



Distributor

News and notes from Associated Grocers of New England, Inc.

A Report from the Board of Directors

Distributor marks 100th Issue!



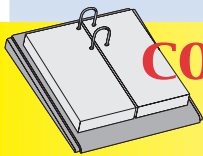
Mike Bourgoine

In each issue of *The Distributor*, we make special note of the employment anniversaries of AG New England team members. It's always heartwarming to see how many have dedicated so many years of their lives to working for this company and the retailers we serve.

A recent observation was made that the AG New England management team has a combined total of 450 years experience working for the company! That's an average of over 12 years per manager. In this day and age, workforce stability is an indicator of strength, dedication, and experience that goes a long way toward making a company great.

While our 65th year as a company continues to be marked by significant accomplishments, it's also interesting to note that this is the 100th issue of *The Distributor*. That in itself is quite a milestone. Over the years, this publication has included interesting stories about fellow retailers, information about new programs and services, and other compelling features. Recently we added a column from the Board of Directors, which is a snapshot of what transpired at the latest Board meeting(s). We hope you find it to be informative and interesting.

The Distributor appears on our customers-only web site, MyAGNE.com. But this concise newsletter serves our communications objectives just as well in printed form. AG New England is your company. And one of our priorities is keeping you informed and up-to-date on Distribution Center operations.



COMING UP: *Mark your calendar!*

The NGA Show
February 12 - 15, 2011

National Grocers Association
Las Vegas, NV

More information: thengashow.com

Each year, the Board holds a brief meeting after the Annual Meeting in June to welcome newly elected Board members and to elect officers of the corporation for the new fiscal year.

Michael Daley from Solomon's, West Stewartstown, New Hampshire, and Sam Adams of Pump & Pantry, Williamstown, Vermont, each received a congratulatory welcome from the Directors on their election to three-year terms on the Board.



Tom Bradbury

The July Board Meeting is very important as the Board gets its initial opportunity to review the Company's first-quarter performance of the new fiscal year. This year the meeting was particularly meaningful due to the influx of many new member retailers and the need to discuss the upcoming labor contract negotiations. The Chairman also handed out committee assignments to the Directors for the coming year.

At the June Meeting:

- With the addition of Mike Daley and Sam Adams, the Board will be comprised of twelve voting Directors and two Directors Emeriti. Retiring as voting Directors from the Board were Richard Delay and Alan Couturier.

- The following corporate officers were elected: Thomas Bradbury, Terry Appleby, Michael Bourgoine, Michael Violette, Steven Murphy, Stephen Creed, Richard Wheeler, Paul Greenan, Nicholas Manolis, and Benjamin Gayman.

Continued on page 2...

Members and Customers

BOARD OF DIRECTORS REPORT continued from pg 1...



Mike Violette

Since the last issue of *The Distributor* in July, I'm pleased to report we had a sizeable number of new members and customers from all over New England.

Vermont

- Cole's Redemption and Beverage, St. Johnsbury
- Putney General Store

Massachusetts

- Fancy's Market, Osterville • Lambert's Rainbow Fruit, Westwood
- Olde Towne Market, Lynnfield • Wareham Country Market
- Woods Hole Market

New Hampshire

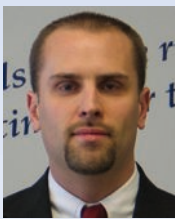
- Beaver Street Market, Keene • Berlin Mills Variety, Berlin
- Concord Farm • Errol General Store • Grafton Country Store
- Kat's Country Corner, Hillsboro • Lanctot's Grocers, Weare
- Loudon Mart

Maine

- B&M Belmont Market, Belmont • Bisson and Sons, Topsham
- Douin's Market, New Sharon • Jackson's Corner Store, Lyman
- Lj's Express, Milo • Mike's Maine Pickles, Easton
- Perry Farmer's Union • Pembroke Irving • Quick Shop, Lubec
- Reuben's Country Store, Milo • Spiller's Farm Store, Wells
- University of Maine/Orono • Williams' General Store, Bingham

Comings and Goings

There have been a few staff changes since our last issue of *The Distributor*.



Greg Fontaine

Congratulations to **Greg Fontaine** on his well-deserved promotion to Manager of Inventory Control and Warehouse Systems. Since coming to AG New England in 2007, Greg has held a number of supervisory positions. His strong experience in warehouse operations and systems is a real asset to the warehouse team.

Amanda Thomson joined the Retail Pricing Department as a Retail Pricing/DSD Coordinator.

More Training Online



AG New England has recently launched additional training programs that retailers can utilize to help educate, inform, and train store employees. These programs contain a lot of useful information on reducing costs, managing and reducing shrink, and improving store safety for customers and employees alike. And most importantly, these training programs provide retailers with easy tools to maintain consistent procedures for new store employees orientation and training. For information, visit MyAGNE.com.

- Under new business, the Board discussed the need for a special meeting in July concerning the upcoming contract negotiations. It was agreed that the meeting would be held on July 13, 2011.

At the July Meeting:

- Management announced that the destination for the March 2012 retailer/vendor trip would be Aruba. Again this year, the company has partnered with Olean Wholesale and will be using Milne Travel as the trip coordinator.

- Steve Murphy, Senior Vice President of Finance and Administration, presented to the Board an in-depth review of the Company's first-quarter financial performance. Management was pleased to announce that results exceeded budget expectations.

- Membership in the cooperative increased by 78 stores, due primarily to new members with stores in Maine. This was the largest quarterly membership increase in the company's history, due in large part to the closing of Associated Grocers of Maine.

- Lengthy discussions were held on the major issues that need to be addressed during upcoming contract negotiations.

- Management informed the Board that a purchase-and-sale agreement had been executed for the property in Berlin, New Hampshire.

- Management updated the Board on the delay and rescheduled launch of the multi-employer 401(k) defined contribution plan for member retailers. Management now expects this exciting new offering to be available by October 1.

- Management also announced that a projected fiscal year 2012 budget would be presented to the Board at the September Meeting. This projection will reflect a large increase in sales and corresponding expenses.

- The Board approved membership applications for Fancy's Market, Osterville, Massachusetts; Berlin Mills Variety, Berlin, New Hampshire; and Thriftway, Fryeburg, Maine.

Don't miss the Fall Food Show photos on page 4... and plan now to join us at the Spring Food Show!

Focused on You by Henry Vance, Bakery/Deli Counselor

Being a cooperative is one aspect that distinguishes AG New England from other wholesalers in the region. Our primary focus is the needs of the retailers. One of the best tools we have to help you is the sharing of ideas and experiences from other member retailers. Here is the eighteenth in a series of articles spotlighting individual member stores.



Dave, Marc and Mike Fournier

In 1983, pharmacist Richard Fournier purchased Colonial Pharmacy in Contoocook, New Hampshire, where he had been employed. In the summer of 1991, he purchased the Villager grocery store next



From August through October 2011, these associates achieved 10 or more years of service:

Hope Kelly	10 years
Dzermal Salihovic	10 years
Anna Young	10 years
James Jones	11 years
James Driscoll	12 years
Scott Weidner	12 years
Edward Bowie	13 years
Dana Bassett	15 years
Jacqueline Lisee	15 years
Debra Simmons	16 years
Tamie Lacey	18 years
Donna Zangri	18 years
Robert Lacombe	19 years
Joanne Medel	21 years
Cynthia Smith	22 years
David Larochelle	23 years
Carol Benoit	24 years
Tom Scofield	24 years
George Provencher	25 years
Dick Scofield	25 years
Carl Labuda	27 years
Richard Samson	29 years
Normand Dusseault	30 years
John Stevens	30 years

door, renamed it Colonial Village, and became a member of Associated Grocers of New England. Richard's family immediately began to help run the grocery side of the business, which has since expanded to include a terrific selection of traditional grocery items, meats, wines, artisanal cheeses, hardware, gifts, and general merchandise, as well as a pharmacy, all within the same footprint.

Richard's three sons continue that family tradition today. Although it's certainly a challenge to remain well versed in such diverse businesses, the attraction of one-stop shopping has created increased foot traffic, remarkable customer loyalty, and several revenue streams. "Our customers know they can find whatever they need here at a fair price," says Marc Fournier. "Most grocery stores have a limited amount of health and beauty care items, but here customers get a full-service pharmacy and a wide range of pharmaceutical products, as well as a large complement of hardware items.

"One of the reasons customers like coming here is because they get real one-on-one service. People appreciate that we love to take special orders for anything from Slim-Fast to riding tractors. We provide advice and guidance while paying special attention to detail. We will happily search for any items our customers want. They like that we've always carried many local products and that this is a family business with a local feel. We are neighbors in their community.



"Customers are looking for local products because they want to help reduce their carbon footprint and keep their

community sustainable. Supporting the local movement helps create a better connection with the community we serve and it's the right thing to do.

"There's still a need for local supermarkets. Customers don't like the cold atmosphere of chain stores. We pride ourselves on being a hometown, community-based store that provides an unusually good shopping experience for our neighbors. Over the years, this reputation has even drawn such luminaries as actor/natural food activist Paul Newman and, closer to home, New Hampshire Governor John Lynch."

Building complementary retail operations by using a diverse enterprise model with a local focus, the Fournier family has laid the foundation for sustainable growth. Their unique cross-channel approach and one-stop philosophy are summed up best by their motto, "if we don't have it, you don't need it!"

2011 Fall Buying Show

AG New England reported record-breaking attendance at our annual Fall Buying Show at The Center of New Hampshire in Manchester on September 28. Sales also reached an all-time high as retailers from across New England and beyond attended the day-long buying show. Every spring and fall, these shows offer special buying opportunities, deals, and

show cash along with the opportunity for retailers to meet with manufacturers representatives, brokers, and AG New England product specialists to discuss and sample new products, programs, and services. The event also includes informative seminars on various store operations. See you next spring!



John and Norma Robichaud of John's Shurfine, Fort Kent, Maine, talking with AG New England's Rick Wheeler (left), Vice President Wholesale Merchandising and Procurement, about the enthusiasm of the AG New England team in serving their needs.



Jim and Dedra Lizotte of Saucier's Shurfine, Van Buren, Maine, with Mike Violette (right), AG New England Senior Vice President Sales and Retail Development.



Laurie Waite of Killington Super Market, Killington, Vermont, enjoyed the flowers from Al Gatto of Bay State Flowers.



AG New England's Jill Holt with Peter Adamo of The New Harvester Market, Henniker, New Hampshire, spinning the wheel of fortune.



Cindy and Troy Plummer, PW Plummer and Sons, Buxton, Maine, with AG New England's Retail Pricing Manager Alan Hulse.



Greg Hawes of G&M Variety, Holden, Maine, with Bill Mattimiro, Store Merchandising and Design Manager of AG New England.

AG New England Drivers Deliver Come Rain, Sleet or Hurricane Flood!

By Sue Johnson, Senior Manager Marketing and Communications

On the first day of the destruction caused by Tropical Storm Irene, AG New England driver

together, our drivers were able get product to stores and to consumers who desperately needed it.



Richard spoke of some of those he talked with while making his deliveries. "People hiked cross-country out of the woods because the roads were closed and they were running out of food. Some were getting around on ATVs and four-wheel drive vehicles... and helping others who were stranded. Rochester Elementary School was an emergency shelter we delivered to. People asked for very specific supplies. We were hauling bleach, cleaning supplies, pet food, soda and the like with local high school girls volunteering to help separate product."

Richard Wheeler didn't know what he was headed for. Driving up I-89 towards Vermont, he was confronted by what he could only describe as devastation. Richard has been an AG New England driver for nearly 18 years and has delivered to many of the same stores for much of that time. He best described the severity of Irene's destruction along the Route 100 corridor: "This area got hammered!"

One woman was moved to tears because she got the pet food she desperately needed. AG New England had coordinated with Mac's Market and many people became relief workers. There were helicopters overhead and a medical team from Maine. Heavy equipment was in the river, dredging aggregate to fill washed out roadbeds. It will be a long time before the area recovers; there is still much damage and some roads remain closed.



AG New England driver Marvin Sowers is one of those who risked life and limb to deliver product. On his way to Waterbury, he discovered about 5-6 feet of water on the road. Having no cell phone signal, he went on to Burlington to deliver to the second store on his route. He juggled the load around in order to deliver the second stop first. He received word the river was receding somewhat and headed back to Waterbury to make the delivery and finish his run, albeit with numerous detours. By the way, earlier this year Marvin won first place in the straight truck division of the Interstate Truck Driving Championship and went on to place at the National Truck Driving Championship.

Many roads were closed, but Richard reached out to numerous contacts and friendships made over the years, and worked with store-owners and managers to develop a plan to deliver to the stores by alternate local roads. He fed this information back to Wayne Lawyer of AG New England's Transportation Department, who in turn contacted other drivers with new travel directions. Many of these drivers were, in essence, "stuck" and unable to reroute themselves. With Wayne and Richard working





they could remain in the area and make sure their customers got what they needed. They fully understood the importance of what they were carrying and went above and beyond the call of duty to deliver. This is what the AG New England “Commitment to Excellence” is all about.

We deliver the right goods... to the right customer... at the right time... with the right people... even when Mother Nature stands in the way.

An interview with Laurie Waite.

Laurie Waite of Killington Market learned first-hand about how hard AG New England works to

serve its customers. “The damage to Route 4 was extensive, both east- and westbound,” says Waite. “In places there were drop-offs of 30-40 feet, so needless to say it was closed to all but emergency vehicles. AG New England sent out special trucks and special drivers. They went the long way around on I-89, at least three hours longer than their usual routes, and were able to get as far as Rutland. Emergency personnel met them there and loaded the AG New England shipments onto their vehicles for delivery to waiting customers. Those AG New England truckers were a real lifeline to the area!”



Challenges continued throughout the week. On a delivery to South Royalton, Marvin could see the water line on trees, houses had floated off their foundations, and several stretches of one side or the other of Route 14 were washed out. But knowing stores were desperate for product, as their customers were running out of food, he continued on his way. After making a delivery, he headed back only to find the road blocked by barricades. With only three roads out of town, he had limited choices. Too heavy to go over one bridge and too tall to go under another, he’d have to take the closed road and drive back the way he came in.

Other AG New England drivers were just as resourceful. One of them called the owner of a store he couldn’t get to and made arrangements to have the product picked up in a nearby parking lot. By truck, Jeep, and horse trailer, these folks pulled together and brought the store’s product over roads that no big rig could negotiate.

These drivers could have given up and just brought their loads back to the Distribution Center. Instead, they banded together, shared information, and reached out to friends and colleagues to get the job done. And because they were running out of delivery time – drivers are only allowed to stay on the road for up to 14 hours – they booked local motel rooms so



Although Waite says AG New England went above and beyond what might be expected, she wasn’t really surprised. “This is a great company. AG New England offers an incredibly high level of service; they’d do anything for us. They’re very interested in customer service... always checking to make sure everything’s okay. AG New England will do whatever it takes to make us happy.”