President Donald Trump  
The White House  
1600 Pennsylvania Ave., NW  
Washington, DC 20500

Dear Mr. President:

As our nation works to stem the spread of the virus that causes COVID-19, foodservice distributors and their customers are facing unprecedented challenges. The closure of restaurants, schools and businesses across the country has created severe financial hardship both for operators and the foodservice distributors that supply them. We are writing to you today to ask for your assistance to increase access to capital to help these critical businesses weather this difficult storm.

Foodservice distributors deliver to professional kitchens across America by supplying food and related products to restaurants, colleges and universities, hospitals and care facilities, hotels and resorts, and other foodservice operations. Foodservice distribution is a $280 billion industry, operating 15,000 distribution centers and employing 350,000 Americans in all 50 states and the District of Columbia. They operate more than 153,000 vehicles including some of the largest private fleets in the country.

With many institutions closed and restaurant sales limited to carry-out and drive through windows, business has declined rapidly and substantially. Yet distributors and their restaurant customers still incur significant day to day expenses such as rent payments and they must continue to make payments on any loans they may have incurred. While IFDA supports Congress’ action to require paid sick leave to ensure employees receive income if they contract the virus, these payments can be difficult to make without any revenue coming in. Distributors and their restaurant customers also may wish to continue to pay their employees in order to retain them so that they may get their business up to speed quickly once the threat has passed. Increasing the access to capital is the only way they can continue to meet these ongoing financial needs.

While many foodservice distributor customers such as hospitals and other care facilities are still functioning, the reduced business has resulted in a significant reduction in distributor sales. Foodservice distributors typically operate with margins at 2% or below so the loss of a major portion of a company’s sales can have a dire impact. Distributors must continue to operate their warehouses and transportation operations in order to service their remaining customers yet experience a reduction in cash flow, available cash reserves and borrowing capacity.

For both distributors and their restaurant customers, ensuring sufficient liquidity to continue operations has become paramount in the current operating environment. We urge you to use your authority and work with Congress to develop policies to relieve this capital crisis for all businesses immediately.

Sincerely,

Mark S. Allen  
President and CEO