

Positioned for Future Growth

Expanded fresh programs and technology improvements bode well for the top wholesalers

BY DEBRA CHANIL

Foodservice products and fresh foods, while still a relatively small portion of sales, are viewed as a key for future growth among the convenience store industry's distributors.

Based on the finding of this year's *Convenience Store News* Top Wholesalers annual report, among the 62 percent of top wholesalers who reported expanding new product categories over the past year, all mentioned fresh food programs. These include new commissary programs, as well as bread, produce, dispensed beverages and dairy.

Advancements and investments in technology have also led to operational improvements in the past year. Among the changes cited by top wholesalers were adding online portals for ordering and collecting business intelligence data; new order entry and marketing apps for both field representatives and retailer customers; improved shipping and loading software; and improved scan-based delivery systems to improve accuracy and productivity.

Sales for the 2015 *CSNews* Top Wholesalers reached a new high of \$66.9 billion, but the past-year increase of only 1.7 percent reflects recent challenges faced by the industry. This figure lags the growth increases of 5.6 percent in 2014 and 6.7 percent in 2013.

When asked to choose the single biggest trend impacting their business today, a majority of the top wholesalers (37.5 percent) cited the short supply of qualified truck drivers. Pressure on tobacco margins was cited by 25 percent of the top wholesalers, while last year's top answer, increased government regulation, dropped to third at 18.8 percent.

The cigarettes category continues to bring in the majority of sales for the top wholesalers. Currently, cigarettes represents an average of 69 percent of sales (down from 74 percent last year), followed by 8 percent from other tobacco products, 7 percent each from candy and sweet snacks, 5 percent from foodservice, 3 percent from grocery, 2 percent each from general merchandise, packaged beverages and

salty snacks, and 1 percent each from gourmet and all other categories.

THE TOP 10

The top 10 wholesalers posted \$58.3 billion in sales, an increase of 1.9 percent. Companies in the top 10 remain the same as last year, though some rankings have changed.

Despite a slight decline in sales, McLane Co. Inc. continues to sit atop the list, with total sales of \$31.7 billion, down 0.6 percent from last year. Core-Mark Holding Co. Inc. remains in second place with sales of \$10.3 billion, a 5.1-percent jump. Core-Mark recorded the only major acquisition in the past year, as it completed a deal for Karry Brothers, a Canadian company, in May 2015.

Eby-Brown Co. (with a solid 6-percent increase) and H.T. Hackney Co. (no change) maintained their third- and fourth-place rankings, respectively.

With an 8.3-percent increase, Farner-Bocken Co. moved into fifth place on the list, with sales reaching \$1.3 billion. This jump pushed Harold Levinson Associates Inc., AMCON Distributing Co. and S. Abraham & Sons Inc. down one place in ranking each. Imperial/Harrison Super Regional and Consumer Product Distributors Inc. maintained last year's rankings to round out the top 10.

Methodology

Rankings for the *Convenience Store News* Top Wholesalers are based on sales from the last full fiscal year for each company. Data for this report was gathered via a survey conducted among the largest wholesalers primarily servicing c-stores that derive a majority of their annual sales from tobacco and candy products. Additional data was obtained through company reports and other public sources of financial data. In some cases, estimates have been made by *Convenience Store News* based on historical data and current industry trends.

Ranking			Estimated Sales				Retail Service	
2015	Company/Headquarters	Chief Executive	Latest FY ¹ (millions)	Previous FY (millions)	% change	Trading Area	Locations Served	Deliveries per Week
1	McLane Co. Inc., Temple, Texas ²	Grady Rosier	\$31,669	\$31,852	-0.6%	50 states	46,091	64,348
2	Core-Mark Holding Co. Inc., South San Francisco, Calif.	Thomas B. Perkins	10,300	9,800	5.1	50 states	35,000	16,000
3	Eby-Brown Co., Naperville, Ill.	Thomas & Richard Wake	5,300	5,000	6.0	IL, IN, OH, MI, KY, TN, MO, IA, MN, SD, WV, PA, GA, AL, SD, NC, SC, MS	21,000	21,000
4	H.T. Hackney Co., Knoxville, Tenn.	William Sansom	4,000	4,000	0.0	AL, AR, FL, GA, MS, NC, SC, TN, LA, TX, KY, OH, PA, VA, WV, MD, IN, MO, IA	20,000	n/a
5	Farner-Bocken Co., Carroll, Iowa	Dean Onken	1,300	1,200	8.3	MO, KS, IA, NE, OK, ND, SD, MN, WI, IL, WY, CO, MT	n/a	n/a
6	Harold Levinson Associates Inc., Farmingdale, N.Y.	Edward Berro	1,298	1,287	0.9	50 states	10,000	8,000
7	AMCON Distributing Co., Omaha, Neb.	Christopher H. Atayan	1,237	1,200	3.1	AR, CO, GA, IA, ID, IL, IN, KS, KY, MN, MO, MT, NC, ND, NE, OK, SD, TN, UT, VA, WI, WV, WY	4,500	5,000
8	S. Abraham & Sons Inc., Grand Rapids, Mich. ³	Alan Abraham	1,103	1,108	-0.5	MI, IN, WI, IL, IA, MO, KY, OH, WV, PA	3,418	3,195
9	Imperial/Harrison Super Regional, Elmwood, La. ⁴	John D. Georges	1,100	1,035	6.3	LA, MS, AL, AR, TN, GA, TX, OK, KS, MO, FL, SC	2,500	2,700
10	Consumer Product Dist. Inc., Chicopee, Mass. ⁵	Jeffrey Polep	1,026	959	7.0	MA, CT, RI, VT, NH, ME, NY, NJ, PA	3,760	4,460
11	GSC Enterprises Inc., Sulphur Springs, Texas ⁶	Michael J. Bain	798	798	0.0	AL, AR, FL, GA, EL, KS, LA, MD, MS, MO, NM, NC, OK, NE, SC, TN, TX, VA, WV, DC	2,800	2,500
12	Garber Bros. Inc., Stoughton, Mass.	Harold Garber	695	695	0.0	ME, NH, VT, MA, RI, CT, NY, NJ, MD, PA	2,400	3,100
13	Chambers & Owen Inc., Janesville, Wis.	John K. Owen	655	685	-4.4	WI, MI, MN, IA, IL	1,400	1,400
14	Liberty USA, West Mifflin, Pa.	Gary F. McGuirk Sr.	650	650	0.0	PA, OH, WV, MD, NY, DE, VA	1,300	1,200
15	Cooper-Booth Wholesale Co., Mountville, Pa.	Barry Margolis	554	649	-14.6	PA, MD, DE, VA, WV, NJ, NY	1,470	1,295
16	Southco Distributing Co., Goldsboro, N.C.	Sherwin Herring	532	532	0.0	NC, SC, VA, TN, GA	1,600	1,900
17	Team Sledd, Wheeling, W.Va.	Robert M. Sincavich	531	463	14.7	OH, PA, WV, VA, MD, KY	1,100	1,300
18	Atlantic Dominion Distributors, Virginia Beach, Va.	Robin D. Ray	486	486	0.0	VA, MD, DC, DE, NC	2,100	1,600
19	Tripifoods Inc., Buffalo, N.Y.	Gregory G. Tripi	458	458	0.0	NY, PA, OH, IL, IN, WV	2,750	2,970
20	Pine State Trading Co., Augusta, Maine	Charles F. Canning Jr.	400	400	0.0	ME, NH, VT, MA, NY, CT, RI	5,000	n/a
21	Stephenson Wholesale Co. Inc., Durant, Okla. ⁷	Tammy Cross	395	395	0.0	OK, TX	1,634	2,165
22	Harbor Wholesale Foods, Lacey, Wash.	Justin Erickson	395	371	6.5	WA, OR, ID, CA, AK	3,000	2,200
23	Topicz, Cincinnati ⁸	Marvin H. Schwartz	334	334	0.0	OH, KY, IN, IL, TN, WV	1,070	1,230
24	Resnick Distributors, New Brunswick, N.J. ⁹	Steven Resnick	304	310	-1.9	NJ, PA, NY, CT, MD, DE, DC, VA, NC	1,600	1,100
25	Richmond-Master Distributors Inc., South Bend, Ind.	Patrick A. Carrico	300	300	0.0	IL, IN, KY, MI, OH	1,400	810
26	Thomas & Howard Co. Inc., Columbia, S.C.	Jeff S. Leischner	250	250	0.0	SC, NC, GA	1,500	2,300
27	Charles C. Parks Co., Gallatin, Tenn.	Charles C. Parks III	247	255	-3.1	TN, KY, NC, VA, SC, GA, AL, MS, AR, MO, IN	608	700
28	Allen Brothers Wholesale Dist. Inc., Philadelphia	Jeff. B. Allen	245	242	1.2	PA, DE, NJ, MD, NY, DC	1,610	935
29	Henry's Foods Inc., Alexandria, Minn.	Brian Eidsvolder	186	186	0.0	NM, ND, SD, IA, WI	500	750
30	Mountain Service Distributors, South Fallsburg, N.Y.	Stephen Altman	148	148	0.0	NY, NJ, PA, CT	500	700

Footnotes:
¹ FY = fiscal year

² McLane Co. Inc. corporate parent is Berkshire Hathaway, Omaha, Neb.

³ S. Abraham & Sons Inc. corporate parent is GRAD, Grand Rapids, Mich.

⁴ Imperial/Harrison Super Regional corporate parent is Georges Enterprises LLC, Elmwood, La.

⁵ Consumer Product Dist. Inc. dba J. Polep Distribution Services

⁶ C&S Wholesale Grocers announced plans to acquire GSC in November 2014.

⁷ Stephenson Wholesale Co. Inc. dba Indian Nation Wholesale

⁸ Topicz corporate parent is Novelart Manufacturing Co., Cincinnati

⁹ Resnick Distributors corporate parent is Plainfield Tobacco and Candy Co.

Source: Convenience Store News Market Research, 2015

PERCENT OF SALES		WAREHOUSES		EMPLOYEES			PRODUCTIVITY RATIOS: SALES PER			
Chain	Indep.	# of Warehouses	Sq. Feet (thousands)	Full-time	Part-time	Sales	Sq. Foot (thousands)	Employee (thousands)	Location (thousands)	Delivery (thousands)
97%	3%	21	11,714	12,377	41	221	\$2,704	\$2,559	\$687	\$495
50	50	31	4,000	5,933	0	1374	2,575	1,736	294	613
70	30	6	2,300	2,200	0	400	2,304	2,409	252	238
n/a	n/a	28	n/a	n/a	n/a	n/a	n/a	n/a	200	n/a
70	30	1	425	960	40	140	3,059	1,354	n/a	n/a
0	100	1	420	510	50	102	3,090	2,545	130	161
71	29	6	641	546	11	118	1,930	2,266	275	240
58	42	2	440	511	13	100	2,507	2,159	323	347
68	32	4	379	481	7	66	2,902	2,287	440	383
44	56	6	323	705	58	98	3,176	1,455	273	215
58	42	1	489	459	15	53	1,632	1,739	285	319
60	40	1	200	246	2	50	3,475	2,825	290	224
45	55	1	252	260	10	35	2,599	2,519	468	489
65	35	1	160	200	100	60	4,063	3,250	500	542
40	60	1	110	205	24	4	5,036	2,702	377	501
50	50	1	215	225	15	43	2,474	2,364	333	280
70	30	1	195	270	0	30	2,723	1,967	483	356
65	35	2	180	120	2	21	2,700	4,050	231	304
92	8	1	250	210	48	12	1,832	2,181	167	154
55	45	5	246	445	6	106	1,626	899	80	n/a
1	99	3	205	293	24	59	1,927	1,348	242	182
40	60	2	312	320	40	6	1,266	1,234	132	169
10	90	1	132	160	0	17	2,530	2,088	312	272
45	55	1	100	120	5	12	3,040	2,533	190	282
30	70	5	210	184	6	18	1,429	1,630	214	370
47	53	3	300	300	20	50	833	833	167	109
70	30	1	160	131	1	12	1,544	1,885	406	364
42	58	1	65	78	4	14	3,769	3,141	152	259
5	95	1	165	170	5	21	1,127	1,094	372	248
33	67	2	85	47	22	12	1,741	3,149	296	211