisition of Michigan-Based Jerusalem Foods to Expand Ethnic Food Offerings

On Friday, October 19th, Lipari Foods, a leading Midwest food distributor based in Warren, Michigan, closed on the acquisition of the Mediterranean food business of Jerusalem Foods, including the Sahtein brand. Jerusalem Foods is headquartered in Dearborn, Michigan. This opportunity expands Lipari’s product breadth and fulfills another strategic goal for the company.

“Lipari’s strategic position is to be one of the premier “perimeter of the store and specialty grocery distributors in the US.” Thom Lipari, President and CEO of Lipari Foods says: “We are looking forward to the addition of a full ethnic food division with the organization and expanding our current product offerings. Jerusalem Foods is a leader in the Mediterranean and Middle Eastern market and combining what they have established with all that Lipari brings to the table means increased value for all of our already diverse customer base.”

“I’m thrilled to have the opportunity to partner with one of our industry’s leaders. I look forward to bringing our extensive capabilities and experience in Mediterranean and Middle Eastern food to support Lipari Foods. This will enable Lipari Foods to represent a broader product selection,” says Ron Batshon, whose father founded the business in 1976.

ABOUT LIPARI FOODS, LLC

Lipari Foods was founded in 1963 by Jim Lipari, who began his career by delivering unique products from the back of his Buick station wagon. Today Lipari Foods is a leading independent “perimeter of the store” distributor in the Midwest, delivering a wide range of quality bakery, dairy, deli, packaging, seafood, meat, specialty grocery, foodservice, confectionery, convenience food and beverage, and health, wellness and beauty products to over 6,000 customers across 14 states.

ABOUT JERUSALEM FOODS

Jerusalem Foods began with the vision of founder Albert Batshon, who owned and operated the highly successful Falafil Palace restaurant in Ann Arbor, Michigan.

In 1976, Albert established Jerusalem Foods and his restaurant based production company grew into a 2,000 sq ft facility located in Westland, Michigan. His business and reputation grew, and in 1988 Jerusalem Foods moved to a 15,000 sq ft facility in Redford, Michigan, followed in 2003 by a move to a 70,000 sq ft facility in Dearborn, Michigan.
UST Regulations Fully in Effect

The 2015 Underground Storage Tank regulation went into effect on October 13th

BY NACS ONLINE

Three years ago, the U.S. Environmental Protection Agency (EPA) issued an update to the Underground Storage Tank (UST) regulation and the state program approval regulation in the Federal Register. The revisions strengthened the 1988 federal UST regulations by increasing the emphasis on properly operating and maintaining UST equipment.

There are four major regulatory requirements that all U.S. stations must be prepared for pertaining to new and existing UST systems, according to fueling equipment supplier OPW:

- Testing of sumps and under-dispenser containment systems must be performed every three years if the system uses interstitial monitoring of the piping as its primary form of leak deterrence.
- Spill-bucket testing will be required every three years, unless the UST system is outfitted with double-wall spill buckets where the interstitial space is tested regularly. Some states already require spill-bucket testing every year.
- Compliance testing of repaired components: Whenever any component in the spill-protection, overfill-containment and secondary-containment areas of the UST system needs to be repaired, compliance testing of the repaired system must be completed within 30 days, regardless of whether or not an actual product release occurred.
- Overfill-prevention equipment inspections will be required every three years, except in states where they are already required annually. According EPA, the 2015 state program approval (SPA) regulation also updated SPA requirements in 40 CFR Part 281 and incorporated the changes to the UST technical regulation listed above. 38 SPA states plus the District of Columbia and Puerto Rico had SPA and should have reapplied ahead of the October 13th deadline. Owners and operators in these states must continue to follow their state requirements until the state changes its requirements or until the state’s SPA status changes.

Owners and operators in 16 non-SPA states and territories must meet the federal requirements according to the schedule in the 2015 UST regulation. In addition, owners and operators will need to follow their state requirements. Indian country UST owners and operators must meet the federal requirements according to the schedule in the 2015 UST regulation. SPA does not apply to USTs in Indian country.

Trump Orders Expansion of Corn Ethanol Sales

The president announced the move ahead of his trip to Iowa

BY NACS ONLINE

In advance of his trip to Iowa on October 9th, it was reported in the press that President Donald Trump ordered the U.S. Environmental Protection Agency (EPA) to increase sales of corn ethanol, Politico reports.

The order comes after weeks of tussling between the oil and corn industries over the president’s promoting a bump in ethanol sales. The move could boost the Iowa Republican governor during her re-election campaign. Trump has been very supportive of corn ethanol, and will order the agency to let E15 be sold all year long. E15 currently is restricted from being sold during the summer in some states because of the Clean Air Act.

But the U.S. oil industry has staunchly opposed increasing ethanol sales, and it has pressed for EPA and Congress to overhaul the federal biofuels mandate that Congress first created in 2005 to help reduce U.S. dependence on imported oil. A major oil industry trade group countered that it would continue fighting against the action.

“President Trump has made strengthening the Renewable Fuel Standard an important priority of this administration,” said EPA spokesman John Konkus in a statement. “He is fulfilling his promise by providing clear policy direction that will expand opportunities for our nation’s farmers, provide certainty to our refiners and bolster the United States’ role as a biofuels powerhouse. EPA will follow the president’s direction and proceed as expeditiously as practicable.”

NACS will continue to monitor this issue closely. When further details are provided by the administration, NACS will share them via the NACS Daily.
FDA Steps Up Scrutiny of E-Cigarette Industry

Manufacturers told to submit plans describing how they’ll address the issue of underage e-cigarette use

BY NACS ONLINE

In another round of scrutiny over electronic cigarettes, the U.S. Food and Drug Administration (FDA) has issued letters of inquiry to 21 manufacturers of e-cigarettes following charges that approximately 40 products are being illegally marketed or are not compliant with the agency’s current policy, the FDA announced.

The list of companies contacted includes the manufacturers and importers of more than 97% of closed-system products that range from vapes, vaporizers, vape pens and hookah pens to e-cigarettes and e-pipes.

In the letters, the FDA asked the firms to submit plans within 60 days describing how they will address the issues of youth access and use of its products. The action follows similar steps taken earlier this fall to combat the underage use of e-cigarettes, including warning letters sent to retailers caught selling e-cigs to undercover operatives and letters of inquiry to multiple manufacturers.

“Companies are on notice—the FDA will not allow the proliferation of e-cigarettes or other tobacco products potentially being marketed illegally and outside of the agency’s compliance policy, and we will take swift action when companies are skirting the law,” said Scott Gottlieb, FDA commissioner, on October 12th.

The FDA has received complaints that some companies may be marketing new e-cigarette products that fail to meet government regulations and that some were introduced or modified after the FDA deeming rule’s August 8, 2016, effective date, the agency said. Modifications can include the introduction of new product features, formulations or flavors.

The latest letters request information about questionable products, including proof that the product was on the market as of August 8, 2016, and has not been modified since that time.

“The FDA remains committed to the potential opportunity for e-cigarettes to help adult smokers transition away from combustible cigarettes. But we cannot allow that opportunity to come at the expense of addicting a whole new generation of kids to nicotine,” said Gottlieb.

Appeals Court Overturns Texas Surcharge Ban on Credit Cards

BY FOOD MARKETING INSTITUTE

The state of Texas now joins California and Florida - states where court rulings have determined that state law violates the First Amendment of the U.S. Constitution - when it prevents merchants from informing customers they will charge credit card users more because of swipe fees.

Some thirty years ago, Texas enacted legislation to prevent merchants from surcharging customers who pay with credit cards and debit cards, but the law allowed merchants to offer a discount when they paid with cash. Swipe fees are hidden from consumers, but merchants must pay them in order to take credit cards, and these costs are passed on to consumers in the form of costlier goods and services.

The U.S. District Court for the Western District of Texas (on remand from the U.S. Court of Appeals for the Fifth Circuit) has recently ruled in Rowell v. Paxton that the Texas no-surcharge law violated the First Amendment.

Earlier this year, the U.S. Court of Appeals for The Ninth Circuit unanimously ruled in Italian Colors Restaurant v. Becerra that California law preventing surcharging is a First Amendment violation.

In 2017, the U.S. Supreme Court ruled in Expressions Hair Design v. Schneiderman that New York’s law banning surcharging must not violate a merchant’s First Amendment rights, overturning the judgment of the U.S. Court of Appeals for the Second Circuit and sending the case back down to federal district court. The Supreme Court said that the Appeals Court had previously wrongly decided that the New York law banning surcharging regulated conduct, rather than free speech.

Texas now becomes the first state to overturn a previous ruling, since the Supreme Court’s decision. In 2016, the U.S. Court of Appeals for the Eleventh Circuit ruled that Florida law preventing surcharges violated First Amendment rights.

Other states with no surcharge laws currently on the books are Colorado, Connecticut, Kansas, Maine, Massachusetts, and Oklahoma.
**NOVEMBER 15 & 16, 2018**

**MIRA’S “HIGH FIVE” TURKEY DRIVE**

As the holiday season approaches, the MIRA turkey drive committee has pledged to put a turkey on the Thanksgiving table of over 6,000 needy families throughout Michigan, Ohio and Illinois that may not otherwise enjoy this special meal.

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