

Convenience Wholesalers Continue Steady Gains

Top 25 battle rising costs to achieve increases

By Debra Chanil

The top 25 convenience wholesalers combined to reach sales of \$52.4 billion in the last fiscal year, according to the latest study conducted by *Convenience Store News*. By adding almost \$3 billion in sales, the industry achieved growth of 6.0 percent, which matches last year's percentage increase.

McLane Grocery Distribution continues as the top-ranked convenience wholesaler, with sales totaling \$28 billion for the year, an increase of 9.4 percent over last year. McLane brought in more than half of the total sales of the Top 25.

Rankings of companies at the top of the list remain intact from last year, with Core-Mark Holding Co., Eby-Brown Co., H.T. Hackney Co. and GSC Enterprises Inc. rounding out the list of top five wholesalers.

The first shift in ranking is evidence of continuing consolidation in the industry. The new No. 10 company, Imperial/Harrison Super Regional, is the result of the acquisition of Harrison Co. (last year's No. 23) by Imperial Trading Co. Inc. (ranked 17th last year).

And the acquisitions continue: second-ranked Core-

Mark Holding Co. Inc. acquired Auburn Merchandise Distributors in May 2008, making Auburn's ranking of 23rd on this year's list its final solo appearance.

These combinations have made room for some new entrants on the list, as Harbor Wholesale Grocery is ranked 21st in its first appearance

and Richmond-Master Distributors is 25th.

In fact, Richmond-Master enters with the largest percentage increase over last year's sales, at 21.2 percent, thanks to its acquisition of City Sales Inc. and Krodel Wholesalers. Stephenson Wholesale Co. grew sales by 14.9 percent, while Harbor Wholesale posted a jump of 11.1 percent. The newly formed Imperial/Harrison also made the list of double-digit increases at 10.2 percent.

Operational issues are top of mind for the wholesalers participating in this year's study. When asked to name

the biggest challenge facing their business in the past year, it is no surprise that rising fuel costs, and the corresponding effects on all aspects of their business, was cited most often. Other challenges included issues surrounding the tobacco category (taxation, declining consumption and loss of sales to the Internet and Native American operations), as well as employees (including retention and rising cost of wages and insurance).

METHODOLOGY

Rankings for the Top 25 Convenience Wholesalers are based on sales from the last full fiscal year. 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 *Convenience Store News* based on historical data and current industry trends.

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Fig. 1 Top 25 Wholesalers Summary

	\$ SALES	PERCENT CHANGE VS. YEAR AGO
Top 25 sales	\$52.4 billion	6.0%
Top 10 sales	46.6 billion	6.3
Average sales per company	2.091 billion	6.0
Average sales per retail location	293,585	4.9
Average sales per warehouse	390 million	8.6
Average sales per full-time employee	1.723 billion	4.4
PERCENT OF SALES CHAIN/SINGLE STORE		
Chain	52.3%	
Single store	47.7	

Source: *Convenience Store News* Market Research, 2008

RANKING	2008	2007	COMPANY/ HEADQUARTERS	ESTIMATED SALES			RETAIL SERVICE		PERCENT OF SALES		WAREHOUSES		EMPLOYEES			PRODUCTIVITY RATIOS: SALES PER				
				LATEST FY ¹ (MILLIONS)	PREVIOUS FY ¹ (MILLIONS)	% CHANGE EST	TRADING AREA	LOCATIONS SERVED	DELIVERIES PER WEEK	CHAIN	SINGLE STORE	# OF WAREHOUSES	SQUARE FEET (THOUSANDS)	FULL TIME	PART TIME	SALES REPS	SQUARE FOOT	EMPLOYEE	LOCATION	DELIVERY
1	1	1	McLane Co. Temple, Texas ²	28,000	25,600r	9.4%	All 50 states	35,899	53,404	95	5	20	10,402	14,811	45	37	2,692	1,890	780	9,893
2	2	2	Core-Mark Holding Co. Inc. South San Francisco, Calif. ³	5,561	5,314	4.6	50 states plus six Canadian provinces	24,000	28,800	55	45	26	3,400	3,736	95	920	1,636	1,488	232	3,643
3	3	3	Eby-Brown Co. Naperville, Ill.	4,400	4,400	0.0	Eastern half of U.S.	13,500	15,000	70	30	7	2,000	2,200	45	190	2,200	2,000	326	5,535
4	4	4	H.T. Hackney Co. Knoxville, Tenn.	3,600	3,600	0.0 ¹	AL, AR, FL, GA, MS, NC, SC, TN, LA, TX, KY, OH, PA, VA, WV, MD, IN, MO, IA	25,000	n/a	n/a	n/a	28	n/a	n/a	n/a	n/a	n/a	n/a	144	n/a
5	5	5	GSC Enterprises Inc. Sulphur Springs, Texas	1,200	1,200	0.0	TX, NM, AR, AL, FL, GA, IL, IN, IA, KS, KY, LA, MS, MO, NE, OK, SC, TN	8,000	6,500	68	32	6	1,676	1,315	68	126	716	913	150	3,483
6	6	6	S. Abraham & Sons Inc. Grand Rapids, Mich.	908	900	0.9	OH, MI, IN, KY, FL, WI, MN	3,776	3,604	66	34	3	510	632	8	138	1,780	1,437	240	4,754
7	7	7	Amcon Distributing Co. Farmingdale, N.Y.	816	816	0.0 ¹	AR, CO, IA, IL, IN, KS, MO, MN, MS, MT, NE, ND, OH, OK, SD, TN, WI, WY	5,000	5,800	70	30	5	475	530	14	97	1,718	1,540	163	2,655
8	8	8	Harold Levinson Associates Inc. Farmingdale, N.Y.	766	744	3.0	NY, NJ, PA, CT, RI, MA, DE	15,000	10,000	15	85	3	750	400	25	90	1,021	1,915	51	1,445
9	9	9	Chambers & Owen Inc. Janesville, Wis.	680	665	2.3	WI, IL, IN, IA, MI, MN	n/a	n/a	50	50	1	265	330	0	37	2,566	2,061	n/a	n/a
10	17	17	Imperial/Harrison Super Regional Elmwood, La. ⁴	649	589	10.2	LA, MS, AL, AR, TN, TX, OK, KS, MO	1,900	2,100	72	28	2	260	345	20	50	2,496	1,881	342	5,831
11	10	10	Garber Bros. Inc. Stoughton, Mass.	635	635	0.0	ME, NH, VT, MA, RI, CT, NY, NJ, MD, PA	3,000	2,100	70	30	2	205	275	10	45	3,098	2,309	212	5,705
12	11	11	J.T. Davenport & Sons Inc. Sanford, N.C.	612	612	0.0 ¹	NC, SC, VA, WV, MD, OH, KY	1,800	1,894	70	30	2	205	275	10	45	2,985	2,225	340	6,097
13	12	12	Consumer Product Dist. Inc. Chicopee, Mass. ⁵	565	550	2.7	MA, CT, RI, NY, NH, ME	4,250	4,000	23	77	5	280	440	15	110	2,018	1,284	133	2,665
14	13	13	Liberty USA Inc. West Mifflin, Pa.	480	480	0.0	PA, OH, WV, MD, DE, KY, NY, VA, MI	2,000	1,600	65	35	1	155	260	40	8	3,097	1,846	240	5,660
15	16	16	Stephenson Wholesale Co. Inc. Durant, Okla. ⁶	424	369	14.9	OK, TX	2,114	2,752	15	85	1	173	387	23	53	2,451	1,096	201	2,907
16	14	14	Farmer-Bocken Co. Carroll, Iowa	410	410	0.0 ¹	IA, NE, MO, IL, MN, OK, AR, KS, CO, WY, MT, SD, WI, ND, MI	12,000	7,500	35	65	1	400	n/a	n/a	n/a	1,025	n/a	34	1,031
17	15	15	Pine State Trading Co. Augusta, Maine	390	388	0.5 ¹	ME, NH, VT, MA	3,320	4,600	55	45	5	246	445	6	106	1,585	876	117	1,600
18	18	18	Atlantic Dominion Dist. Virginia Beach, Va. ⁷	374	342	9.4	VA, NC, SC, GA, MD, DC, DE	2,100	1,600	67	33	2	180	195	6	29	2,078	1,918	n/a	n/a
19	19	19	Cooper-Booth Wholesale Co. Mountville, Pa.	333	325	2.5	PA, MD, DE, VA, WV, NJ, DC	1,500	1,400	30	70	1	105	195	25	2	3,171	1,708	222	4,488
20	20	20	Tripfoods Inc. Buffalo, N.Y.	292	286	2.1	NY, NJ, PA, OH, WV, IL, IN	2,410	1,865	91	9	1	250	182	54	9	1,168	1,604	121	2,954
21	n/a	n/a	Harbor Wholesale Grocery Inc. Tumwater, Wash.	270	243	11.1	WA, OR, ID, AK, CA	2,500	1,900	20	80	2	140	300	20	40	1,929	900	108	2,681
22	22	22	Southco Distributing Co. Goldsboro, N.C.	265	254	4.3	NC, SC, GA, VA, TN, WV, OH	1,210	1,290	55	45	1	240	208	6	12	1,104	1,274	219	3,876
23	21	21	Auburn Merchandise Dist. Inc. Whitinsville, Mass. ³	260 ⁸	271	-4.1	MA, RI, CT, NJ, ME, VT	3,000	1,800	22	78	1	110	135	10	25	2,364	1,926	87	2,725
24	23	23	Thomas & Howard Co. Inc. Columbia, S.C.	250	245	2.0 ¹	SC, NC, GA	1,562	2,300	47	53	3	303	303	20	55	825	825	160	2,051
25	n/a	n/a	Richmond-Master Dist. Inc. South Bend, Ind. ⁹	223	184	21.2	IL, IN, KY, MI, OH	1,200	810	30	70	5	210	185	8	17	1,062	1,205	186	5,195

FOOTNOTES: 1 FY=fiscal year 2 Owned by McLane Co., which is owned by Berkshire Hathaway. 3 Core-Mark International Inc. acquired Auburn Merchandise Distributors, May 2008.
4 Imperial Trading Co. Inc., acquired Harrison Co. LLC, Bossier City, La., in July 2008. Sales figures reflect 2007 results for Imperial Trading and Harrison combined. Corporate parent is Georges Enterprises LLC, Elmwood, La.
5 dba J. Polep Distribution Services. Acquired Lesco Distribution, Mattapoisett, Mass.; TBI Corp, Manchester, N.H. 6 dba Indian Nation Wholesale 7 Owned by Old Dominion Tobacco Co. Inc.
8 Unaudited edit 9 Acquired City Sales Inc., Highland, Ind.; Krodel Whse., Jasper, Ind. r=restated *Convenience Store News estimate Source: Convenience Store News Market Research, 2008