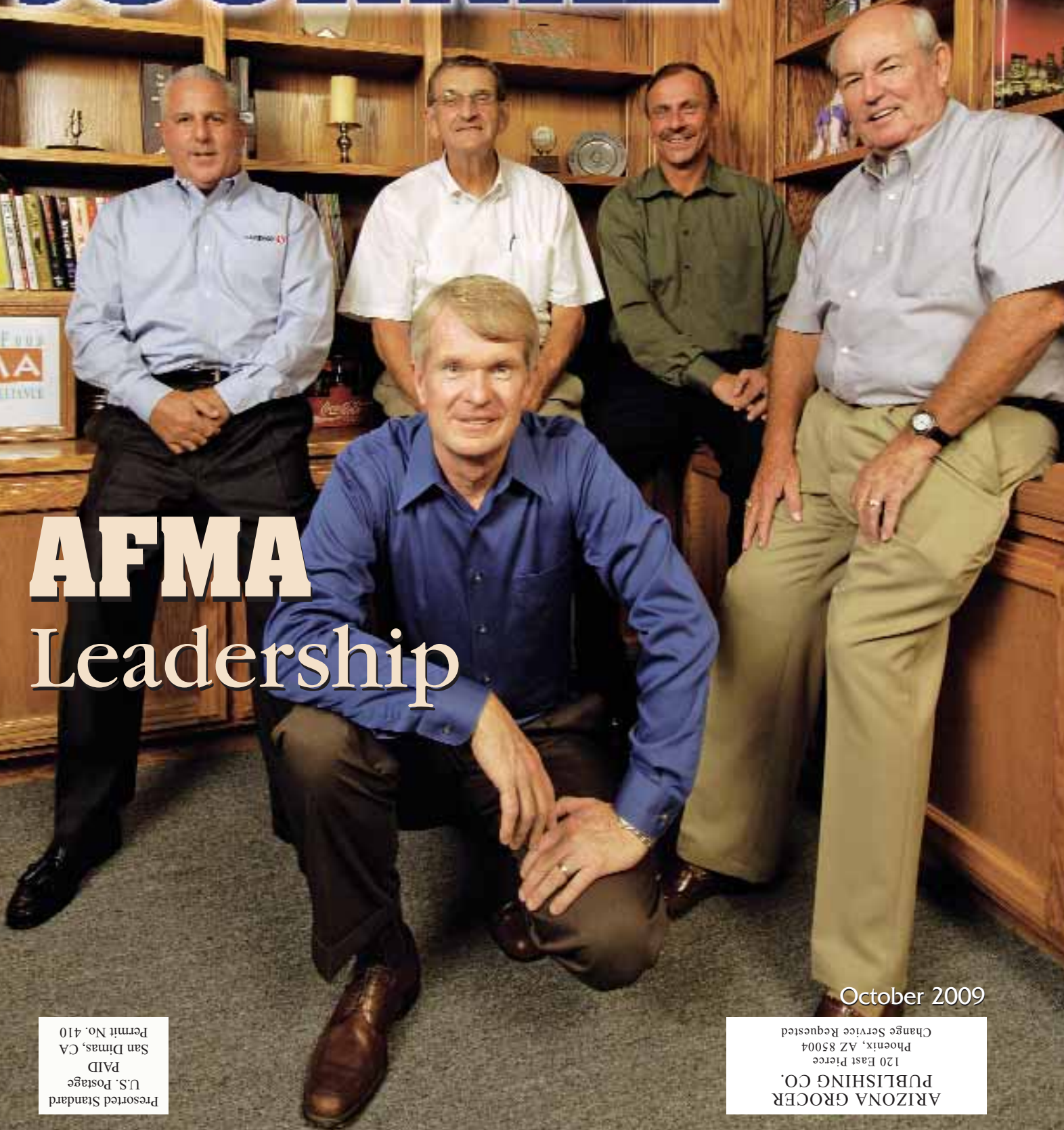


ARIZONA FOOD INDUSTRY JOURNAL



AFMA Leadership

October 2009

ARIZONA GROCER
PUBLISHING CO.
120 East Pierce
Phoenix, AZ 85004
Change Service Requested

Presorted Standard
U.S. Postage
PAID
San Dimas, CA
Permit No. 410

Healthier Choices



ARIZONA VAPOR WATER
FROM ARIZONA ICED TEA

ELECTROLYTE INFUSED

CALCIUM • MAGNESIUM • POTASSIUM
PURE VAPOR DISTILLED

AVAILABLE IN 1 LITER AND 750 ML SPORTS CAP



HENSLEY
Beverage Company

WWW.HENSLEY.COM
RESPONSIBILITY MATTERS™



PRESENTING
THE
LIGHTEST
BEER
IN THE WORLD.


SELECT

A SMOOTH, LIGHT GOLDEN LAGER
WITH **55 CALORIES**
AND THE CRISP, CLEAN FINISH
OF BUDWEISER SELECT.

55



Available
October 2009

Unfiltered wheat beer
brewed with citrus
and a hint of
coriander to create
a more
flavorful light beer.



ARIZONA FOOD INDUSTRY JOURNAL

OCTOBER 2009

BOARD OF DIRECTORS

OFFICERS

Don Olsen, Olsens IGA - Chairman
 Ron Parucki, Fry's Food Stores - 1st Vice Chairman
 Jim Tooms, IGW L.L.C. - 2nd Vice Chairman
 Jeff Nelson, Co-Sales Company - 3rd Vice Chairman
 Geoff Stickler, Express Foods - Treasurer
 Frank Cannistra, Safeway - Past Chairman

DIRECTORS

Don Buck, 7-Eleven
 Joe Cotroneo, Crescent Crown Distributing
 Shane Dorcheus, Albertsons L.L.C.
 Bruce Landini, Circle K
 Mark Miller, Hensley
 Randy Ong, Sunflower Farmers Market
 Mike Provenzano, Ranch Markets
 Doug Sanders, Sprouts Farmers Market
 T.J. Shope, Shope's IGA
 Bette Taylor, Foodtown IGA
 Tim Thomas, *The Arizona Republic*

AFMA STAFF

President - Tim McCabe
 General Manager - Debbie Roth
 Administrative Coordinator - Raynetta Hughes
 Marketing Coordinator - Paul Bancroft-Turner

PUBLISHER - TIM MCCABE

EDITOR - DEBBIE ROTH

FEATURE WRITER - LISA SCHNEBLY HEIDINGER

PHOTOGRAPHER - JIM MARSHALL

PRINTER - LAYTON PRINTING

GRAPHIC DESIGN - JMT GRAPHICS



ARIZONA FOOD MARKETING ALLIANCE
 120 E. PIERCE ST., PHOENIX, AZ 85004
 602.252.9761 • FAX: 602.252.9021
 DROTH@AFMAAZ.ORG
 WWW.AFMAAZ.ORG

ANNUAL SUBSCRIPTION \$50

CONTENTS

FEATURES

Tim McCabe at the Helm of AFMA	12
Finley Distributing	16
Changes at WIC	18

COLUMNS

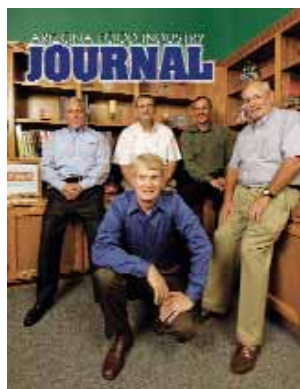
Around Arizona History	8
www.commentary	10

DEPARTMENTS

Industry & Government	6
Industry Calendar	21

WORTH A LOOK

AFMA Returns to the League of Cities and Towns	17
Names in the News	20



ON THE COVER

Left to Right:
 Frank Cannistra, V.P. Operations, Safeway
 Past Chairman
 Don Olsen, Owner, Olsens IGA
 Chairman of the Board
 Ron Parucki, V.P. Operations, Fry's Food Stores
 First Vice Chairman
 Geoff Stickler, Owner, Express Foods
 Treasurer
 Tim McCabe,
 AFMA President
 Not Pictured:
 Jeff Nelson, President, Co-Sales - Third Vice Chairman
 Jim Tooms, President, IGW L.L.C. - Second Vice Chairman

Quality

Value

Convenience



SHOP & SAVE ON YOUR
FAVORITE BRANDS AT
PARTICIPATING RETAILERS

SAFEGWAY  FOOD CITY

SPROUTS  Albertsons 

IGA  Bashas' 

fray's
& fry's
Marketplace


SUNFLOWER
FARMERS MARKET


apex
sales & marketing, inc.
Food Brokerage
4647 North 32nd Street #190
Phoenix, Arizona 85018
602-957-3044



We're Giving The Holiday Rush

A Little Boost.



Your Arizona Lottery wants this to be a big holiday season. So on November 1, 2009, we're launching our most exciting Millionaire Raffle ever! It begins with a series of 20 early bird drawings for \$5000 each on Nov 19th. And culminates on January 4, 2010, with our \$1,000,000 drawing! Combine that with all the other prizes this game has to offer, and we'll be handing out over \$3,000,000. That's a lot of holiday cheer.

Players can get details and check their tickets at ArizonaLottery.com

arizonalottery.com Must be 21 years of age to purchase or redeem tickets. Overall odds vary by game. In accordance with the Arizona Lottery's Responsible Gaming Policy, these promotions may be made available in an alternate format. **Gambling Problem? 1-800-NEXT STEP. Please Play Responsibly.**
Millionaire Raffle Mark is used with the express written permission of SCEL.



INDUSTRY & GOVERNMENT

... a summary of the issues that affect your business.

"Nearly all men can stand adversity, but if you want to test a man's character, give him power."

—Abraham Lincoln



STATE ISSUES

Governor Jan Brewer held a press conference to discuss her final decision regarding the remaining seven state budget bills comprising the FY2010 Budget (*Governor Brewer had already signed the Environment and Criminal Justice Budget Reconciliation Bills*). The Governor made the decision to sign all of the Budget Reconciliation Bills **EXCEPT** for S.B. 1025, the General Revenues Budget Reconciliation Bill, which contained two of the Arizona Chamber's legislative priorities: **the permanent repeal of the state equalization property tax and the 16% secondary assessment ratio for Class 1 property during bond and override elections**. In addition, the Governor line-item vetoed provisions which reduced funding for K-12 Education and the Department of Economic Security within the General Appropriations Bill, H.B. 2006.

As a result of the veto to S.B. 1025, homeowners and businesses across Arizona will see an increase in their property tax statement this fall. The \$250 Million tax increase is the largest in Arizona history and will harm businesses and homeowners at a time when we can least afford it. Increasing property taxes through a veto is not the answer.

The Governor made no immediate call for a 4th Special Session, but one will be needed to address the revenue shortfall for both the FY2009 and FY2010 budgets.

FEDERAL ISSUES

(Issues currently relative to the Arizona Food Industry)

Labor Relations

Democrats vow to move EFCA to the Senate Floor for a vote this year. Democrats don't have the votes to move EFCA in its original form, in particular with the "card check" provision still part of the bill. It has been reported that the "card check" provision has been dropped from the bill in an effort to garner the necessary 60 votes in the Senate, but replaced with so-called "quickie elections". The "quickie elections" process would effectively deny an employer's right to free speech to counter union promises by requiring an election within as little as five days of an organizing petition being certified by the NLRB. The mandatory binding arbitration requirement remains a key element of the so-called "compromise" EFCA bill and is something unions refuse to give up. This provision is completely unacceptable to employers as it would mandate that a government arbitrator writes a collective bargaining agreement, which would be binding for two years, if both parties

are not able to come to an agreement 120 days from certification.

EFCA supporters are down at least two confirmed votes with the recent death of Senator Kennedy and public statements by Senator Blanche Lincoln (D-AR) that she does not support EFCA, including any compromise, and will vote "no" on a cloture motion. A number of other Democrats are considered key votes and pressure must be kept up to urge them to **OPPOSE EFCA IN ANY FORM**. It's important to note that moderate Democrats **DO NOT** want to vote on EFCA, particularly those up for re-election in 2010. Continued pressure on Senators, especially key Democrats, is essential to preventing EFCA supporters from garnering the 60 votes needed to pass a cloture vote. The Democratic leadership can schedule a vote with as little as 72 hours advance notice of an impending vote on EFCA, therefore grassroots support must be ready to go on a moments notice.

Sweetened Beverage Tax Still a Real Threat

Congress continues to look for ways to pay for proposed healthcare reform and one of the proposals being advocated by some on Capitol Hill is a tax on sugar sweetened beverages. This new tax would not only include sugar sodas, but also many fruit juices and other beverages containing added sugars. Currently, such a tax has not been included as part of the Senate Finance Committee proposal, yet it has been rumored that Senator Rockefeller (D-WV), a member of the Finance Committee, may be strongly considering offering the tax as an amendment during the full committee markup. Senator Rockefeller is a strong proponent of healthcare reform and in particular the public option.

NGA is a member of the Americans Against Food Taxes Coalition and has been supportive of media and letters to the Hill opposing any tax on food products, especially during this time of economic uncertainty. While efforts thus far have been successful in keeping a sweetened beverage tax out, efforts must be maintained to oppose any efforts to amend legislation to include the tax.

Food Deserts

FMI has been working, on the national level, with an organization called the Food Trust, which originated in Philadelphia. The purpose of the Food Trust is to find ways to bring down barriers to the entry of grocery stores into areas which are thought to be underserved by supermarkets. These areas are often inner city neighborhoods and rural areas, and the barriers to entry are often high costs and restrictive zoning requirements. The Food Trust has worked extensively with the Pennsylvania Food

Merchants Association, Illinois Food Retailers, New Jersey Food Council and are reaching out to the Rocky Mountain Food Industry Association. As the Food Trust identifies other states that they would like to explore, we will keep you apprised.

Retailer Reauthorization for SNAP (Food Stamps)

NGA met with officials from the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) to discuss a number of issues regarding the Supplemental Nutrition Assistance Program (SNAP), formerly known as "Food Stamps". Among the main issues discussed was the new electronic reauthorization for SNAP retailers. Reauthorization is required every five years. In the new reauthorization procedure FNS will mail a letter to the retailer with a one time log on and password to a secure website. Retailers will be asked to update contact information and answer a total of 9 questions, such as total store sales volume, etc. Once complete, the information will be submitted to FNS at which time a letter will be sent to the store confirming the reauthorization for another five years. The entire online process is projected to take the user a total of eleven minutes. Retailers without internet access will be able to call an 800 number (not available at this time) to complete the process. For more information on the SNAP program for retailers, visit <http://www.fns.usda.gov/snap/retailers>.

Certain Cigarette Flavoring a No-No

The U.S. Food and Drug Administration's (FDA) Center for Tobacco Products sent an open letter to the tobacco industry reminding them that cigarettes "containing certain characterizing

flavors are considered adulterated under the Federal Food, Drug, and Cosmetic Act (FFDCA or the Act), as amended by the Family Smoking Prevention and Tobacco Control Act (FSPTCA)." An excerpt of the letter follows. "Congress has stated that flavors make cigarettes more appealing to youth and often result in exposure to additional carcinogens and other toxic constituents. The removal from the market of cigarettes that contain certain characterizing flavors is an important step in FDA's efforts to reduce the burden of illness and death caused by tobacco products. If you have this product on store shelves, you should remove and contact the vendor about further steps.

Retailers Reeling From a Sugar Price Shock

With consumers reluctant to part with indulgent treats, even during a recession, retailers have begun feeling the pinch, as sugar price increases have made it difficult for them to maintain candy prices. Analysts say retailers may have no choice but to raise prices as the prices of sweet treats continue to climb, and just in time for the holidays. They predict bagged sugar to increase up to 5 cents a pound by the end of the year. Sugar futures and U.S. wholesale and retail sugar prices are all up this year. On the New York Mercantile Exchange, sugar futures have reached 22 cents, up 70 percent since April. The average monthly wholesale price is up nearly 18 percent this year from the same period in 2008, while bags of sugar are up 9.2 percent from the same period in 2008. Attributing blame for the increase is difficult. Some cite a lack of rain in Brazil or India, while others point to rising fuel prices that siphon sugar for ethanol production.



Holsum™

ROMAN MEAL

NATURAL WHOLE GRAIN GOODNESS®

Your partners in whole grain.

www.romanmeal.com

"You need your food, you need your water, and you need your history!"

I Need a Dymaxion Bathroom: Phelps Dodge and the Revolution in Household Systems

By Jack L. August, Ph.D.



On March 19, 2007 Freeport-McMoran Copper and Gold Inc. completed the purchase of Phelps Dodge Corporation, a name that elicits thoughts of Arizona history, one of the five "C's" of Arizona's economy, and mining towns like Jerome and Bisbee. I never tire of the long drive to Cochise County, especially the final leg from Benson to Bisbee. The historic Phelps Dodge General Office Building which was declared a U.S. National Historic Landmark in 1983 is a must see for any visitor. Like so many others I stay at the Copper Queen Hotel and in days past enjoyed the locally-brewed beer, Electric Dave's, and marveled how the turn-of-the-century architects and contractors managed to wedge the commercial district and residential structures into the geologic anomalies that form Bisbee and its environs. Walking up fifty stairs to one's front door was not uncommon when Bisbee thrived and the breathtaking beauty of the natural environment combined with the Victorian-era historic structures that form Bisbee's core district continue to draw tourists from throughout the world.



Yet Bisbee's corporate parent, Phelps Dodge Corporation, shaped the landscape of America from the industrial revolution to the information technology revolution. A name synonymous with copper, Phelps Dodge grew from a cotton and metal trading firm founded in 1834, when Andrew Jackson was president, into a

global mining juggernaut in the twentieth century. In many ways, however, the history of Arizona has been inextricably linked to the history of Phelps Dodge and the area's rich mineral resources—especially copper—which lured nineteenth century entrepreneurs and pioneers to this corner of the American West. Significantly, its presence in Arizona is only a small part of the story though Phelps Dodge touched everyday life in all parts of the world.

Perhaps Phelps Dodge has not been a household word yet the company's copper wire helped to extend America's first transcontinental telegraph to the West Coast in 1861. Phelps Dodge copper and brass provided plumbing and wiring needed for the revolution in household systems in the early years of this century and during World War II, the company secretly manufactured special metallic pipelines that stretched beneath the English Channel to supply

petroleum to Allied fighting forces. Over the years, more than 60 million pounds of Phelps Dodge copper have ended up as rivets in Levi jeans. Today its transportation, energy-delivery, and voice and data transmission products enhance the standard of living for people in the world's established and emerging markets.

As noted above cotton proved the initial economic catalyst for the company. Before the Civil War, Anson G. Phelps and his sons-in-law, William E. Dodge and Daniel James, arranged to transport cotton from warehouses in Savannah, New Orleans and other southern towns to mills and markets in England and return with shiploads of sheet iron, copper, and tin plate, the universal packing material of the day. When John D. Rockefeller first sold Standard Oil's kerosene, the tinplate came from Phelps Dodge.

Phelps Dodge also played a role in the revolution in household systems. In the 1850s and 1860s, when Abraham Lincoln rose to political prominence, America lacked every basic system taken for granted today; clean water, sewage disposal, electricity at a flick of a switch, telephone connections and central heating. Before Lincoln moved to the White House in 1861, he lived in a Springfield, Illinois home that included a three-hole outhouse in the backyard, now carefully preserved by the National Park Service. By 1900 so many new amenities had become available to urban Americans that they could boast of more comfortable homes than the Sun King, Louis XIV, amidst the splendor of his palace at Versailles. Americans had flush toilets while the French monarch had three hundred privies scattered throughout his sprawling palace. Rural

electrification during the 1930s extended the revolution from city to farm and reduced the isolation once synonymous with country life. It was during this underappreciated revolution in daily life that Phelps Dodge emerged as a major supplier of copper and brass for wires, pipes, and fixtures that redefined comfort and convenience.

Also, during the Depression decade of the 1930s, when producers labored to balance an oversupply of copper with a weakened market, Phelps Dodge pursued an imaginative solution by partnering with legendary industrial designer R. Buckminster Fuller to design a modular all-copper bathroom. Though not a commercial success, one so-called Dymaxion Bathroom was displayed at New York's Museum of Modern Art and thus became the only bathroom so honored in American history. Significantly the copper for the Dymaxion Bathroom originated from mines in the American Southwest.

Especially in twentieth century Arizona, Phelps Dodge meant more than a single-minded business enterprise. It was a pioneer developer and an abiding presence. Employment at Phelps Dodge was more than a job—in many places it was a way of life passed down from one generation to the next. Because of its size and perceived power in the sparsely populated region, the company sometimes became a convenient target for critics, but questions of power, real or imagined, is also part of the Phelps Dodge story. For 173 years, Phelps Dodge mirrored the growth and development of the nation and in Arizona it contributed much to our economy and quality of life.

*Dr. Jack L. August, Jr. serves as Executive Director of the Barry Goldwater Center for the Southwest and Visiting Scholar in Legal History at Snell and Wilmer L.L.P. He has taught at the University of Houston, the University of Northern British Columbia, Prescott College, and Northern Arizona University, where his courses focused on the American West and environmental history. He is a former Fulbright Scholar, National Endowment for the Humanities Research Fellow, and Pulitzer Prize nominee for his volume, **Vision in the Desert: Carl Hayden and Hydropolitics in the American Southwest** (Ft. Worth: TCU Press, 1999). He is coauthor with former Arizona Senator Dennis DeConcini of **Senator Dennis DeConcini: From the Center of the Aisle** (Tucson: University of Arizona Press, 2006). His critically acclaimed volume, **Dividing Western Waters: Mark Wilmer and Arizona v California** (Ft. Worth: TCU Press, 2007), was a significant addition to the fields of environmental and legal history and his most recent book is **Adversity is My Angel: The Life and Career of Raul H. Castro** (Ft. Worth: TCU Press, 2009) Arizona's first and only Hispanic governor, who also served Pima County Attorney, Superior Court Judge, and ambassador to El Salvador, Bolivia, and Argentina.*



BARRY GOLDWATER
★
CENTER FOR THE SOUTHWEST

Harvest In Profits With Great Fall Seasonals

HOOPTOBER



Five hops and four malts make Hooptober Golden Ale a veritable cornucopia of the earth. Pale and wheat malt are mashed with rye and oats to create a medium-bodied ale with a creamy mouthfeel.

Centennial, Cascade, Sterling, Willamette, and Glacier hops form a bonfire of citrus notes, fruity cheers and a bold finale.

Available in Package and Draft

PAULANER OKTOBERFEST



Paulaner Oktoberfest beer is festive, full-flavored and ultra delicious, and is brewed specially for the most famous festival in the world. Every year, more than one million liters are served at the Oktoberfest. You can create your own "beer tent atmosphere" at your establishment with this golden yellow, mildly hoppy seasonal specialty.

Available in Package and Draft

LEINENKUGEL'S OKTOBERFEST



Leinenkugel's brewed the first Oktoberfest in 2001 to celebrate the fall season in true German fashion. Available August through October each year, our traditional Marzen style beer is brewed with Munich, Caramel, and a blend of Pale malts. Hallertau, Tettnang, Perle, and Cluster hops provide the aroma for this well-balanced, smooth festive lager.

Available in Package

BLUE MOON HARVEST MOON



Blue Moon Harvest Moon is brewed early September through late November. The color will appear a copper orange and is made with the flavor of vine-ripened pumpkin. It is a full bodied beer with a smooth finish. This is the perfect beer to have on tap for the upcoming holidays and cooler weather.

Available in Package and Draft



402 S 54th Place, Phoenix, AZ 85034 | Customer Service 602.346.5650

www.ccdaz.com | www.worldclassbeverages.com





Holiday Power Rankings

We are in what the supermarket business refers to as the holiday season. The next few months have more major and minor holidays than there are in the rest of the year. And, as you know, holidays are extremely important for supermarket sales. If it has been awhile since you took stock of the sales significance of traditional holidays, here are the current top ten holidays. Some holidays don't have the same influence they once had, some are treading water and some continue to rise in stature.

#10 (and falling) St. Patrick's Day

Supermarkets have lost this one to the bars. But admit it, you knew St. Patrick's Day never really had that much supermarket sales potential anyway. When the signature dish is corned beef and cabbage, it just can't have much relevance. A good test of a traditional holiday meal's current standing is to ask any thirty-year-old if they would, one, want to eat it, and two, if they had a clue how to prepare it. I think you know the answers you'll get about corned beef and cabbage.

#9 (and falling) Back to School

What, you don't recognize this as a holiday? Ask any parent. Back to school has both of the qualities any self respecting holiday has.....it is celebrated and it is expensive. The problem for supermarkets is that mass merchandisers and office supply stores stole the school supply business from supermarkets. But supermarkets still own peanut butter and jelly, so they shouldn't give up on back to school!

#8 (and holding) Halloween

Halloween has been declining in sales significance for years for a number of reasons. The whole trick or treat event lost its innocence and trustworthiness. Schools nixed Halloween parties. And when the shrinking size of snack and fun-size candy bars got to the size of a Hershey's Kiss, they just weren't that much fun anymore. On the other hand, the Halloween pumpkin has grown in sales stature. Pumpkin displays today rival the size of the trick or treat candy displays at many supermarket retailers.

#7 (and holding) New Year's Eve

Let's face it, everyone is suffering from holiday season burn out by the time New Years Eve arrives. At the same time, everyone is broke and also depressed because they have to go back to work or school in a day or two. Let's move champagne consumption to a more deserving holiday and figure out a way to move midnight to an earlier time slot that night.

#6 (and falling) Valentine's Day

Like Halloween, schools wrecked this holiday for

supermarkets. Valentine card exchanges and parties at school became victims of the culture police. And, on the adult side, Valentine's Day kind of outgrew the supermarket. A heart-shaped box of chocolates just doesn't cut it anymore. The gift requirement stakes are higher these days. Supermarkets should be thankful a dozen roses still qualifies (albeit barely) as an acceptable show of affection.

#5 (and holding) The summer holidays, Memorial Day/July 4th/Labor Day

These holidays are handicapped in the state of Arizona. Supermarkets in Arizona can't capture the sales these events offer in other areas. All the attractive features of being outdoors for summer holidays, like picnics and backyard barbecues.....they are all rendered unappetizing by the severe heat. Going to a display of fireworks in 110 degree heat is like bringing a gun to a political rally. It just doesn't make any sense!

#4 (and rising) Easter

This holiday is surrounded by oddities, mysteries and coincidences, but they are all a good fit for supermarkets. Dying Easter eggs doesn't appear to have much to do with Easter, but it sells a lot of eggs. The Easter basket concept also makes you scratch your head, but they are full of things supermarkets sell like candy and cellophane purple "grass." The curious timing similarity that Easter shares with Passover also presents significant sales opportunities (although there really is no reason to build those Passover foods displays as early as most supermarkets do). And then there is the Easter ham tradition. What is it about Easter and Christmas that is associated with eating ham?

#3 (and falling) Thanksgiving

Thanksgiving is still a big deal, sales-wise, but every pre-made, boxed Thanksgiving dinner that a supermarket sells is another nail in the Thanksgiving sales coffin. Thanksgiving is an important traditional meal and it is meant to be prepared and eaten, not just consumed. All those once a year sales of yams, cranberry sauce, pumpkin pie filling and sage are at risk if no one knows how to bring them together to form

Thanksgiving dinner. This year make a point of teaching someone how to roast a turkey, how to make stuffing, how to bake a pie and how to assemble that green bean casserole. Our industry's future may depend on it.

#2 (and holding) Christmas

Christmas sales momentum is so powerful, nothing can slow it down. Christmas school parties became inappropriate, Christmas office parties became old school and the Christmas card industry suddenly died, but its sales potential surges on. There are just so many Christmas related occasions and traditions that drive supermarket sales. Christmas cookies and candy, Christmas trees and decorations, Christmas gifts and wrapping paper, Christmas breakfast and dinner (that ham thing, again?), eggnog and fruitcake.....there is no end to incremental Christmas sales for a supermarket. And it lasts a whole month!

#1 (and not likely to give up the spot any time soon) Super Bowl

Just a football game.....are you kidding? The Super Bowl has become a cultural phenomenon. And fortunately for supermarkets, it is a phenomenon that is closely associated with food, beverages and parties. Learn from the mistakes of the past and don't lose these sales to another venue. Teach someone how to make guacamole and seven layer dip today!

There is another holiday that deserves mention that isn't even considered a holiday by supermarkets. And supermarkets should pay considerably more marketing attention to it. Everyone celebrates this holiday and it is celebrated year round. It is your birthday. Birthday sales potential include gifts, cards, gift cards, birthday cakes, candles and more. Remember how many times someone special has made your favorite dish "for your birthday." There are significant sales to capture here.....far more potential than, say, corned beef and cabbage!

Now you can receive **Xtra** value when you bundle all your services with Cox Business.



A SMARTER CHOICE

- Cost-effective business solutions:
 - Voice - business lines with (5) FREE features
 - Internet - modem and e-mail included
 - Video - in-office TV keeps you informed
- Responsive, local customer care - 24/7
- Superior service reliability
- One provider, one bill

**Bundle business phone
and Internet for only:**

\$ 80⁰⁰
a month



GIVE US A CALL

Let's talk about how we can help your business save money and work smarter.

623-594-7287
coxbusiness.com

COX
Business®

*Offer valid until 12/31/09 to new commercial subscribers of Cox Digital Telephony® and Cox Business Internet™ in Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Virginia, Washington, Wisconsin, and Wyoming. Serviceable locations only. Minimum 1-year service contract required. Bundle is \$80 per month and includes Cox Business Internet 7.0Mbps/10Mbps, 1 phone line, and 5 free calling features. Line calling features do not include remote call forwarding, Voice Mail, and Interactive Voicemail. Offer includes initial activation fee, but installation may be extra. Additional costs for installation, configuration, and/or equipment may apply. Offer does not include usage, bandwidth, serviceable locations, applicable taxes, and other restrictions. Discount is not valid in combination with other promotions and cannot be applied to any other Cox services. Telephone modem equipment may be required. Modem uses electrical power to operate and has backup battery power provided by Cox. If electricity is interrupted, telephone service, including access to VOIP services, will not be available during or until power is restored. Customers who are unable to accept service or have service interrupted or terminated may be subject to a late fee. Rates and bandwidth options vary and are subject to change. All programming and pricing are subject to change. Programming may vary by location. Service not available in all areas. Other restrictions apply. Telephone services are provided by Cox Business Telecom, LLC. ©2009 Cox, Inc., d/b/a Cox Communications Arizona. All rights reserved.

Tim McCabe

at the Helm of AFMA...

One Year and Counting

By Lisa Schnebly Heidinger



Ron Parucki, V.P. Operations
Fry's Food Stores
AFMA First Vice Chairman

Tim McCabe,
AFMA President

Don Olsen, Owner
Olsens IGA
AFMA Chairman of the Board

If the phrase “There is no ‘I’ in team” didn’t exist, Tim McCabe would make it up.

As president of AFMA, McCabe is notoriously reluctant to talk about himself. He will eagerly share opinions on current affairs; he offers lots of statistics and facts about all aspects of AFMA (did you know there are between seven and eight million transactions a week in Arizona food retail stores?). But when the topic is Tim McCabe, he is much more reticent.

What McCabe likes to talk about is how great the half-dozen staffers at AFMA have been to him during this year as president. He lights up describing how much fun the fundraisers and AFMA-sponsored events are. And describing the AFMA business plan that was created this year after seeking input from both members and employees, he’s downright expansive.

McCabe’s goals for AFMA are simple: relationships, credibility, and respect. But “simple” isn’t the same as “easy,” and McCabe knows this. His goals for how AFMA members are treated are very high.

“What I want is a partnership with everyone in the organization,” says McCabe in his office at AFMA headquarters. Not a flash-and-dazzle office, McCabe’s space is functional rather than showy, although shelves of sports memorabilia from his years with Coca-Cola speak to his love of athletics. “Everyone we deal with, from producer to supplier to retailer, from legislator to regulator, should get as much as possible from AFMA. My goal is to promote our culture, building relationships and providing the best possible service we can.

“I want AFMA to be the best we can be for all our members. I want us to be first class in all aspects of the business.”

McCabe knows what he’s talking about. More than 34 years with Coke has given him a good overview of all aspects of food marketing. He literally started as a truck driver, fresh out of school at the University of New Mexico. To him, the big city was Denver, where he moved and took a job with Coke.

McCabe looks back fondly on those early years. He describes getting to interact with all kinds of people – because Coke is sold everywhere.

“Coke is the most recognized brand in the world,” he says. “So I would go to country clubs, and the worst bars you can imagine. I met so many different kinds of people – and learned how many truly wonderful people there are in the world. Sure, there are a few who want to cheat you, or steal, but most of them are really good, really caring people.”

McCabe describes the adventures of being on the road, from literally taking a ski lift to get Coke to a midstation restaurant, to being snowbound at a mall overnight and sleeping in a display bed at a JC Penney’s.

“I did everything from roll bodies out of the way to deliver product, to get free lunches at school cafeterias. I met barbers, and fortunetellers, people I would not have met if I hadn’t done that work. Those are the stories I’ll tell my grandchildren.”

He met and married his wife Sandy in Denver, and they had two boys. The family then moved to Houston, so McCabe could climb the corporate ladder. Transferring from Colorado to Texas was culture shock.

“Denver was a four-season climate, with mountains and lots of

outdoor activities, and cold. Houston was flat, with oil refineries, humidity, and bugs. But there are great people there, who welcomed us like we were from Texas ourselves.”

They moved again, this time to San Francisco, so McCabe could take a position as director of trade development with Coke. This time the culture shock was housing-related.

“You wouldn’t believe the difference in the cost of housing. But we did find a great neighborhood, with great schools. We’ve found that everywhere we lived. There are always wonderful people everywhere.”

The other cultural shift was beverage-related.

“Both Denver and Houston were beer towns. I was familiar with Coors, being in the West. Then I get to San Francisco, get acclimated, and wonder, ‘What’s with this wine stuff?’”

But McCabe found he enjoyed being educated, and becoming a connoisseur. He and Sandy enjoyed San Francisco, and he recalls them watching coverage of the Rodney King riots in southern California, asking one another who would ever consider living down there?

“The next week, I had an offer to become vice-president of sales and marketing – in Southern California.”

But again, McCabe’s belief that there are wonderful people and neighborhoods everywhere was reinforced, and they enjoyed their time living in Valencia.

Six years after that, McCabe was promoted to vice-president and general manager for Coke here in the Valley.

“I started operations in Arizona, and it grew to include New Mexico, and then Colorado. The operation tripled in size in five years, until I was overseeing 2,500 employees and 16 facilities.”

Although they love Phoenix, it’s easier to love during the hot summer months because they bought a place in the Heber-Overgaard area almost immediately. McCabe says sitting on the porch up there with their two Springer spaniels, or taking the dogs on a hike in the White Mountains, is his idea of heaven.

Two years ago, Coke went through consolidations that merged 18 divisions to six. McCabe stayed around long enough to consult them through the process, and then took retirement --- although it was more like a new phase of life than retiring.

“First, we took some time and did things we’d always wanted to do, including traveling,” he says. “Then I knew I wanted to get back into the business world.”

AFMA has been a perfect fit for his expertise.

“From my time at Coke I had the relationships and connections with so many of the retailers here,” he says. “I knew the suppliers. We were members of AFMA. So I was very familiar with the people. It was a matter of getting reacquainted with the legislative process.”

That’s because one of McCabe’s responsibilities is keeping AFMA members informed on the laws that will affect them. This is no small area.

“There is not a square foot in food retailing that is not regulated

by someone,” he says. “From outside in the parking lot, to the back room; how liquor is sold is regulated, the Department of Weights and Measures is checking policies relating to pricing, the health department drops by for an inspection, and that’s just the beginning.”

“There are regulations for food stamps, for WIC, for credit cards. Anyone that sells gas is impacted by rules and regulations. There are federal, state and city laws, and it all gets pulled together in a grocery or convenience store.”

McCabe works closely with a lobbyist to keep up with legislation that would affect retailers, producers and suppliers.

“We like to say that AFMA represents the Industry from ‘farm to fork,’” he says. “We have people who are growers, suppliers, and then the stores themselves. We have to make sure our industry is represented and treated fairly.”

Part of the challenge of McCabe’s position is dealing with all the various entities, particularly because each city has its own regulations.

“These include which stores can’t get deliveries at night, because it wakes up the neighbors,” he says, “and how many lights can be on around a store at night. Some cities have stricter regulations on illumination of the sky.”

He says AFMA works periodically with the Arizona Restaurant Association, following bills through the legislative process, because restaurant customers consume food on-premise, and store customers’ off-premise, but there is a lot of overlap.

“Who doesn’t buy food? Who doesn’t buy beverages? For the food business to succeed, we all have to work in partnership.”

Food safety is another area where AFMA deals with all levels of responsibility.

“No matter where the area of neglect or error lies, it always falls back to the retailer. It could be a supplier that had the problem, but the end result is that the food retailer is affected.”

Because AFMA’s client base includes all of these, McCabe emphasizes the value of building relationships, getting to know people in each phase of the process and understanding their concerns.

He cites the current effort to support Bashas’ as what’s right with the process.

“Bashas’ has been in business for more than 77 years, and during that time they have given back – not just here, but in every community they are in,” he says. “What we’re seeing is people realizing and recognizing that – and that Bashas’ never asked for recognition. This demonstrates their character. Now, people want to help them through the reorganization process.”

McCabe relishes the challenges his position presents, working with all different types of members. He believes in the importance of listening, truly listening to people, to understand their struggles and concerns.

“It’s interesting that we have more technology to communicate than we’ve ever had before – pagers, texting, blackberries, email... and yet I think people listen less than ever. They’re too overwhelmed by all the information coming in. We live in a society where everyone hears about some thing that happens in about two seconds. There’s a sense of urgency about everything. But a lot of what’s truly important

gets lost, and people spend less time actually communicating and building relationships, because we are so busy processing information.”

McCabe believes that one of the good things about getting older is developing the ability to sift what is important out, and leave the rest.

“You get to a point where you can shut things out. When I get home, I do a much better job than I used to of turning the switch off. You learn better ways to manage stress. You learn to pick your battles. And you learn patience.”

Just because he’s figured some things out, McCabe is in no way jaded or world-weary. In fact, his smile is young when he talks about getting out in the community, talking with everyone from managers to clerks, regulators to legislators, finding out what AFMA members need.

And McCabe says when he thinks back on his career, what means the most to him has been the same thing, regardless of what level he was at: talking and working with people.

“I have met so many different kinds of people over the years,” he says. “I loved making deliveries to schools, back when the cafeteria workers cooked right there, and getting food from these women. I remember some people who did some pretty illegal things, that I met because their customers drank Coke, too. And I remember during the Rodeo-Chediski fires, going up to the fire lines because people needed beverages, and we delivered product. That meant something.”

McCabe is excited about a new alumni association that AFMA is creating.

“So many people who are retired are so knowledgeable, and can give a lot to the business. We can tap into that expertise this way.”

It’s important to McCabe that everyone benefit from being an AFMA member, whether it’s at a fundraiser, at a meeting, or from an event. He loves the annual Day at the Capitol event, where suppliers donate product, retailers bring samples, and legislators get to meet the people affected by their work.

“We had 900 people there last year, and everyone had a great time,” he says. “That’s one of the ways partnerships are formed.”

He says he and Sandy are now empty nesters: their sons and daughter-in-law are out in the world. Brandon, 34, and his wife Stephanie live in Denver, where he is now in the wine business and she works in human resources for the city. Cody, 32, lives in upstate New York near Canada, and is employed by the State University of New York as a director of international studies.

“All we want is for them to be happy, and to do their best at whatever it is they go into. We all have bad days. But overall, we want them to focus on doing what they enjoy, and giving it their best effort.”

One thing McCabe doesn’t mention telling them, but something that may have been taught by example, is being open, being receptive and being eager to learn as well as teach.

“Everyone I meet, I learn something from. Every store I go into, I find out something I didn’t know before.”

The delicious way to refuel that your most active customers crave.

20 GRAMS
OF PROTEIN | 40% DV



Shamrock Farms' Rockin' Refuel is a proven winner among active people of all ages. Because it's got 20 grams of protein for rebuilding muscles, plus naturally occurring electrolytes, it's perfect for post-exercise recovery. To add a winner to your lineup, go to shamrockfarms.net.



Real. Fresh. Ideas.

FINLEY DISTRIBUTING

A Focus on Variety



Dennis Shields is not your average company president, and certainly not your average company partner. For one thing, he has worked at only two places his entire career in the beer distribution business, which spans 32 years. For another thing, he began at Finley Distributing, where he is now a partner, as a shelf stocker, which is more of a meteoric rise than any shelf stocker could logically expect. And third, he loves coming to work every day.

"The worst day in the beer business is better than the best day in any other business," he says, with a clear blue gaze that shows the listener he is not joking or being insincere. Looking younger than his age, Shields has a composed exterior that is echoed in his well-tailored clothes and conservative haircut. Only when he's talking about something he loves – golf, his wife or his job – does his enthusiasm make him fit the more stereotypical image of someone who goes into the beer business in the first place.

Shields was born and raised in Ohio, and after a summer working for a beer distributor, decided that was what he wanted to do the rest of his life. But ten years in Ohio was enough.

"I didn't want to shovel snow any more," he says, "My aunt and uncle lived in Arizona, so I had been out here on vacations. My uncle was in the wholesale food distribution business, so I asked him for a job and moved west."

As it turned out, he never worked for his uncle. An interview at Finley got him his first job there. "I worked about every other job," he says. Those include sales; on-premise sales supervisor, which involved going to bars and restaurants with Finley sales people overseeing their work; chain manager in, making buyer calls ("I spent most of my time in Phoenix, because that's where most of the buyers are") and then general sales manager in 1993.

For the next three years Shields oversaw sales for the distributorship, which services primarily Pima and Santa Cruz, with a little bit of Pinal thrown in. Then he was promoted to executive vice-president, and became a partner in 1999.

From there, Shields says, he was the first non-family member to become president of Finley Distributing. Dorothy Finley, well known for her philanthropic work, had taken over as president after her husband, company founder Harold Finley, died. Their son, Dr. John Finley, became president when she became CEO. Shields came after him.

When asked, he remembers the moment in 2004 when Dr. Finley announced his promotion to the presidency.

"It was at a dinner, at the Terra Cotta Café, for the executive staff. I did not know it was coming; it was a complete surprise." Since then, the only real change has come in Shield's title; he became a partner when Finley was acquired by some East Coast investors who offered him the opportunity.

Shields says that move made caused almost no changes in the operation.

"We kept 100 percent of the work force; insurance, benefits, vacations, everything stayed the same," he says. "The average employee didn't notice anything." As for himself, Shields' responsibilities remained the same. He says he still talks to John Finley weekly. "He's not still part of the company. We're friends." Dorothy, however, is so busy with her charitable ventures that it's hard to schedule a lunch date. ("At one point, she served on 61 separate boards.")

Shields doesn't plan to follow in her footsteps. "I'm a very hands-on manager, and that takes all my time," he says. "We also have lobbyists who keep an eye on laws affecting us, changes in the economy and the business to watch, and our own goals to figure out and manage."

He says the economic downturn affected restaurants significantly, and that many grocery store purchasers went from a higher-end product to a cheaper one. Overall, however, he didn't detect a significant decrease (or increase) in alcohol consumption.

Finley has a reputation for community involvement, including programs dealing with responsible drinking, underage drinking, and safe conduct home for drinkers who shouldn't be driving. Shields says Finley provides drivers' license guides for law enforcement showing licenses from all 50 states, and has a guide to help parents talk to their children about drinking.

As for changes in the beer distribution business during his career, Shields says far and away the biggest one is the number of products Finley now provides.

"When I started, we had maybe 40 SKUs," he says, adding that an SKU is simply one item. "Now, we have 800." A two thousand percent increase?

"Consumers want variety," he says. He adds that some of that is because of light beer, which has drawn many customers over the past five to ten years. Part of the expansion is the small specialty beers Finley now provides. The other change Shields cites is the suppliers becoming conglomerates; Anheuser-Busch and Imbev joined, and Miller and Coors also consolidated. Finley Distributing stocks those products, plus Mexican imported beers to Southern Arizona.

In addition, Finley has a small wine department, which shows 24 wine brands on the website, in addition to an email address for the department head – Rebecca Shields. She and Shields have been married for four years.

"I spoke with her on the phone during the entire drive from Tucson to Phoenix," he says. "Mostly I leave her alone to do her job, but sometimes we need to discuss adding products."

Travel figures in Shields' schedule more than he might like.

"For instance, next week I'm in Las Vegas for the National Beer Wholesaler Association. Then two weeks later, I'm back there for the Miller-Coors group. After that I go to San Diego for Pabst, and then Seattle for Mike's Hard Lemonade."

And those are only a glimpse of the product list. Finley distributes everything from classics like Miller High Life to Old Milwaukee, in addition to smaller labels like Trout Slayer and Moose Drool. And those are only the domestics. Imported beers range from the well-known Corona to the boutique brands like Newcastle and Peroni. Then there are energy drinks: Xingtea in fruit flavors, Go Girl varieties, and Julio Cesar Chavez, listed on the Finley website as a new product. Finley also handles Sunny Delite products, some sodas, and vodka and tequila.

Shields says his job occupies about 95 percent of his time and energy. What little is left is divided between golf and travel. When he retires, he and Rebecca plan to move to the San Diego area, and indulge perhaps more of his enjoyment of golf. But he isn't looking for that to happen any time soon.

"I'm not going to retire until this isn't fun any more," he says. "And it is fun. Every day. I always look forward to coming to work."

League of Arizona Cities AND Towns

AFMA Returns to the League of Cities and Towns



Team Bashas'



Team Safeway



Team Fry's Food Stores

Last month, the Arizona Food Marketing Alliance once again stepped up as a Gold Sponsor at the League of Cities and Towns conference which took place in Oro Valley at the El Conquistador Resort. The purpose of the League is to promote local self-government, municipal independence, and provide professional and high quality assistance to the municipal governments in the State of Arizona. The League's annual conference provides AFMA the forum to interface with city and town councils, mayors and other city officials. And as an exhibitor, AFMA had the opportunity to showcase one of its high profile programs, the voluntary recycling program, Bag Central Station.

Manned by AFMA members, grocery Retailers had plenty of face time with the movers and shakers in communities throughout the state of Arizona. The give and take regarding recycling efforts throughout Arizona's cities and towns was an eye opener for all involved.

Tim McCabe, AFMA's president and lobbyist Trish Hart had the opportunity to engage in conversation with several dignitaries throughout the four day event including Attorney General Terry Goddard and Governor Jan Brewer.

Bag Central Station

Each year Americans are using more than 90 BILLION plastic bags. Many are finding their own ways to reuse these bags for all sorts of household projects. Over the last 2 decades recycling has come to be a household term and one that our industry has come to embrace in many different ways. The latest trend in recycling relates directly to the huge number of plastic bags used each year in American households.

Grocery retailers have long been offering several types of recycling stations in their stores. However, in 2007, the issue of plastic bags came to the attention of the Phoenix City Council resulting in a partnership that has expanded the awareness level of the consumer not only with regard to disposal of their plastic bags but to other options available at reasonable costs and excellent results for the environment.

Under the umbrella of Bag Central Station, grocery retailers have had the opportunity to expand their own programs through education and awareness campaigns the likes of which no other state has successfully put in to action. For the retailers, this has lead to increased sales of reusable bags as well as visibility for programs that had never seen the kind of attention that was now being cast upon them. For the City of Phoenix and other cities throughout Arizona, an increase in awareness has led to a decrease in inappropriate plastic waste causing damage to recycling equipment.

Since the launch of Bag Central Station in November of 2007, program events have been dotting the state. The program has been showcased at Phoenix Suns and Diamondback games, neighborhood festivals, and in other cities such as Tempe, Kingman, Flagstaff and this month, Tucson comes on board.

Cities and municipalities across the nation have been impacted by legislation with regard to plastic bag use. Some have seen bans, some taxes; with the creation of Bag Central Station, Arizona's grocery industry in partnership with city leaders has, in most cases, successfully assisted in the creation and implementation of a voluntary program that has helped clean up neighborhoods and educate consumers.



We are, Arizona Leafy Green Products Shipper Marketing Agreement (AZ LGMA) members work collaboratively to protect public health by reducing potential sources of contamination in Arizona grown leafy greens. You can be confident the leafy greens grown in Arizona have met USDA food safety standards and are routinely inspected by government-certified inspectors. AZ LGMA members are looking out for you and your customer by supporting the proposed national law and making an industry commitment to food safety. So if you're wondering who is working hard to ensure your safety, just look for the AZ LGMA seal. We are.



For more information, please visit www.azlgma.gov or call 602.542.0545.



BRINGING MORE TO THE TABLE

Changes at WIC

A long, overdue change that helps Arizona mothers and children eat healthier is off to a great start, thanks to Arizona Vendors.

On October 1, the Arizona Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) migrated to a new food package, the first major change in 35 years.

After a lot of planning and training, this transition is finally upon us. Vendors are prepared for participants to purchase an array of new foods that offer enhanced nutritional value and help to better meet national dietary guidelines. There is more flexibility for culturally appropriate foods, as well as wider choice and variety of everyday favorites.

Arizona WIC Program Vendors partner with WIC to provide more than \$12 million worth of nutritious supplemental food every month. More than 186,500 participants (pregnant, breastfeeding and postpartum women, as well as infants and children up to 5-years-old) benefit from the nutritious services that WIC provides to low-income families throughout Arizona. The program also provides breastfeeding support, nutrition education and counseling to all participants.

One of the biggest changes is the Cash Value Voucher (CVV) food instrument which will allow participants to spend more than \$938,500 on fresh fruits and vegetables in WIC-approved stores every month.

In addition to fresh fruits and vegetables, participants will shop for a variety of new items, including baby food, whole wheat cereals and breads, soy milk, tofu, brown rice, corn tortillas and canned pink salmon.

This overhaul is nationally historic, and marks a huge change in practice for Vendors, participants and WIC staff. Over the past year, state and local WIC staff members have been working with participants, manufacturers and Vendors to effectively transition to this new package. However, lingering questions may arise.

Resources for Vendors

All important contract changes, including minimum stock and variety requirements, have been covered extensively with WIC Vendors through Vendor Training and WIC Alerts. If situations arise or further clarification is needed, Vendors have several options for obtaining additional information:

- Arizona WIC Program Vendor Manual
- Arizona WIC Program Web site: www.azwic.gov/vendors
- Technical Assistance via WIC's toll free number: 1 (866) 737-3935

The Web site offers valuable information to help Vendors with these changes including an informative training video geared toward Vendors and listings of specific approved brands for:

- 100% Whole Wheat Bread, rolls, and buns

- Soy Milk
- Tofu
- Brown rice
- Tortillas
- Infant foods—fruits, vegetables, and meats

Clients have also received extensive training, especially about purchasing fresh fruits and vegetables, which may be a new practice for some. In order to provide quality customer service, it is important to anticipate the need for assistance, especially in the grocers' produce sections. No matter how much education is given, questions will almost certainly arise once participants begin putting everything they have learned into practice.

Reduced Quantities in Food Packages

In an effort to align with national dietary guidelines, some WIC food items have been reduced:

- Milk, cheese and juice, to promote a healthier diet for pregnant and breastfeeding women and children, and
- Infant formula quantities for partially breastfeeding infants.
- Infant juice has been discontinued from the Infant Food Package all together.

Tips for Vendors

The WIC Program encourages authorized Vendors to keep food lists at each cash register to help answer any questions or concerns that may arise. If clients are having a particularly difficult time, they can be reminded to visit the WIC Web site at www.azwic.gov, or be referred back to their WIC clinic for assistance.



To ease the transition for WIC participants, the Program has also developed brightly colored (orange) "WIC Approved" shelf marker tags. The new shelf markers are available through the state WIC office. These shelf markers should be placed on the shelf under the correct WIC approved foods and may help alleviate questions from customers adjusting to this change.

The WIC program is appreciative of all the hard work Vendors have done to make this transition possible. The success of this food package change is dependant on the coordinated efforts of all stakeholders.

The program is very interested in learning about any challenges that may arise as we implement these changes. Further questions or concerns can be brought to the WIC Program's attention by calling 1-866-229-6561.



Bar-S Foods Co.



Only the best is branded Bar-S™



Sprouts Farmers Market opened its first stores in the Austin, Texas, area in September with at least 12 more on the drawing board in Texas, Colorado and California this year and into 2010.

No stores are on tap for the company's home state of Arizona at this time, but growth here could continue in 2011 from its present count of 15, said Doug Sanders, president and COO. Each store employs about 65 to 75 people. No stores have been closed due to the recession, he said.

He attributes that steady course to Sprouts' position as a value-oriented, healthy foods alternative and the growing trend of people looking for healthier foods. "It's resonated very well with some of the consumers who want to maintain a healthy diet without emptying their pocketbooks," he said.

Stores opened in September in Round Rock and Sunset Valley Village, brought the total store count to 40 for the natural foods grocery chain. Two more Austin-area stores are in the works for Rollingwood and Great Hills.

Colorado stores in Boulder and Aurora are planned for October openings and 2010 is scheduled to bring new stores to Castle Rock, Lone Tree, Centennial and Greeley. Four openings are planned next year in Huntington Beach, San Diego, Culver City and Thousand Oaks, Calif., according to the company's Web site.

In May 2008, Sprouts announced plans to increase growth, raising \$22 million in senior notes to help pay for that expansion. At that time the chain had 25 stores.

Sprouts will end this year with 11 new stores with 15 slated for 2011, Sanders said. He declined to reveal sales figures, but said the company has a total of 3,300 to 3,400 workers now, including about 100 at its corporate office at Cactus Road and Tatum Boulevard in Phoenix. About 1,000 new jobs have been created this year with some 1,200 to 1,300 expected in 2010, he said.



Tesco Continues to Invest in Future Growth

Tesco is continuing to invest in the future growth of its US Fresh & Easy stores, in spite of the UK supermarket group saying earlier this year that it had put the second stage of its US expansion in northern California "on hold".

The retailer has opened 125 of its small format, hard-discount stores in southern California, Las Vegas and Phoenix over the past two years, seeking to woo customers with a focus on its low-cost private-label foods and prepared meals.

In April it said it was slowing the pace of store openings in its existing areas and that it would delay its move into northern California, originally planned for this year, because of the economy. It did not give a new date for the expansion.

But the retailer has continued to add to almost 50 store sites already acquired in communities including San Francisco, Sacramento and San Jose as well as Reno, Nevada. This month it reportedly paid \$3.75m (£2.3m) for two plots in the East Bay area, while it has also acquired a third site in San Francisco this summer.

Property brokers say Fresh & Easy has been increasingly interested in buying rather than leasing sites, given the current slump in commercial real estate prices in the region.

Fresh & Easy has also completed work on the structure of a distribution depot in an industrial park in Stockton that it will use to service new northern California stores when they open, supplementing a similarly large facility, east of Los Angeles, that serves its existing locations.

While Tesco has cited the state of the economy as the main reason for slowing growth in the US, it has also faced a tough battle to establish itself, with stores that include concepts - such as pre-packing its fresh fruit and vegetables - that US shoppers are not used to.

Tesco said it was "being prudent in our expansion and our plans for northern California remain on hold".



Albertsons and Cardinals to Donate 5,000 Backpacks to Hope Endures

Albertsons and the Arizona Cardinals donated approximately 5,000 backpacks raised during the "Albertsons Backpack Drive" in September at the Albertsons store in Glendale (20255 N. 59th Avenue).

Benefitting Hope Endures, the "Albertsons Backpack Drive" invited customers and fans to donate a new or gently used backpack in exchange for an exclusive Cardinals/Albertsons backpack. Valley Albertsons locations collected backpacks for the last month, at the August 28 preseason game against Green Bay, and also at training camp at Northern Arizona University in Flagstaff.

Representatives from the Albertsons, Cardinals, and Hope Endures were at the 59th Avenue Albertsons store in Glendale to celebrate the donation.

Hope Endures is a non-profit organization with a mission to empower individuals and families to improve their quality of life, and to promote community cooperation and support in responding to family needs.

Albertson's LLC is working to become the favorite food and drug retailer in every market it serves. The company is privately owned and operates 240 stores under the Albertson's banner in Arizona, Arkansas, Colorado, Florida, Louisiana, New Mexico, and Texas.

**Marana Sunflower Farmers Market Hires
100 New Employees**
*Sunflower celebrates opening fourth location
in Tucson*



Sunflower's growth and popularity continues to flourish in Arizona! With last month's grand opening, Sunflower Farmers Market will have four markets in operation in the metropolitan Tucson area. The grand opening celebration

took place on Wednesday, September 30 and was officially proclaimed Sunflower Farmers Market Day by the Mayor of Marana, Ed Honea. The Mayor urged all citizens to celebrate the day by encouraging families to adopt healthy and nutritious eating habits for life! The best way to start that is shopping at Sunflower!

The new store will have an incredible impact on the economy. Sunflower *will bring over 100 new jobs to the new location at Orange Grove Road and Thornydale Road in Marana.* In addition to a crop of new jobs, Sunflower brings a new style of grocery shopping to Marana by offering all-natural and organic products at affordable prices. This includes local produce, all-natural meats and seafood and a huge bulk selection.

"We are eager to expand our 'Serious Food at Silly Prices' grocery store concept into the growing town of Marana. We bring a quality, affordable grocery option to residents. Our produce, meats and seafood are delivered fresh daily, offering a superior way to grocery shop, especially during tough economic times," said Mike Gilliland, C.E.O.



Sunflower Farmers Markets currently operates three markets in the Tucson area, located at **First & Wetmore**, 4282 N. First Avenue; **Speedway & Swan**, 4645 E. Speedway Blvd. and **Broadway & Pantano**, 7877 E. Broadway Blvd.

Sunflower, founded in 2002, now operates 27 stores in Colorado, Arizona, New Mexico, Nevada, Utah and Texas. The company's increasingly popular format offers consumers a full-service farmers' market-style grocery store featuring the highest quality natural and organic products at the lowest possible price. As Sunflower continues to grow, executives continue to scout out additional locations for openings in 2010 and beyond.

Please visit the all-new www.sfmarkets.com for information regarding the markets, current locations, anticipated store openings and much more.

About Sunflower Farmers Markets

Sunflower Farmers Markets (www.sfmarkets.com) is a rapidly growing chain of full-service grocery stores offering consumers the highest-quality natural and organic products at the lowest possible price. The company, founded in 2002, is a pioneer in developing the emerging value segment of the natural and organic foods retailing industry. They have remained true to their motto "Serious Food...Silly Prices" since the market's inception. The company has 27 retail stores located throughout Colorado, Arizona, New Mexico, Nevada, Utah, and Texas.

INDUSTRY CALENDAR

November 20, 2009
Excellence in Leadership
Awards Banquet
Downtown Sheraton
Phoenix, AZ

January 19, 2010
AFMA Board of Directors Meeting
AFMA Offices
Phoenix, AZ

January 19, 2010
Legislative Reception
Arizona Club
Phoenix, AZ

March 4, 2010
AFMA Golf Classic
Wildfire Golf Club
JW Marriott Desert Ridge Resort
Phoenix, AZ

April 17-21, 2010
89th Annual WAFC Convention
JW Marriott Desert Springs
Palm Desert, CA

May 10-13, 2010
FMI 2010
Mandalay Bay Convention Center
Las Vegas, NV

**WE'RE CRANKY
ABOUT FLAVOR.**





Fruit Blends and Smoothies



Since 1941, Rader Farms has been a family operated berry farm rooted in the Pacific Northwest. Here, the cool breezes and long summer days nurture the sweetest and plumpest berries. Rader Farms is proud to introduce our new line of thick & creamy smoothie mixes, and our delicious Fruit Blends. Enjoy!

Now available at



Excellence in Leadership Awards

Spend an Evening with Food Industry Leaders

November 20, 2009

Sheraton Phoenix Downtown Hotel • 340 North 3rd Street • Phoenix, AZ 85004

Name: _____

Company: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-mail: _____

Please reserve _____ seats at \$300 each Reception/Wine Garden/Silent Auction 5:30 p.m.

Please reserve _____ tables of ten at \$3,000 each Dinner/Awards: 7:00 p.m.

Fax response to: **602.252.9021** Dress: Business Attire

Payment guarantees your space. No refund after November 6, 2009

If paying by check, make your check payable and mail to:

Arizona Food Marketing Alliance, 120 E. Pierce, Phoenix, AZ 85004

If paying by credit card (AMEX, Visa, Master Card only) please complete the following:

Visa MasterCard AMEX

Name on Credit Card: _____ Card # _____

Security Code (3 digits on back side): _____ Expiration Date: _____ Telephone # _____ - _____ - _____

Billing Address: _____

Signature: _____

Please print or type the names of your table guests:

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

602.252.9761 • www.afmaaz.org

The Arizona Food Marketing Alliance
Presents the 2009

Excellence in Leadership Awards

NEW LOCATION



Jon Flora, President
Fry's Food Stores
Retailer of the Year



Joe Cotroneo, E.V.P. GM
Crescent Crown Distributing
Supplier of the Year



Dorothy Finley
Finley Distributing
Hall of Fame Inductee

Spend an Evening with Food Industry Leaders

November 20, 2009 • Sheraton Phoenix Downtown Hotel

5:30 p.m. Reception/Wine Garden/Silent Auction, 7:00 p.m. Dinner and Awards Presentation

Tables of 10 - \$3,000 — Single Seats - \$300

Reserve early by calling AFMA at: 602.252.9761 or download registration form at www.afmaaz.org