Food Distribution: The Role of Wholesaling & Retailing

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UF/IFAS Extension
Food and Resource Economics
Overview

- General discussion of the food system
- The Farm Marketing Problem
- Food Marketing Channels
  - Food Processing
  - Foodservice
  - Food Retailing
- Consumer Trends
- Foodservice and Food Retailing Trends
  - Social media, mobile marketing, value marketing, health and wellness, and local foods
- Role of Technology and Marketing
The Food System in the Global Environment

- World-wide food and beverage market $11.6 trillion in retail sales in 2009
  - North America = $1.2 trillion
  - Europe = $2.6 trillion
  - Asia Pacific = $3.6 trillion
  - Source: Frost and Sullivan
    - http://www.slideshare.net/FrostandSullivan/2020-vision-global-food-beverage-industry-outlook

- In developing countries, 50% of income is spent on food verses 9.8% in U.S. in 2011
  - Source: USDA-ERS
The Structure of US Agriculture

- Diversity complicates marketing
- Still mostly family farms
- There is increasing specialization
- Ag production facts that influence marketing:
  - Small output from a large number of farms
  - Farmers primarily interested in production
    - Times are a changing
  - Food system serves 2 groups: (1) a few large firms, and (2) many small firms
# U.S. Farm Characteristics

<table>
<thead>
<tr>
<th>Farms by size (percent)</th>
<th>1997</th>
<th>2002</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 99 acres</td>
<td>49.2</td>
<td>51.0</td>
<td>54.4</td>
</tr>
<tr>
<td>100 to 499 acres</td>
<td>34.7</td>
<td>33.1</td>
<td>31.0</td>
</tr>
<tr>
<td>500 to 999 acres</td>
<td>8.1</td>
<td>7.6</td>
<td>6.8</td>
</tr>
<tr>
<td>1000 to 1,999 acres</td>
<td>4.6</td>
<td>4.7</td>
<td>4.2</td>
</tr>
<tr>
<td>2,000 or more acres</td>
<td>3.4</td>
<td>3.7</td>
<td>3.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Farms by sales (percent)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $9,999</td>
<td>55.3</td>
<td>59.3</td>
<td>59.8</td>
</tr>
<tr>
<td>$10,000 to $49,999</td>
<td>21.4</td>
<td>19.4</td>
<td>18.3</td>
</tr>
<tr>
<td>$50,000 to $99,999</td>
<td>7.4</td>
<td>6.6</td>
<td>5.7</td>
</tr>
<tr>
<td>$100,000 to $499,999</td>
<td>12.7</td>
<td>11.3</td>
<td>10.9</td>
</tr>
<tr>
<td>More than $500,000</td>
<td>3.2</td>
<td>3.3</td>
<td>5.3</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Tenure of farmers</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full owner (farms)</td>
<td>1,384,565</td>
<td>1,428,136</td>
<td>1,522,033</td>
</tr>
<tr>
<td>Percent of total</td>
<td>62.5</td>
<td>67.1</td>
<td>69.0</td>
</tr>
<tr>
<td>Part owner (farms)</td>
<td>615,902</td>
<td>551,004</td>
<td>542,192</td>
</tr>
<tr>
<td>Percent of total</td>
<td>27.8</td>
<td>25.9</td>
<td>24.6</td>
</tr>
<tr>
<td>Tenant owner (farms)</td>
<td>215,409</td>
<td>149,842</td>
<td>140,567</td>
</tr>
<tr>
<td>Percent of total</td>
<td>9.7</td>
<td>7.0</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Source: [www.agcensus.usda.gov](http://www.agcensus.usda.gov)
## Florida Farm Characteristics

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2002</th>
<th>1997</th>
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<tbody>
<tr>
<td>Farms</td>
<td>47,463</td>
<td>44,081</td>
<td>45,808</td>
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<tr>
<td>Land in farms</td>
<td>9,231,570</td>
<td>10,414,877</td>
<td>10,659,777</td>
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<tr>
<td>Average size of farm</td>
<td>195</td>
<td>236</td>
<td>233</td>
</tr>
<tr>
<td>Estimated market value of land and buildings:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average per farm</td>
<td>1,096,718</td>
<td>665,376</td>
<td>540,572</td>
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<tr>
<td>Average per acre</td>
<td>5,639</td>
<td>2,836</td>
<td>2,344</td>
</tr>
<tr>
<td>Estimated market value of all machinery and equipment:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Average per farm</td>
<td>2,591,541</td>
<td>1,723,447</td>
<td>1,613,796</td>
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<tr>
<td>Farms by size:</td>
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<tr>
<td>1 to 9 acres</td>
<td>12,184</td>
<td>10,267</td>
<td>10,622</td>
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<tr>
<td>10 to 49 acres</td>
<td>20,680</td>
<td>18,360</td>
<td>18,680</td>
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<tr>
<td>50 to 179 acres</td>
<td>8,543</td>
<td>8,776</td>
<td>9,804</td>
</tr>
<tr>
<td>180 to 499 acres</td>
<td>3,461</td>
<td>3,684</td>
<td>3,785</td>
</tr>
<tr>
<td>500 to 999 acres</td>
<td>1,225</td>
<td>1,330</td>
<td>1,324</td>
</tr>
<tr>
<td>1,000 to 1,999 acres</td>
<td>653</td>
<td>822</td>
<td>749</td>
</tr>
<tr>
<td>2,000 acres or more</td>
<td>717</td>
<td>842</td>
<td>844</td>
</tr>
</tbody>
</table>

The Farm Marketing Problem

- Unstable and relatively low prices make it difficult to adjust output to meet changing market conditions:
  - Output comes from many small units which operate independently
  - Aggregate total output beyond control of farmers
  - Biological lag of many ag commodities

- All lead to price risk
The Farm Marketing Problem…

- Difficult for farmers to improve their prices through independent or group actions:
  - Producers are generally price takers
  - Large producer numbers make group action difficult (free riders)

- Superior bargaining power of buyers:
  - Buyers tend to be larger and better informed
  - Increased use of contracts by these marketers to control production
# Top 20 Food Processing Cos. 2012

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Previous Ranking</th>
<th>Company Name</th>
<th>2011 Food Sales</th>
<th>2010 Food Sales</th>
<th>2011 Total Company Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>PepsiCo Inc.</td>
<td>$38,396¹</td>
<td>$35,600</td>
<td>$66,504</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>Tyson Foods Inc. (10/1/11)</td>
<td>30,975</td>
<td>27,293</td>
<td>32,266</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>Nestle (U.S. &amp; Canada)</td>
<td>26,200</td>
<td>29,600</td>
<td>94,000</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>Kraft Foods Inc.</td>
<td>25,171</td>
<td>29,524</td>
<td>54,365</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Anheuser-Busch InBev</td>
<td>15,304</td>
<td>15,296</td>
<td>39,046</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>JBS USA</td>
<td>14,000</td>
<td>13,342</td>
<td>14,000</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>Dean Foods Co.</td>
<td>12,698</td>
<td>11,758</td>
<td>13,055</td>
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<tr>
<td>8</td>
<td>7</td>
<td>General Mills Inc. (5/27/12)</td>
<td>12,464</td>
<td>12,005</td>
<td>16,658</td>
</tr>
<tr>
<td>9</td>
<td>10</td>
<td>Smithfield Foods Inc. (4/29/12)</td>
<td>11,093</td>
<td>10,264</td>
<td>13,094</td>
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<tr>
<td>10</td>
<td>9</td>
<td>Mars Inc.</td>
<td>10,500</td>
<td>10,500</td>
<td>30,000</td>
</tr>
<tr>
<td>11</td>
<td>13</td>
<td>Coca-Cola Co.</td>
<td>9,861</td>
<td>8,273</td>
<td>46,452</td>
</tr>
<tr>
<td>12</td>
<td>12</td>
<td>Kellogg Co.</td>
<td>8,873</td>
<td>8,402</td>
<td>13,198</td>
</tr>
<tr>
<td>13</td>
<td>14</td>
<td>ConAgra Foods Inc. (5/29/12)</td>
<td>8,377</td>
<td>8,002</td>
<td>13,263</td>
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<tr>
<td>14</td>
<td>16</td>
<td>Cargill Inc. (5/31/12)</td>
<td>8,000</td>
<td>7,000</td>
<td>119,500</td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>Hormel Foods Corp.</td>
<td>7,895</td>
<td>7,221</td>
<td>7,895</td>
</tr>
<tr>
<td>16</td>
<td>11</td>
<td>MillerCoors LLC</td>
<td>7,550</td>
<td>7,571</td>
<td>7,550</td>
</tr>
<tr>
<td>17</td>
<td>17</td>
<td>Dole Food Co. Inc.</td>
<td>7,224</td>
<td>6,893</td>
<td>7,224</td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>Pilgrim’s Pride</td>
<td>6,779</td>
<td>6,237</td>
<td>7,536</td>
</tr>
<tr>
<td>19</td>
<td>21</td>
<td>Saputo Inc. (3/31/12)</td>
<td>6,423</td>
<td>5,606</td>
<td>6,930</td>
</tr>
<tr>
<td>20</td>
<td>23</td>
<td>Hershey Co.</td>
<td>6,081</td>
<td>5,671</td>
<td>6,081</td>
</tr>
<tr>
<td>21</td>
<td>20</td>
<td>Unilever North America²</td>
<td>5,986</td>
<td>6,688</td>
<td>60,168</td>
</tr>
</tbody>
</table>

*Source: Foodprocessing.com: Top 100 Food and Beverage Cos.*

The role of wholesaling & retailing (11-16-12)
Foodservice Distribution...

- Percentage of all foodservice sales:
  - Broadliner sales account for 52%
  - Systems distributor sales account for 32%
  - Specialist distributor sales account for 16%

- Sales to national chains account for approximately 13.5% of all broadliner sales

- Sales to regional chains accounted for approximately 15.5% of all broadliner sales

# Top 50 Broadline Distributors

<table>
<thead>
<tr>
<th>RANK</th>
<th>COMPANY</th>
<th>HQ LOCATION</th>
<th>2010 SALES (millions)</th>
<th>2009 SALES (millions)</th>
<th>% CHANGE</th>
<th>$ CHANGE</th>
<th># DIST. CENTERS</th>
<th># ACCOUNTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SYSCO CORP.</td>
<td>Houston, TX</td>
<td>38,430</td>
<td>35,776</td>
<td>7.42%</td>
<td>$2,654</td>
<td>180</td>
<td>400,000</td>
</tr>
<tr>
<td>2</td>
<td>U.S. FOODSERVICE</td>
<td>Rosemont, IL</td>
<td>18,862</td>
<td>18,961</td>
<td>-0.52%</td>
<td>-$99</td>
<td>78</td>
<td>250,000</td>
</tr>
<tr>
<td>3</td>
<td>PERFORMANCE FOOD GROUP</td>
<td>Richmond, VA</td>
<td>10,300</td>
<td>9,720</td>
<td>5.97%</td>
<td>$580</td>
<td>65</td>
<td>100,000+</td>
</tr>
<tr>
<td>4</td>
<td>GORDON FOOD SERVICE</td>
<td>Grand Rapids, MI</td>
<td>7,700</td>
<td>7,200</td>
<td>6.94%</td>
<td>$500</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>REINHART FOODSERVICE</td>
<td>La Crosse, WI</td>
<td>4,547</td>
<td>4,205</td>
<td>8.13%</td>
<td>$342</td>
<td>24</td>
<td>38,086</td>
</tr>
<tr>
<td>6</td>
<td>MAINES PAPER &amp; FOOD SERVICE</td>
<td>Conklin, NY</td>
<td>3,050</td>
<td>3,060</td>
<td>1.67%</td>
<td>$50</td>
<td>11</td>
<td>10,137</td>
</tr>
<tr>
<td>7</td>
<td>SERVICES GROUP OF AMERICA</td>
<td>Phoenix, AZ</td>
<td>2,600</td>
<td>2,600</td>
<td>0.00%</td>
<td>$0</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>BEN E KEITH FOODS</td>
<td>Fort Worth, TX</td>
<td>2,100</td>
<td>1,979</td>
<td>6.11%</td>
<td>$121</td>
<td>7</td>
<td>20000+</td>
</tr>
<tr>
<td>9</td>
<td>SHAMROCK FOODS CO.</td>
<td>Phoenix, AZ</td>
<td>1,800</td>
<td>1,650</td>
<td>9.09%</td>
<td>$150</td>
<td>4</td>
<td>16000+</td>
</tr>
<tr>
<td>10</td>
<td>LABATT FOOD SERVICE</td>
<td>San Antonio, TX</td>
<td>922</td>
<td>909</td>
<td>1.43%</td>
<td>$13</td>
<td>5</td>
<td>10,200</td>
</tr>
<tr>
<td>11</td>
<td>CHENEY BROTHERS, INC.</td>
<td>Riviera Beach, FL</td>
<td>900</td>
<td>811</td>
<td>10.97%</td>
<td>$89</td>
<td>3</td>
<td>17,500</td>
</tr>
</tbody>
</table>

(Source: myidaccess.com: Top 50 Roster 2011)
# Top 5 Grocery Wholesalers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>$ Sales (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supervalu (own more stores)</td>
<td>$36.1</td>
</tr>
<tr>
<td>2</td>
<td>C&amp;S Wholesale</td>
<td>$20.4</td>
</tr>
<tr>
<td>3</td>
<td>Wakefern Food Corp.</td>
<td>$12.8</td>
</tr>
<tr>
<td>4</td>
<td>Associated Wholesale Grocers</td>
<td>$ 7.6</td>
</tr>
<tr>
<td>5</td>
<td>Nash Finch</td>
<td>$ 4.8</td>
</tr>
</tbody>
</table>

(Source: Supermarket News, 2012)
1. Convenience Stores

- (15.1\% of grocery sales in 2011)
- Also called “C” stores (154,373 in the US)
- Some offer gasoline, others do not
- Trouble attracting customers other than the young
- Forming alliances with fast food companies
- Average 2,400 ft\(^2\) (w/ gas) 3,400 ft\(^2\) w/o gas

(Sources: Willard Bishop, Future of Retailing, June 2012)
2. Limited Assortment

- (2.7% of grocery sales in 2011)
- No-frills atmosphere
- 15,000 ft$^2$
- Product at lowest possible price
- Limited assortment, 2,000 items or less
- Aldi, Sav-A-Lot, and Trader Joe’s are examples

(Sources: Willard Bishop, Future of Retailing, June 2012)
3. Traditional Supermarket

- (40.1% of grocery sales in 2011)
- One of 26,345 grocery outlets
- Down from 33,400 in 1980
- $429.9 Billion in sales
- Carry approximately 15,000 – 16,000 items
- Least 40,000 square feet of space
- Sell at least 10% GM/HBC
- Hitchcock’s and Piggly Wiggly are examples

(Source: Willard Bishop, Future of Retailing, June 2012)
4. **Supercenter**

- (17.2% of grocery sales in 2011)
- 150,000 sq ft, food and general merchandise (as much as 40% of space going to food items)
- Sales in 2011 were $184.2 billion
- 3,906 stores in 2011
- Biggest current threat to supermarkets
- Perceived low prices
- Some offer stand-alone convenience stores in parking lot

(Source: Willard Bishop in Future of Retailing, June 2012)
5. Super Warehouse

- (1.9% of grocery sales in 2011)
- 542 in 2011; down from 927 in 1980
- Low margin, high volume store
- Warehouse stores offer reduced variety, lower service levels, minimal décor
- Sav–Rite & Cub would be an examples

(Source: Willard Bishop in Future of Retailing, June 2012)
6. Wholesale Clubs

- (8.5% of grocery sales in 2011)
- Sell memberships
- Varied selections & limited variety, warehouse atmosphere
- Usually around 120,000 ft² (ave 131,000 ft²), 30% food, 70% general merchandise, 7000 items
- Tradeoff convenience & Choice for rock-bottom prices on established brands
- 1,331 stores in 2011
- Sam’s Club, Costco, BJ’s

(Source: Willard Bishop in Future of Retailing, June 2012)
## Progressive Grocer Super 50

<table>
<thead>
<tr>
<th>2012 Rank</th>
<th>2011 Rank</th>
<th>Company Name</th>
<th># of Supermarkets ($2M+)</th>
<th>Est. Annual ACV (QOQ)</th>
<th>Square Feet Selling Area (thousands)</th>
<th>Full-Time Equivalent Employees</th>
<th>No. of Checkouts</th>
<th>Top 3 Banner Names</th>
<th>No. of Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Wal-Mart Stores Inc.</td>
<td>3,217</td>
<td>$118,725,880</td>
<td>195,489</td>
<td>1,061,340</td>
<td>84,299</td>
<td>Walmart Supercenter</td>
<td>3,035</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Walmart Neighborhood Market</td>
<td>170</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Walmart Express</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Kroger Co.</td>
<td>2,490</td>
<td>$61,128,850</td>
<td>103,966</td>
<td>195,571</td>
<td>26,899</td>
<td>Kroger</td>
<td>1,182</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ralphs</td>
<td>174</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Food 4 Less/Food 4 Less</td>
<td>124</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Safeway Inc.</td>
<td>1,450</td>
<td>$35,504,560</td>
<td>53,554</td>
<td>96,655</td>
<td>13,783</td>
<td>Safeway</td>
<td>940</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vons</td>
<td>244</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Dominick's</td>
<td>74</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Supervalu Inc.</td>
<td>1,496</td>
<td>$28,229,188</td>
<td>48,935</td>
<td>96,728</td>
<td>13,672</td>
<td>Albertsons Store/Supervalu</td>
<td>428</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sara A Lot</td>
<td>391</td>
</tr>
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<td>5,602</td>
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</table>

(Source: Progressive Grocer, 2012)
Economic Pressures Continue

1. Spending less on eating out
2. Money saving tactics in primary store
3. More concentrated purchasing in primary store
   - Fuel related
   - Lowest number of visits per store per week in 40 years
4. Cutting back on groceries by purchasing less food

Source: Food Marketing Institute Webinar (11–8–11): Food Retailing Trends – Shoppers & Retailers
Shifting Shopper Priorities

<table>
<thead>
<tr>
<th>Rank</th>
<th>2005</th>
<th>2011</th>
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<tr>
<td>1</td>
<td>High-quality produce</td>
<td>Low prices</td>
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<tr>
<td>2</td>
<td>High-quality meat</td>
<td>High-quality produce</td>
</tr>
<tr>
<td>3</td>
<td>Clean store</td>
<td>High-quality meat</td>
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<tr>
<td>4</td>
<td>Low prices</td>
<td>Accurate shelf tags</td>
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<td>5</td>
<td>Accurate shelf tags</td>
<td>Items on sale</td>
</tr>
<tr>
<td>6</td>
<td>Clear Use by/Sell by dates</td>
<td>Clean store</td>
</tr>
</tbody>
</table>

- Low price is the most important factor cited in selecting a primary food retailer (38%)

- SN study: quality more important vs. price in selecting a brand

Source: Food Marketing Institute Webinar (11–8–11) : Food Retailing Trends – Shoppers & Retailers
The role of wholesaling & retailing (11-16-12)
It’s About Time…

Average time spent grocery shopping
- Men and Women combined: 44.3 minutes
- Men: 41.0 minutes
- Women: 46.2 minutes

Average meal prep time, including cleanup
- Men and Women combined: 61.5 minutes
- Men: 46.8 minutes
- Women: 69.5 minutes

## 2012 NRA Chef Survey

### Top trends

1. Locally sourced meats and seafood
2. Locally grown produce
3. Healthful kid’s meals
4. Hyper-local sourcing (e.g., restaurant gardens)
5. Sustainability
6. Children’s nutrition
7. Gluten-free/food allergy conscious
8. Locally-produced wine and beer
9. Sustainable seafood
10. Whole grain items in kid’s meals

Source: National Restaurant Association

Food Retailer Predictions on 2012 Trends

1. Social media
2. Mobile marketing
3. Value shopping
4. Health & wellness
5. Local foods

Source: Food Marketing Institute Webinar (11–8–11): Food Retailing Trends – Shoppers & Retailers
The role of wholesaling & retailing (11-16-12)
Social Media and Restaurants

- 2012 NRA survey
  - 33% of people would sign up to receive information on specials and events
  - 59% of Americans view restaurants online
  - 60% of all consumers are connecting with their favorite restaurant with Facebook, etc.
  - 87 million people active on social media every week

Source: National Restaurant Association and Restaurant Business
Social Media Among Shoppers

- 74% of shoppers engage in some form of social media
- Younger shoppers most active
- Increasing number of posts regarding shopping and product experience
- 25 million moms access social media via mobile devices
  - 64% use smart phones while shopping
  - 46% want information on products while shopping
  - 3.3 million moms blog daily

Source: Food Marketing Institute Webinar (11-8-11): Food Retailing Trends – Shoppers & Retailers
Benefits of Social Media
Mobile Marketing & Value Shopping

- 28% of shoppers own smartphones
- Recipes
- Price checking

- Value shopping (What's for dinner?)
- Less than 50% of shoppers are confident in their ability to:
  - Cook a nutritious meal
  - Prepare meat, poultry, and especially seafood
  - Prepare produce
  - Pair the right wine with the meal

The role of wholesaling & retailing (11-16-12)
Health and Wellness

Guiding Stars is an objective food rating system that rates food based on nutrient density using a scientific algorithm. Rated foods are marked with easy-to-follow tags indicating 0, 1, 2, or 3 stars. The more nutritional value a food has, the more Guiding Stars it receives. If a food doesn’t receive a star – it means it doesn’t meet our rigorous criteria.

- **One Guiding Star** indicates good nutritional value
- **Two Guiding Stars** indicate better nutritional value
- **Three Guiding Stars** indicate the best nutritional value

Retailers predict a turnaround in 2012 through increased nutritional guidance labeling programs and increased emphasis on wellness in marketing (e.g., Guiding Stars and NuVal).
Taste and Value

- Taste matters
  - 87% of grocery shoppers & 69% of restaurant shoppers state that taste is the primary factor

- Are we our own worst enemy creating price-sensitive customers?

- Value – Flavor focus: Is your product unique?

- **Use by date** Guaranteed Delicious by

- “Give people what they want, when they want it, and they will want it all the time” *(Chris Trad, FNGLA)*

Local and Foodservice

Local is “In”

- >70% of adults are more willing to visit a restaurant that offers locally produced items
- >50% of table service restaurants say they offer local items
- 90% of fine dining restaurants offer local items

Source: National Restaurant Association and Restaurant Business
Local and Food Retailing

- Local foods grow bigger
  - 91% of shoppers purchase locally-grown or locally sourced products regularly
  - What is local?
    - State lines are the dominant metric used by shoppers

- Top reasons for buying local
  - Freshness
  - Support the local economy
  - Taste
  - Like knowing the source of the product

Source: Food Marketing Institute Webinar (11-8-11) : Food Retailing Trends – Shoppers & Retailers

The role of wholesaling & retailing (11-16-12)
Supply Chain 2.0

- Consists of the most sophisticated and connected consumers ever
- More of a supply web
- Defined by what you know, not just who you know
  - New technologies reshaping farms, packaging, and relationships with consumers
  - Can’t hide anymore

Technology and Foodservice

Every meal has a story. Discover it!™

- Heinen's Own Beef
- Heinen's Own Pork

Cooking Videos
Weekly Circular
Store Events

Technology: Florida Style

Our Growers

Terry Benefield
Plant City, FL

Dudley Calfee
Floral City, FL

Tony Chavez
Plant City, FL

Carl Grooms
Plant City, FL

Jacob Hare
Dover, FL

Shelf Life & Storage Tips
Use Technology to Connect

Rounds:

- **Signature Flavor** - Honey Gold: Buttery sweet flavor with velvety golden flesh and delicate skin
- **Ruby Sensation** - A light fresh flavor with creamy flesh and tender skin
- **White Delights** - Mellow with hints of sweet flavor and a firm, yet fine texture
- **Golden Temptation** - A hint of butter flavor with a soft and creamy flesh and soft skin
- **Purple Passion** - Slightly sweet, yet nutty with a plump texture and firm skin
- **Sunrise Medley** - A mix of sweet, nutty and fresh flavors with consistently soft texture

Fingerlings:

- **Gold Fingerlings** - Golden flesh with a firm texture and rich, buttry flavor
- **Ruby Fingerlings** - Light yellow flesh with a creamy, moist flavor
- **Sunset Fingerlings** - Bouquet of flavors and textures from buttery to nutty

Tasteful Selections™ makes every effort to stock our products in as many local grocery stores as possible. Unfortunately, not all of our items are available at all stores. Locations listed have been authorized to sell our products; however, we cannot guarantee that these stores have our product in stock at all times.
Connecting Producers w/ Buyers

The role of wholesaling & retailing (11-16-12) 38
In Conclusion

- We live and work in a dynamic and global food system dominated by larger wholesalers and retailers
- Pay attention to general consumer trends
- Social media, mobile marketing, value marketing, health and wellness, and local foods cannot be ignored
- Technology is critical in marketing to wholesalers and retailers