



Expansion & Enhancement

Acquisition activity and increased sales mark the past year for convenience wholesalers

By Debra Chanil

Top Wholesalers Summary

TOTAL SALES (Percent change vs. year ago):

Top 25 wholesalers	\$68.0 billion (+4.1%)
Top 10 wholesalers	\$60.9 billion (+4.5%)

AVERAGE SALES PER:

Company	\$2.719 billion
Retail location served	\$381,628
Warehouse	\$519 million
Full-time employee	\$2.318 million

PERCENT OF SALES:

Chains	50.7%
Single stores	49.3%

Source: Convenience Store News Market Research, 2016

Sales per Retail Location Served

McLane Co. Inc.	\$709,467
Topicz	\$611,667
Chambers & Owen Inc.	\$500,000
Team Sledd	\$482,727
Imperial Super Regional Distributors	\$440,000
S. Abraham & Sons Inc.	\$366,797
Cooper-Booth Wholesale Co.	\$348,485
Southco Distributing Co.	\$332,500
Core-Mark Holding Co. Inc.	\$304,110
Charles C. Parks Co.	\$300,000

Source: Convenience Store News Market Research, 2016

After a period of challenges, companies in the *Convenience Store News* Top Wholesalers ranking staged something of a comeback over the past year. These 25 companies achieved a combined sales increase of 4.1 percent, more than double the 1.7 percent posted in last year's report. Sales reached \$68 billion, with the top 10 companies driving 90 percent of this total.

While the top 10 players remain virtually intact, three companies on last year's list were acquired by some of those in the top 10. Eby-Brown Co. LLC (No. 3) acquired Liberty USA, West Mifflin, Pa. (No. 14 in last year's report); Core-Mark Holding Co. Inc. (No. 2) picked up Pine State Trading Co., Augusta, Maine (previously No. 20); and H.T. Hackney Co. (No. 4) now owns Thomas & Howard Co., Columbia, S.C. (previously No. 26).

Positions for eight of the top 10 have not changed from last year. McLane Co. Inc. continues to top the ranking, posting \$32.3 billion in sales — a 2.1-percent increase following last year's decline of 0.6 percent. Core-Mark reached sales of \$11.1 billion with a 7.8-percent jump to secure the second spot, while Eby-Brown hit \$6 billion, a 13.2-percent increase (the largest among the top 10).

The only change in the top 10 in this year's report came as Consumer Product Distributors Inc. overtook Imperial Super Regional Distributors for ninth place.

Overall, among the 25 companies, Harbor Wholesale Foods achieved the largest increase at 19.4

Ranking			Estimated Sales				Retail Service	
2016	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	\$32,346	\$31,669	2.1%	50 states	45,592	67,060
2	Core-Mark Holding Co. Inc., South San Francisco, Calif.	Thomas B. Perkins	11,100	10,300	7.8	50 states	36,500	16,000
3	Eby-Brown Co. LLC, Naperville, Ill.	Thomas & Richard Wake	6,000	5,300	13.2	MN, IA, WI, IL, MO, KY, IN, MI, GA, TN, NC, SC, MS, AL, ND, SD, PA, WV, VA, OH, NY, MD, DE	22,000	22,000
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, MI, MO	20,000	n/a
5	Farmer-Bocken Co., Carroll, Iowa	Dean Onken	1,390	1,300	6.9	AR, CO, IL, IA, KS, MN, MS, MT, NE, ND, OK, SD, WI, WY	n/a	n/a
6	Harold Levinson Associates Inc., Farmingdale, N.Y.	Edward Berro	1,330	1,298	2.5	50 states	10,000	8,000
7	AMCON Distributing Co., Omaha, Neb.	Christopher H. Atayan	1,282	1,237	3.6	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	1,224	1,103	11.0	WI, IL, MI, IN, OH, KY, PA, WV	3,337	2,789
9	Consumer Product Distributors Inc., Chicopee, Mass. ⁴	Jeffrey Polep	1,129	1,026	10.0	MA, CT, RI, VT, NH, ME, NY, NJ, PA	4,200	4,646
10	Imperial Super Regional Distributors, Elmwood, La. ⁵	John D. Georges	1,100	1,100	0.0	LA, MS, AL, FL, GA, SC, TN, AR, TX, OK, KS, MO	2,500	2,700
11	GSC Enterprises Inc., Sulphur Springs, Texas	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	650	655	-0.8	WI, MI, MN, IA, IL	1,300	1,315
14	Cooper-Booth Wholesale Co., Mountville, Pa.	Barry Margolis	575	554	3.8	PA, MD, DE, VA, WV, NJ, NY	1,650	1,334
15	Southco Distributing Co., Goldsboro, N.C.	Sherwin Herring	532	532	0.0	NC, SC, VA, TN, GA	1,600	1,900
16	Team Sledd, Wheeling, W.Va.	Robert M. Sincavich	531	531	0.0	OH, PA, WV, VA, MD, KY	1,100	1,300
17	Atlantic Dominion Distributors, Virginia Beach, Va.	Robin D. Ray	486	486	0.0	VA, MD, DC, DE, NC	2,100	1,600
18	Harbor Wholesale Foods, Lacey, Wash.	Justin Erickson	473	396	19.4	WA, OR, ID, CA, AK	2,700	1,350
19	Tripifoods Inc., Buffalo, N.Y.	Gregory G. Tripi	458	458	0.0	NY, PA, OH, IL, IN, WV	2,750	2,970
20	Stephenson Wholesale Co. Inc., Durant, Okla. ⁶	Tammy Cross	395	395	0.0	OK, TX	1,800	2,165
21	Topicz, Cincinnati ⁷	Marvin H. Schwartz	367	365	0.5	OH, KY, IN, IL, TN, WV	600	975
22	Resnick Distributors, New Brunswick, N.J. ⁸	Steven Resnick	302	301	0.3	NJ, PA, NY, CT, MD, DE, DC, VA, NC	1,200	1,000
23	Richmond-Master Distributors Inc., South Bend, Ind.	Patrick A. Carrico	300	300	0.0	IL, IN, KY, MI, OH	1,400	810
24	Charles C. Parks Co., Gallatin, Tenn.	Charles C. Parks III	270	246	9.8	TN, KY, NC, VA, SC, GA, AL, MS, AR, MO	900	1,300
25	Allen Brothers Wholesale Distribution Inc., Philadelphia	Jeff. B. Allen	250	245	2.0	PA, DE, NJ, MD, NY, DC	1,568	910

Footnotes:

¹ FY = fiscal year

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

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

⁴ Consumer Product Distributors dba J. Polep Distribution Services

⁵ Imperial Super Regional corporate parent is Georges Enterprises LLC, Elmwood, La.

⁶ Stephenson Wholesale dba Indian Nation Wholesale

⁷ Topicz corporate parent is Novelart Manufacturing Co., Cincinnati

⁸ Resnick Distributors corporate parent is Plainfield Tobacco and Candy Co.

Source: Convenience Store News Market Research, 2016



PERCENT OF SALES		WAREHOUSES		EMPLOYEES			PRODUCTIVITY RATIOS: SALES PER			
Chain	Indep.	# of Warehouses	Sq. Feet (thousands)	Full-time	Part-time	Sales	Sq. Foot	Employee (thousands)	Location (thousands)	Delivery (thousands)
97%	3%	21	11,764	12,134	36	263	\$2,750	\$2,666	\$709	\$482
50	50	31	4,000	5,933	0	1374	2,775	1,871	304	694
n/a	n/a	8	2,000	2,400	100	200	3,000	2,500	273	273
n/a	n/a	28	n/a	n/a	n/a	n/a	n/a	n/a	200	n/a
70	30	1	505	1,021	43	150	2,752	1,361	n/a	n/a
5	95	1	460	530	60	97	2,891	2,509	133	166
70	30	6	641	547	11	108	2,000	2,344	285	256
56	44	2	440	486	16	95	2,782	2,519	367	439
48	52	7	387	732	40	98	2,917	1,542	269	243
65	35	3	329	463	6	57	3,343	2,376	440	407
58	42	1	400	459	15	53	1,995	1,739	285	319
60	40	1	200	246	2	50	3,475	2,825	290	224
45	55	1	252	260	10	33	2,579	2,500	500	494
55	45	1	110	217	2	23	5,227	2,650	348	431
50	50	1	240	225	15	43	2,217	2,364	333	280
70	30	1	195	270	0	30	2,723	1,967	483	408
65	35	2	180	120	2	21	2,700	4,050	231	304
30	70	2	300	368	11	66	1,577	1,285	175	350
92	8	1	250	210	48	12	1,832	2,181	167	154
1	99	3	205	293	24	59	1,927	1,348	219	182
5	95	1	120	160	3	15	3,058	2,294	612	376
30	70	1	100	125	0	15	3,020	2,416	252	302
30	70	5	210	184	6	18	1,429	1,630	214	370
70	30	1	180	141	2	14	1,500	1,915	300	208
44	56	1	65	78	6	13	3,846	3,205	159	275

percent. In addition to Harbor and Eby-Brown, other double-digit winners included S. Abraham & Sons Inc. (up 11 percent) and Consumer Product Distributors (10 percent).

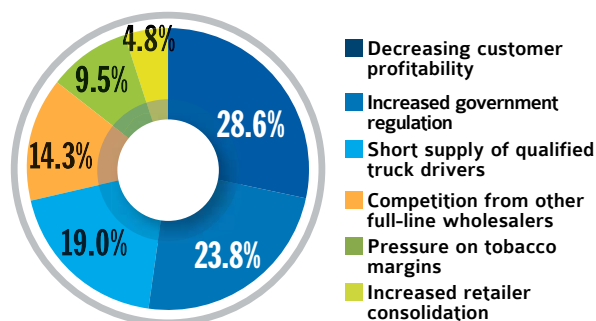
Expansion into new convenience categories is responsible for some of this growth, as about one-third

Sales per Delivery per Week

Core-Mark Holding Co. Inc.	\$693,750
Chambers & Owen Inc.	\$494,297
McLane Co. Inc.	\$482,344
S. Abraham & Sons Inc.	\$438,867
Cooper-Booth Wholesale Co.	\$431,034
Team Sledd	\$408,462
Imperial Super Regional Distributors	\$407,407
Topicz	\$376,410
Richmond-Master Distributors Inc.	\$370,370
Harbor Wholesale Foods	\$350,370

Source: Convenience Store News Market Research, 2016

Single Biggest Trend Impacting Business Today



Source: Convenience Store News Market Research, 2016

Percent of Sales by Category

Cigarettes	67.5%
Other tobacco products	8.9
Candy/gum/package sweet snacks	6.2
Foodservice	5.3
Grocery	2.8
Packaged beverages	2.7
Salty snacks	2.5
General merchandise/HBC	2.1
Fresh produce	1.2
Gourmet/natural/specialty food	0.5
Other	0.3

Source: Convenience Store News Market Research, 2016

of respondents this year report several category additions over the past 12 months. Such categories include fresh produce, dairy, deli and snacks. Cold and frozen beverages have also contributed, including this summer's big trend: cold brew coffee.

Several wholesalers noted that while they had not expanded into new categories, they had enhanced existing lines, including fresh produce and better-for-you products.

New technology initiatives are also a priority for the top wholesalers. With goals of improved accuracy, instant access to information for both their sales representatives and customers, streamlined systems, improved security and mobility, these are some of the new technology programs implemented in the past year:

- App-based ordering systems
- Business management software upgrades
- CRM for outside sales force
- Customer ordering devices
- Expanded website
- In-house mobile technology
- Truck technology improvements
- Voice-activated selecting systems

When asked about the single biggest trend impacting business today, 28.6 percent of the top wholesalers indicated decreasing customer profitability, followed by 23.8 percent citing increased government regulation. Short supply of qualified truck drivers was cited by 19 percent, with one respondent adding: "Not just truck drivers — all labor."

In terms of sales, the cigarettes category continues its slow but steady decline, dropping to 67.5 percent of the top wholesalers' sales (down from 69 percent last year). Other tobacco products maintains its pattern of adding about a point each year, increasing from 8 percent to 8.9 percent this year. Candy/sweet snacks and foodservice each accounted for more than 5 percent.

METHODOLOGY

Rankings for the *Convenience Store News* Top Wholesalers report are based on sales from the last full fiscal year for each company. Data for this report was gathered through 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 *CSNews* based on historical data and current industry trends. **CSN**