



W **DELIVER**



**The Economic Impact of the U.S.
Foodservice Distribution Industry**

www.ifdaonline.org/economicimpact



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Highlights

The U.S. foodservice distribution industry posted \$382 billion in sales, operated 17,100 distribution centers, and employed 431,000 people in 2022.



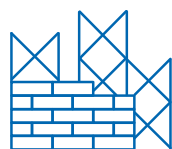
17,100
Locations

About the number of Starbucks locations in the U.S. and Canada combined



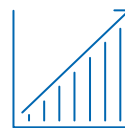
\$382 billion
Industry sales

*More than twice the GDP of Hungary***



346 million
Square feet of locations

About 6,000 football fields



\$482 billion
Total sales impact

Total economic impact (the sum of direct, indirect, and induced sales)



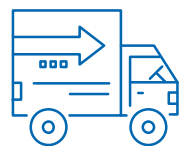
12 billion
Cases delivered

33 million cases per day



431,000
Industry employment

Represents 7% of all U.S. wholesale jobs



4.2 billion
Miles driven

About 433,000 trips around the world

Supply chain

487,000
Ancillary jobs supported

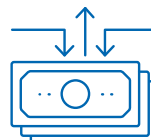
*Nearly the population of Atlanta, GA****

Employee Spending



\$331 million
Food donation value

*Equivalent to feeding nearly 27,000 U.S. families for one year**



918,000
Total jobs impact

Total employment impact (the sum of direct, indirect, and induced jobs)

* USDA Thrifty Food Plan, May 2023

** World Bank, 2022

*** U.S. Census Bureau, 2022

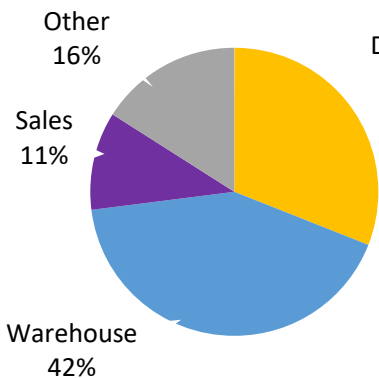
Workforce

The U.S. foodservice distribution industry employed 431,000 individuals and indirectly supported an additional 487,000 jobs throughout the economy in 2022 for a total impact of 918,000 jobs – in other words, each foodservice distribution job supports another job in a different industry.



431,000

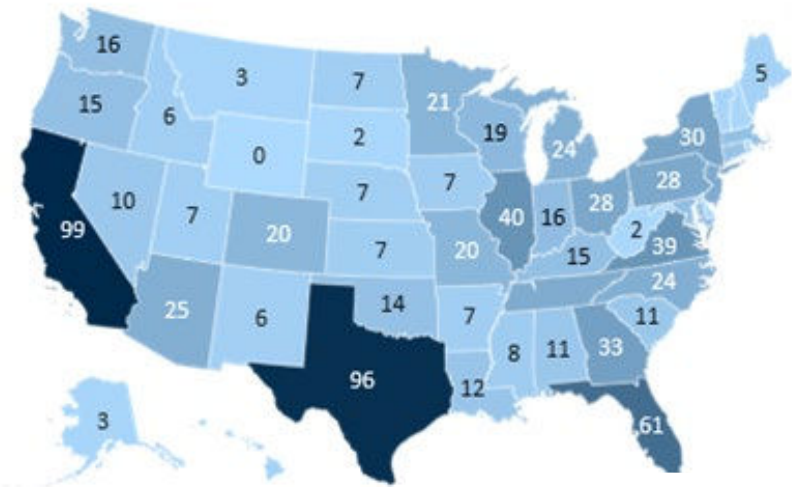
Foodservice distribution workforce



- 135,000 Drivers
- 181,000 Warehouse
- 48,000 Sales
- 67,000 Other

487,000

Jobs supported through supply chain and employee spending



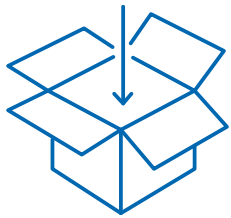
Unit: Thousands of jobs

- Texas and California have the most jobs.
- The industry supported 0.5% of all jobs in the U.S., and 7% of all wholesale jobs.

CT	13
DC	2
DE	2
HI	5
MA	15
MD	16
NH	2
NJ	27
RI	2
VT	3

Food Donations

More than 95% of foodservice distributors participate in charitable activities.



7.5 million

Cases of food and beverage products donated annually



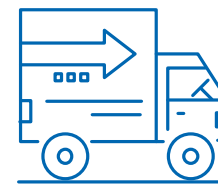
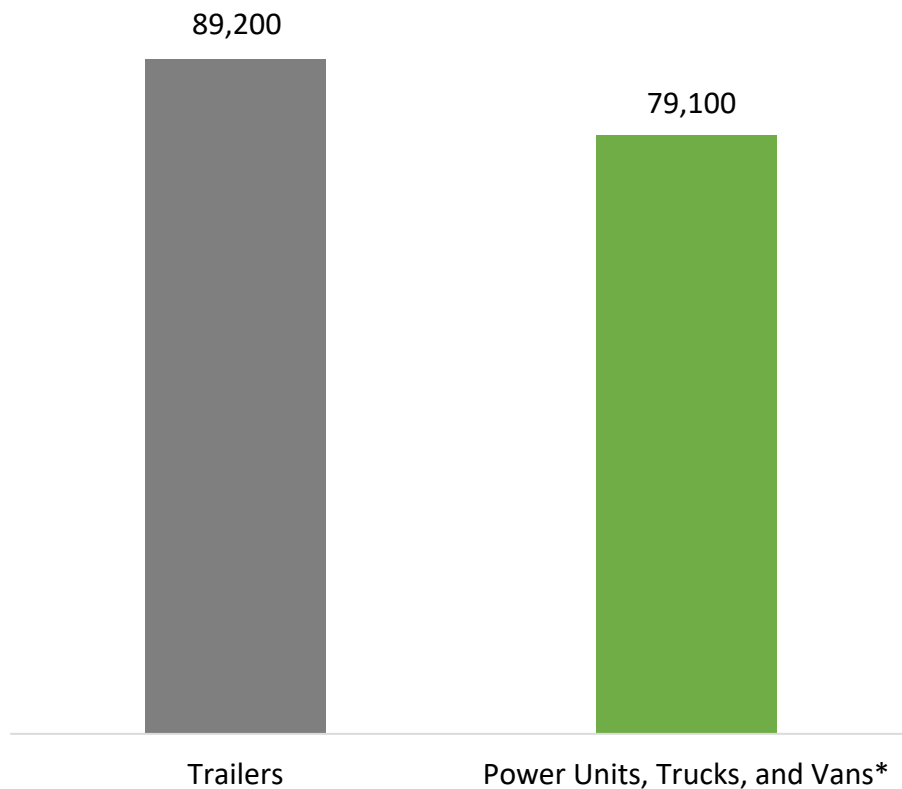
\$331 million

Estimated value of annual food donations

- The industry's most common type of food donations is to hunger relief organizations, followed by disaster relief.
- The industry participates in many other forms of charitable activities, including:
 - Cash donations to charitable organizations.
 - Sponsorships of community events and groups.
 - Employee volunteering programs.

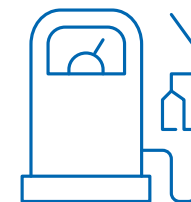
Vehicle Fleet

The U.S. foodservice distribution industry operated a total fleet of 168,300 vehicles in 2022.



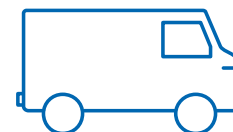
4.3 billion
Vehicle miles driven

Equivalent to 433,000 trips around the earth



980 million
Gallons of fuel consumed

Equivalent to 2,450 Olympic-sized swimming



135,000
Drivers

6% of truck drivers in the U.S

Foodservice distributors purchased or ordered 39,000+ vehicles in 2022, including units not yet delivered.

* Includes an estimated 70,300 power units, 5,900 straight trucks, and 2,900 vans/non-CDL vehicles.

U.S. Impact

The U.S. foodservice distribution industry supported 918,000 jobs throughout the economy, generated more than \$159 billion in output, \$87 billion in national GDP, \$54 billion in labor income, and \$20 billion in tax revenues in 2022.

	Units	Direct #	Indirect #	Induced #	Total #
Jobs	Thousands	431.4	226.7	260.1	918.2

	Units	Direct \$	Indirect \$	Induced \$	Total \$
Sales	2022 \$ billions	\$382.0	\$47.4	\$52.8	\$482.2
Output	2022 \$ billions	\$59.2	\$47.4	\$52.8	\$159.4
GDP	2022 \$ billions	\$29.9	\$26.6	\$30.0	\$86.5
Labor Income	2022 \$ billions	\$19.5	\$17.8	\$17.0	\$54.3
Federal Taxes	2022 \$ billions	\$4.4	\$3.9	\$3.9	\$12.1
State and Local Taxes	2022 \$ billions	\$2.4	\$2.0	\$3.0	\$7.4

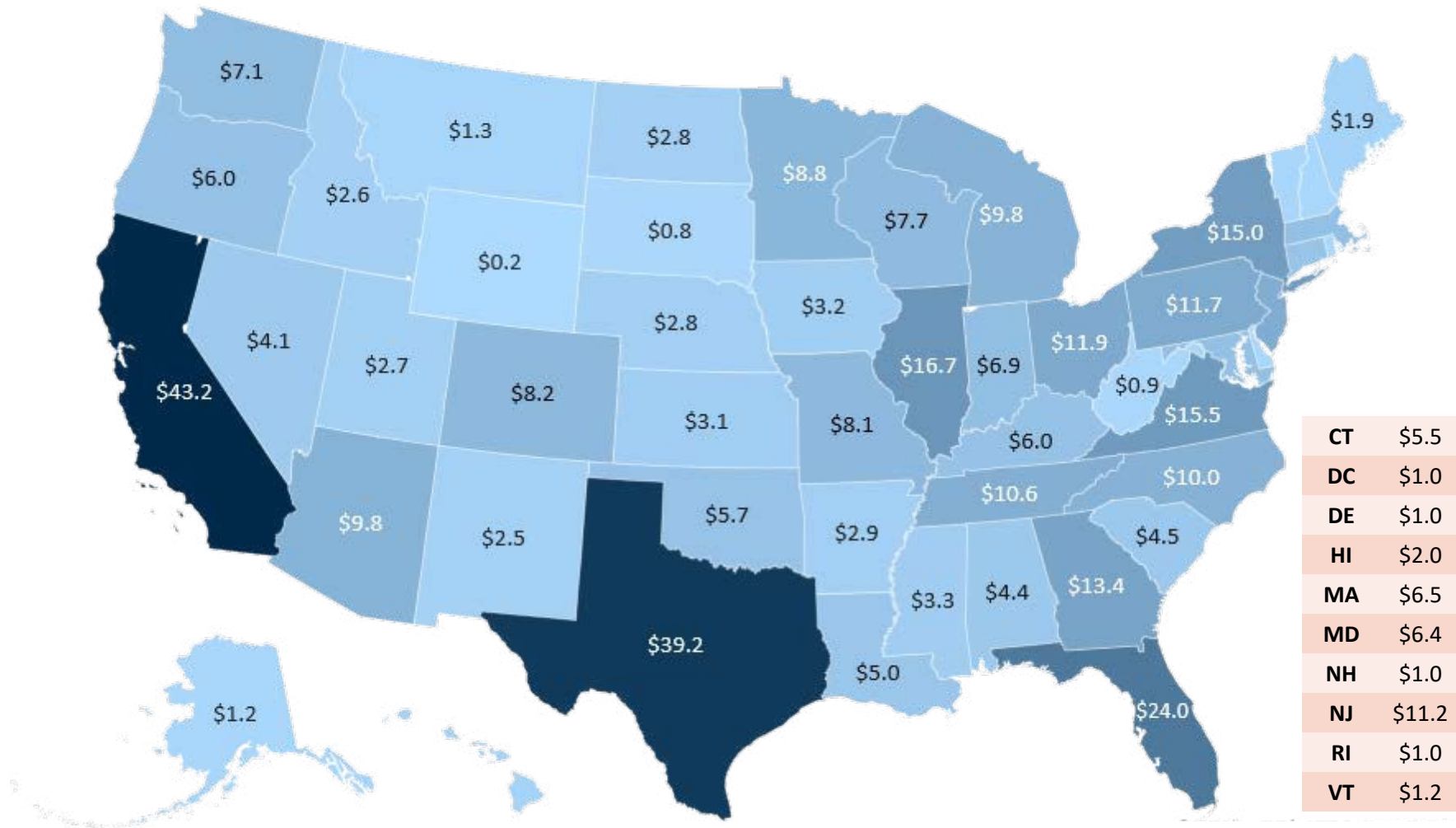
Direct = foodservice distribution. **Indirect** = supply chain. **Induced** = consumer.



Economic Impact

Total Sales

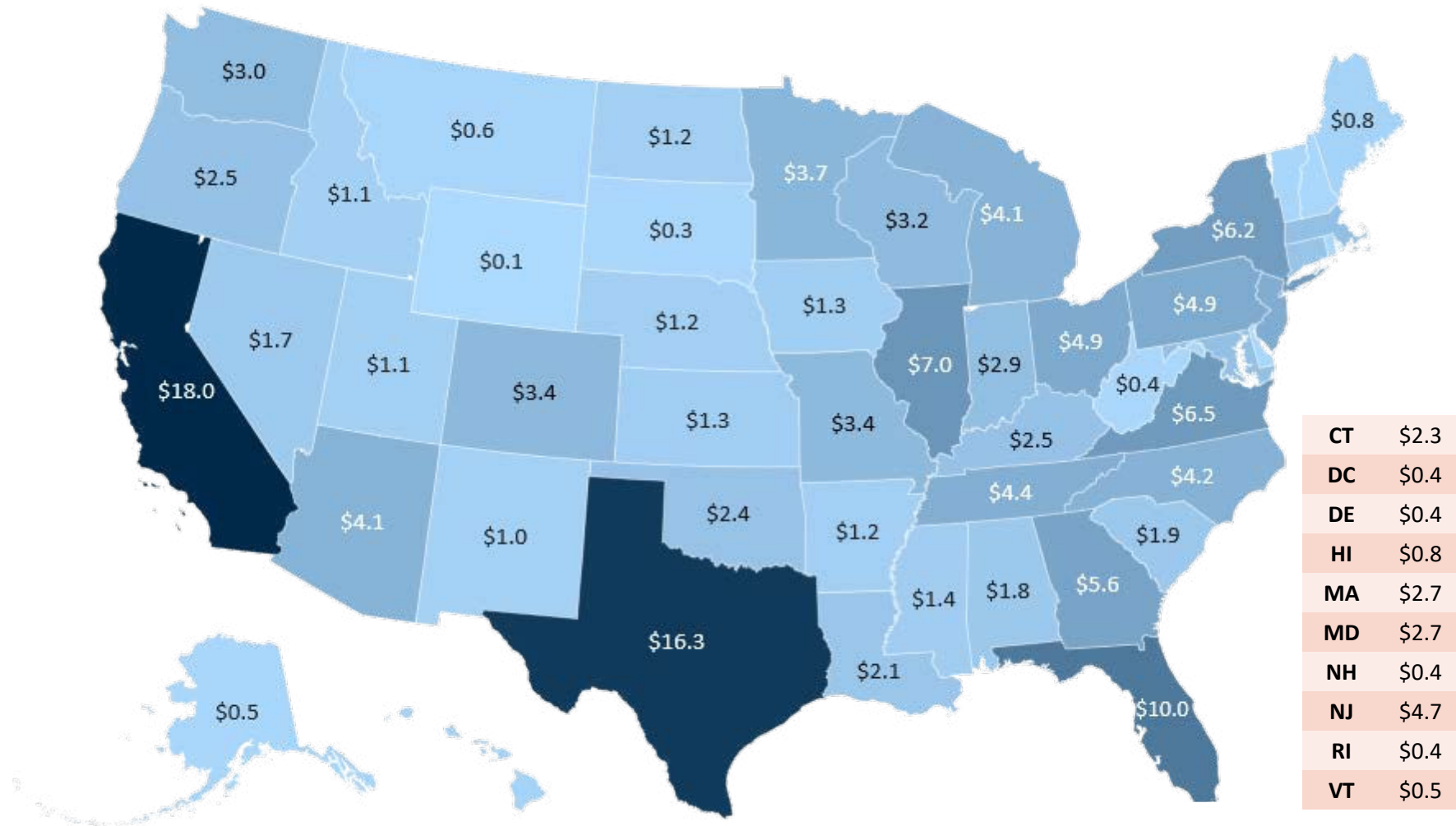
The U.S. foodservice distribution industry posted sales of \$382 billion in 2022.



Units: 2022 \$ billions

Total Output

The foodservice distribution industry generated more than \$159 billion in economic output in 2022. Total economic output is defined as net sales, or sales less inventories sold.¹

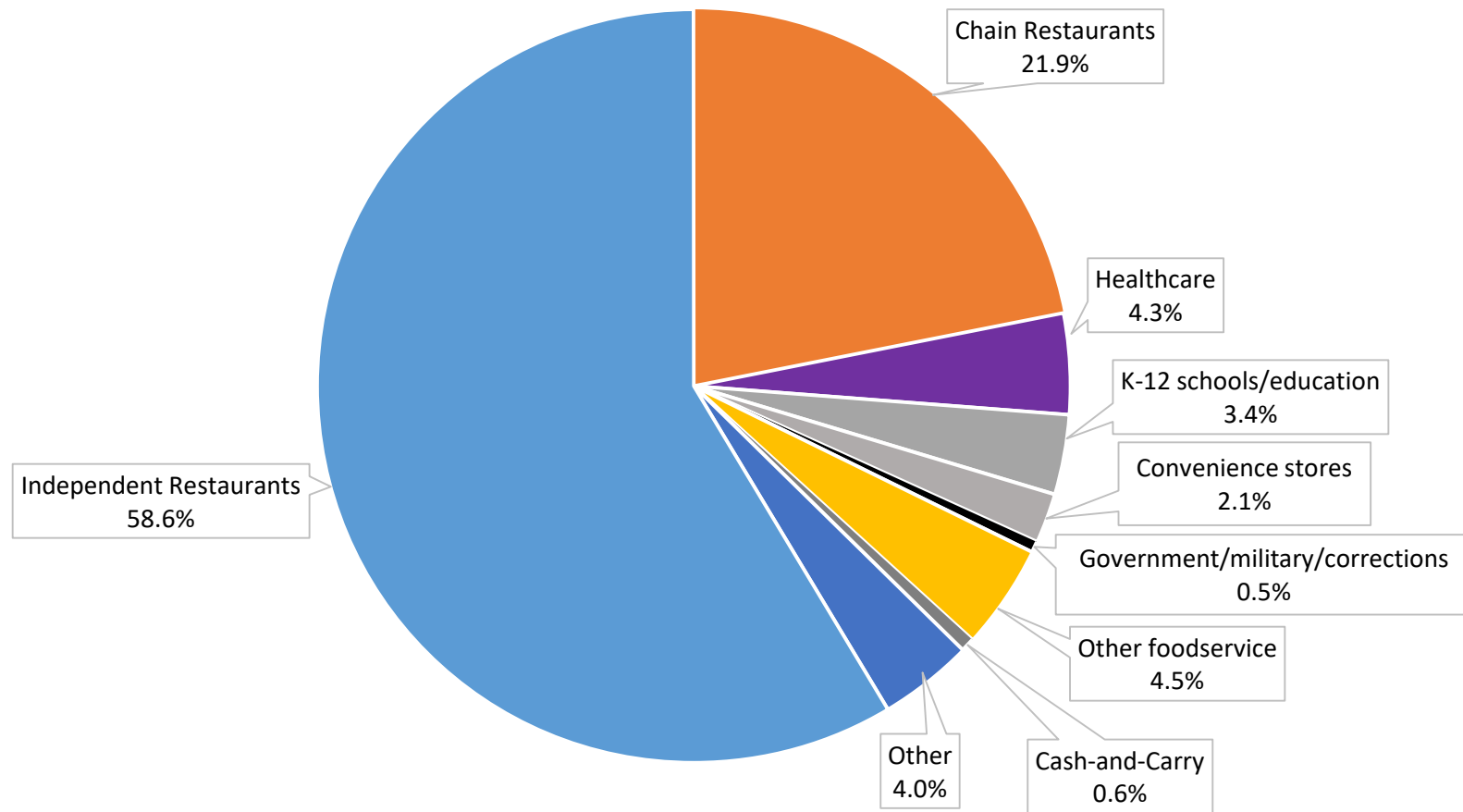


Units: 2022 \$ billions

1. This U.S. government definition for output only applies to wholesale and retail industries as final goods are transferred. For other sectors, sales and output are equal.

Customer Composition

59% of foodservice distribution industry sales in 2022 were made to independent restaurants. Chain restaurants were the second most common customer, purchasing 22% of industry sales.

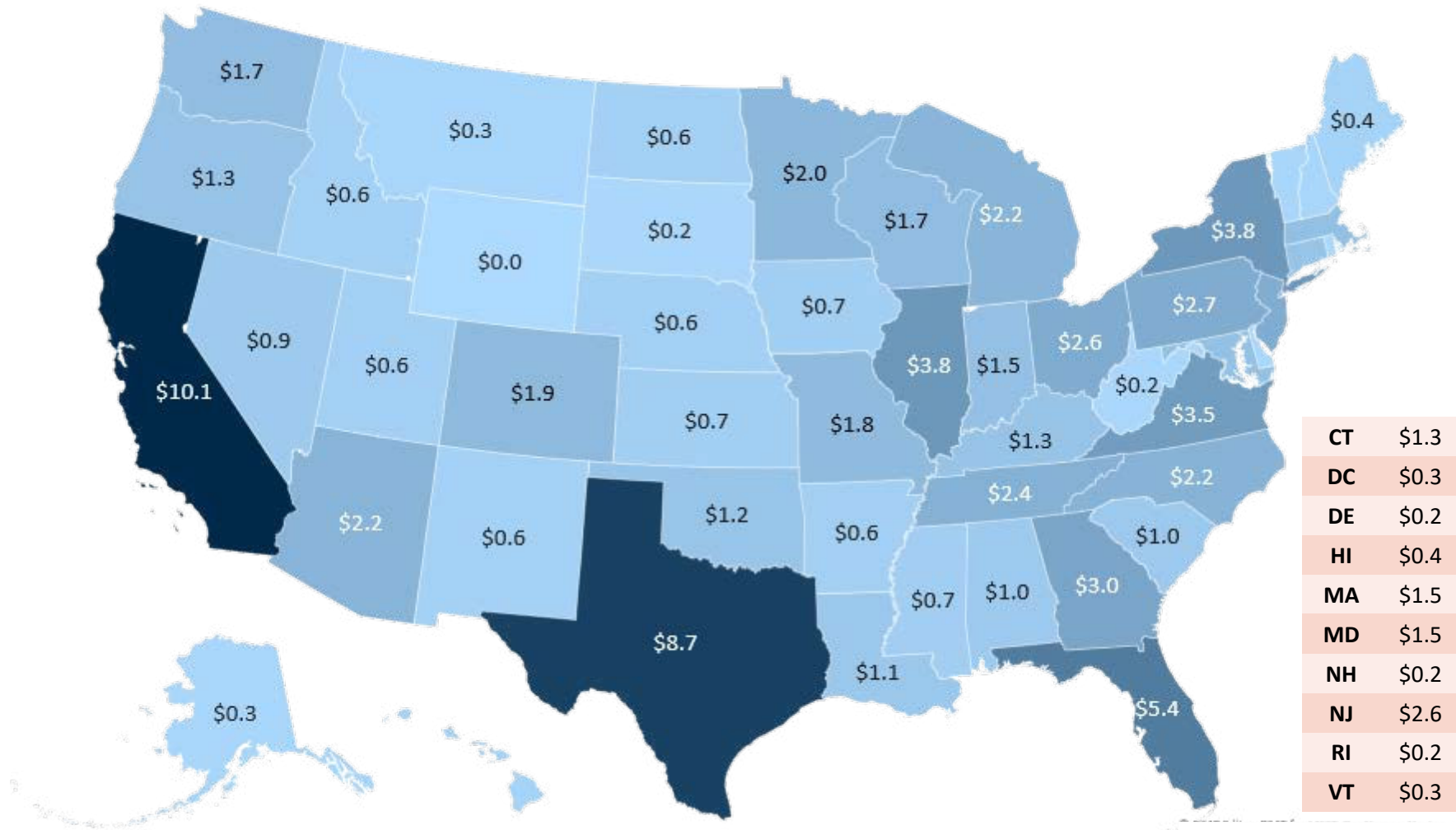


Note: "Other foodservice" includes segments like travel, recreation, colleges/universities, and business & industry. "Healthcare" includes hospitals, nursing homes, etc.

Data calculated using weighted averages of companies' self-reported customer types in the IFDA survey.

Total GDP

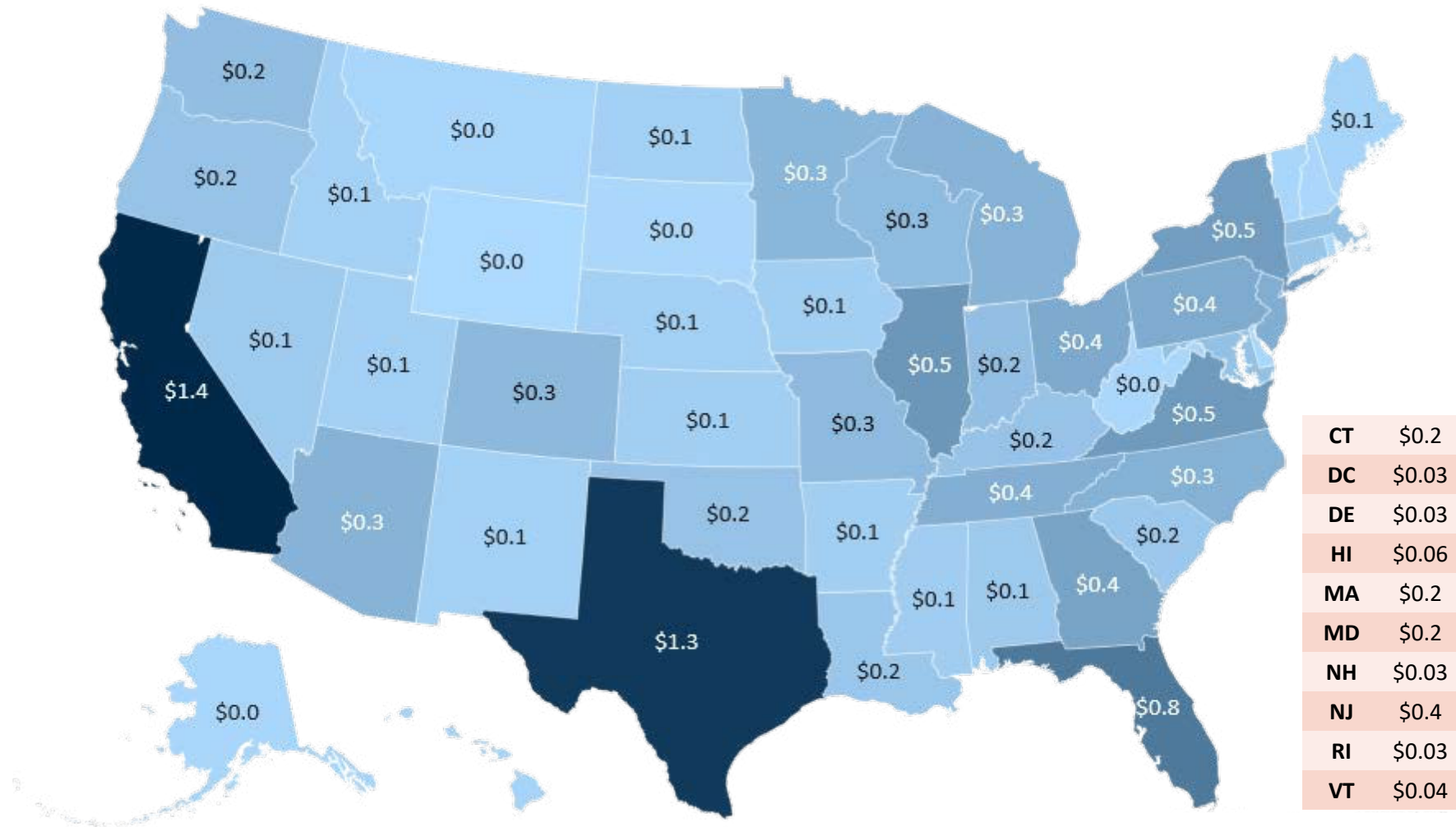
The foodservice distribution industry generated \$87 billion in total GDP in 2022. GDP was primarily generated in Texas and California, followed by Florida, New York, and Illinois.



Units: 2022 \$ billions

Total Capital Expenditures

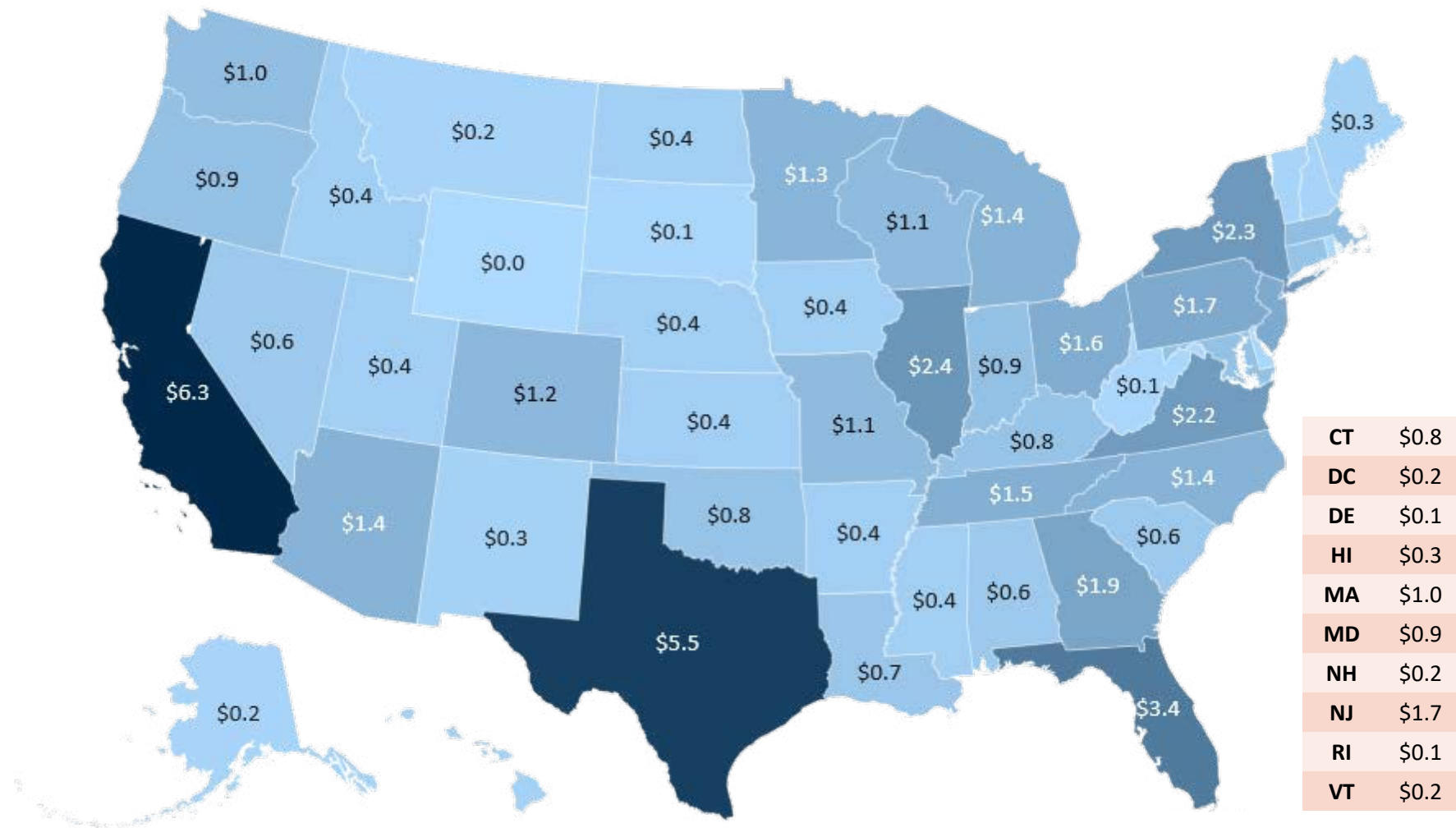
The foodservice distribution industry spent \$12.5 billion in capital expenditures in 2022. That spending was concentrated in states with higher economic output and physical footprints.



Units: 2022 \$ billions

Total Labor Income

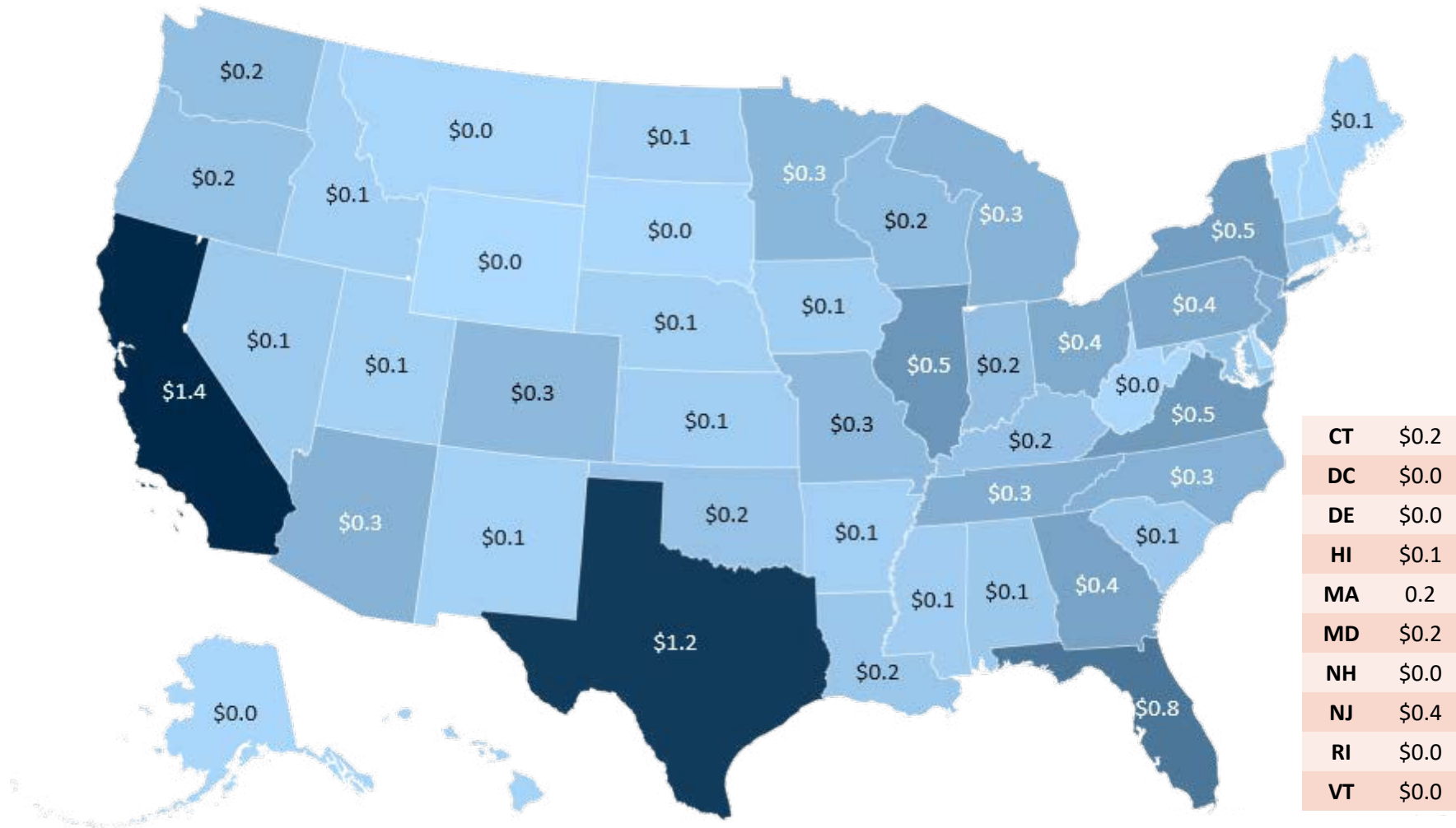
The foodservice distribution industry generated \$54 billion in labor income in 2022. Total labor income equals the salaries and wages paid to employees generated from the activities in the foodservice distribution industry.



Units: 2022 \$ billions

Total Federal Tax Revenues

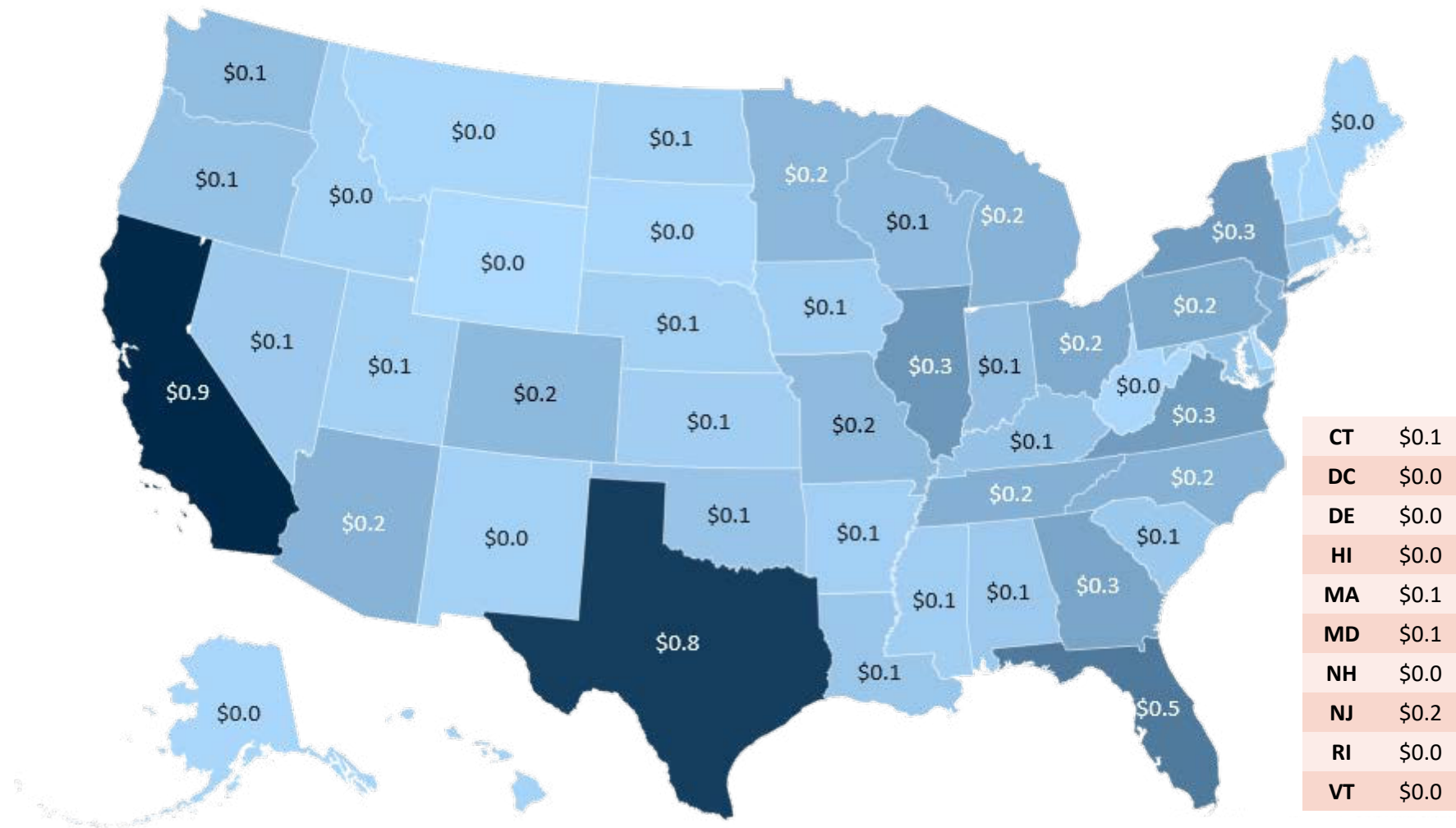
The foodservice distribution industry generated \$12 billion in federal tax revenues in 2022. Total federal tax revenues were distributed across the country proportional to the economic output generated by the industry.



Units: 2022 \$ billions

State and Local Tax Revenues

The foodservice distribution industry generated \$7 billion in state and local tax revenues in 2022.

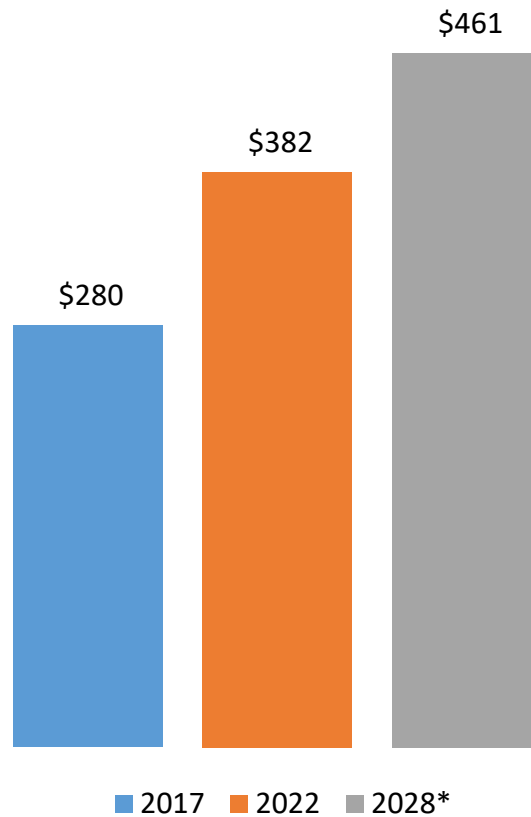


Units: 2022 \$ billions

Estimated Sales Forecast

Foodservice distributors are optimistic about future business, with expectations for strong growth in the next five years.

Sales in Billions



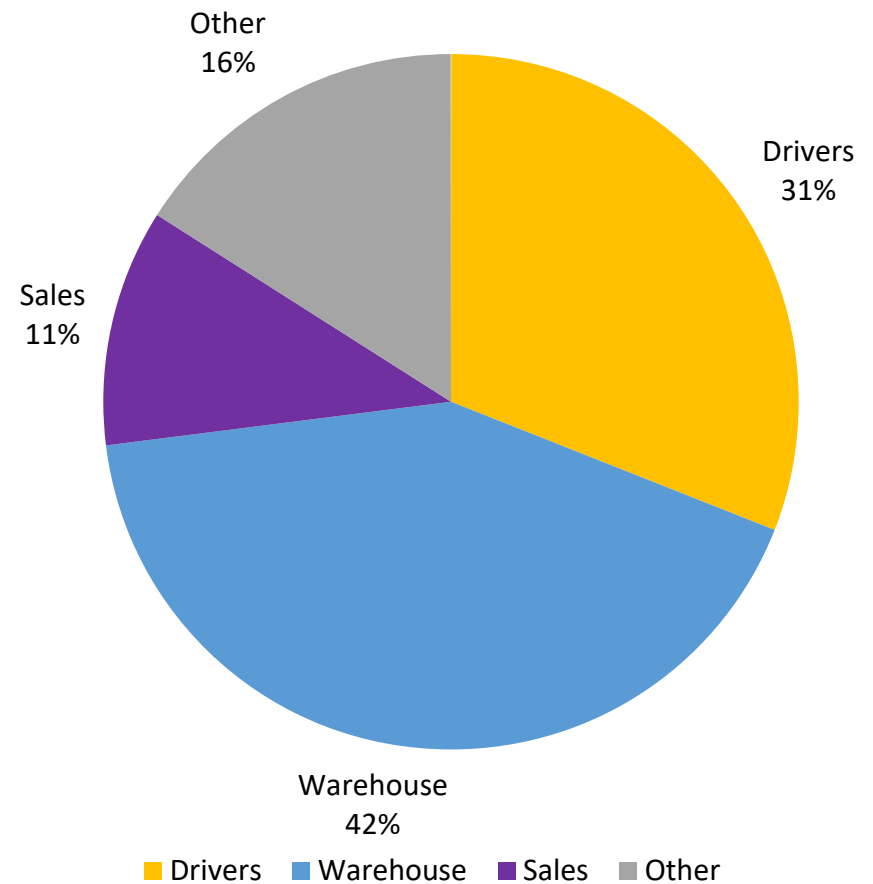
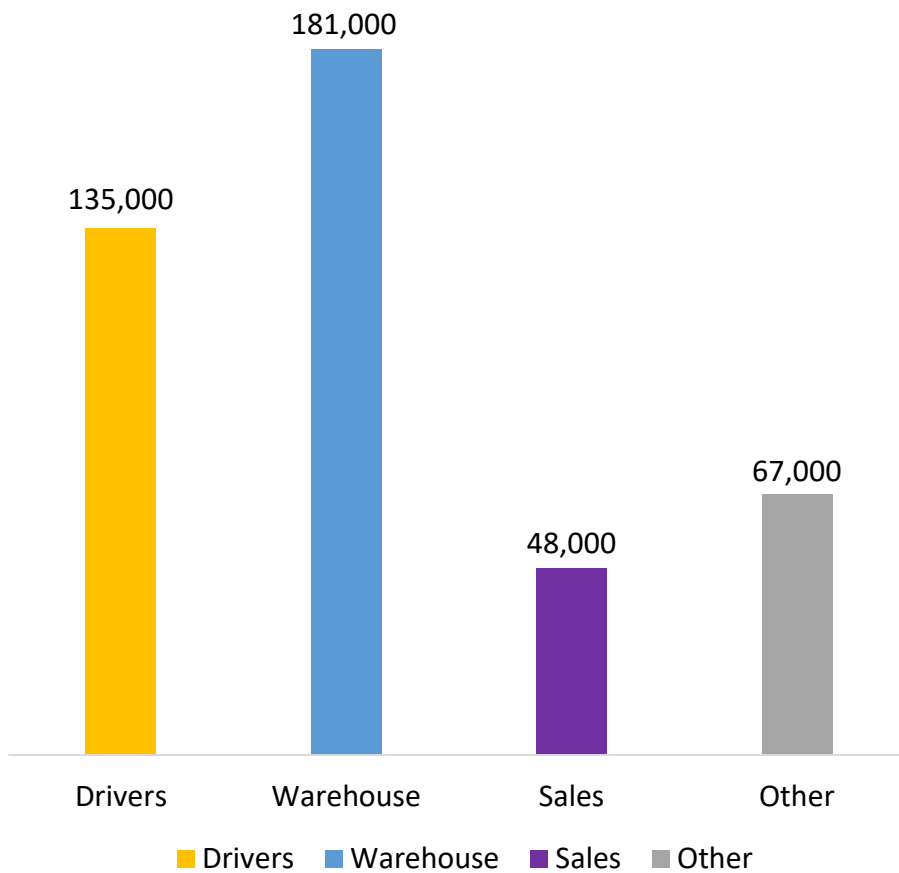
* 2028 values are based on companies' self-reported growth in previous years and growth expectations in the IFDA survey. Reported in 2022 dollars without adjustment for inflation.



Employment Impact

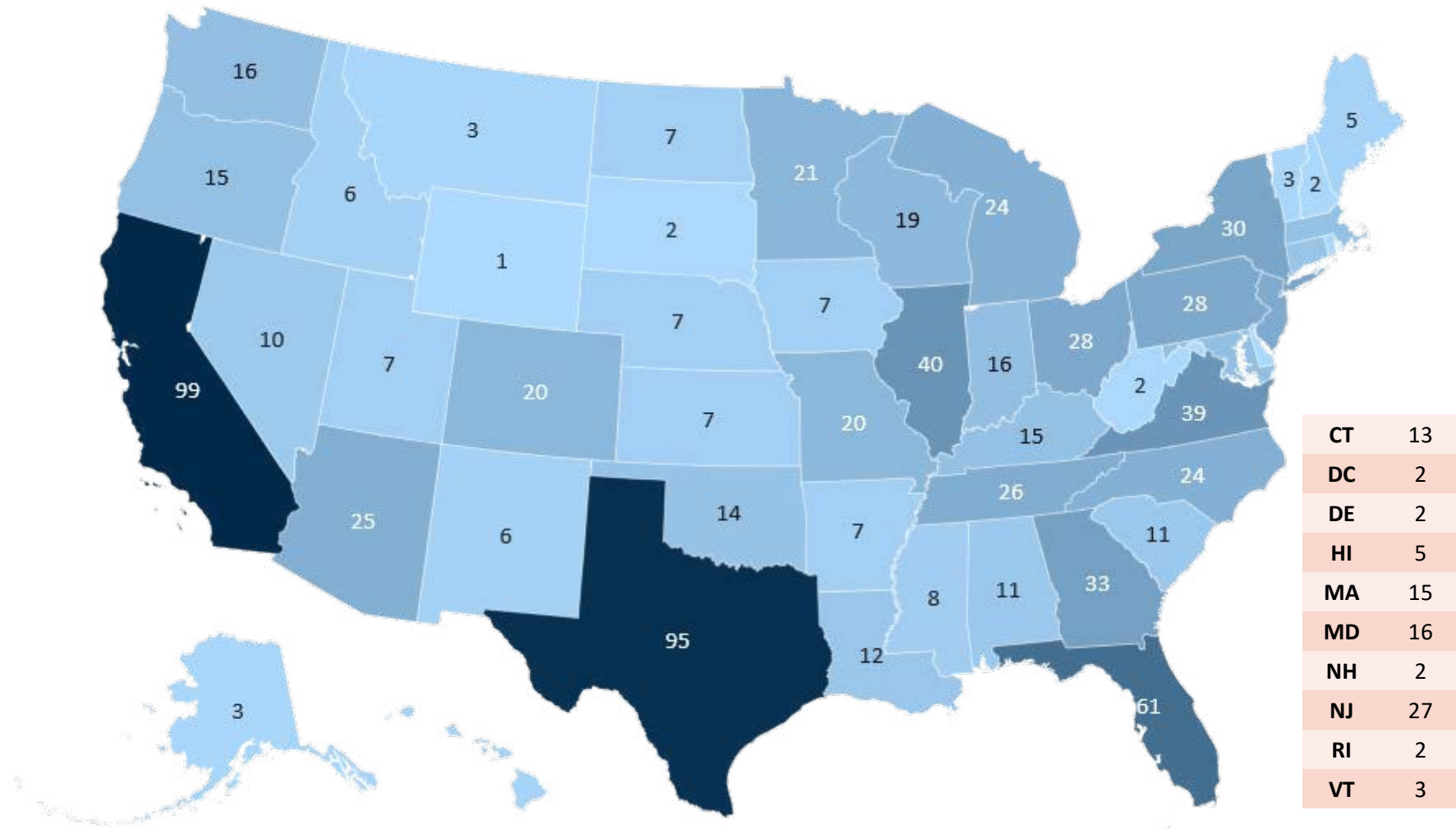
Foodservice Distribution Workforce

Of the foodservice distribution industry's 431,000 employees, warehouse workers comprise the largest share, followed by drivers.



Total Jobs

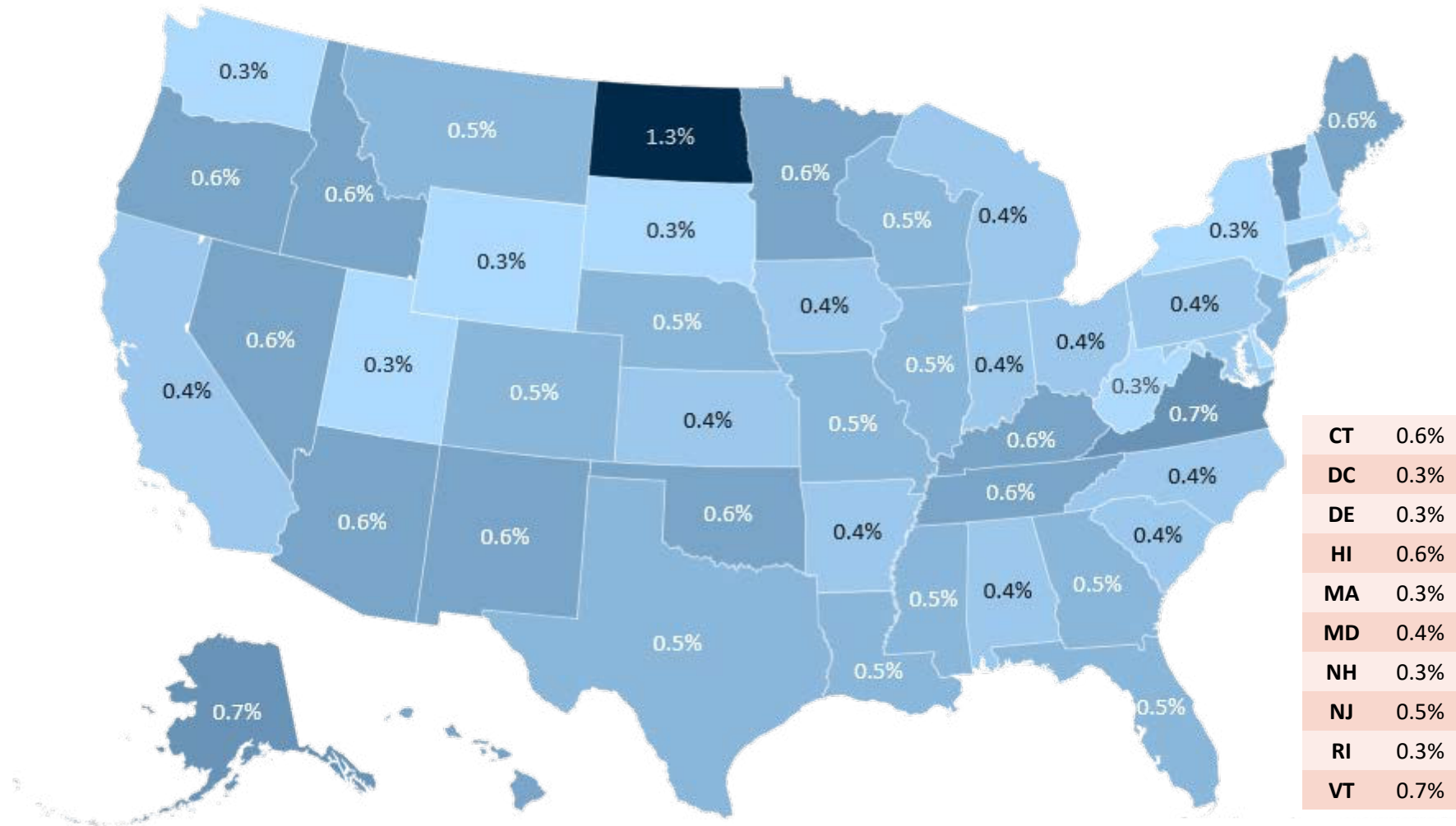
The foodservice distribution industry supported a total 918,000 jobs in 2022, including all direct, indirect, and induced jobs that result from the economic activities generated by foodservice distributors.



Units: Thousands of jobs

Percent of Total Jobs

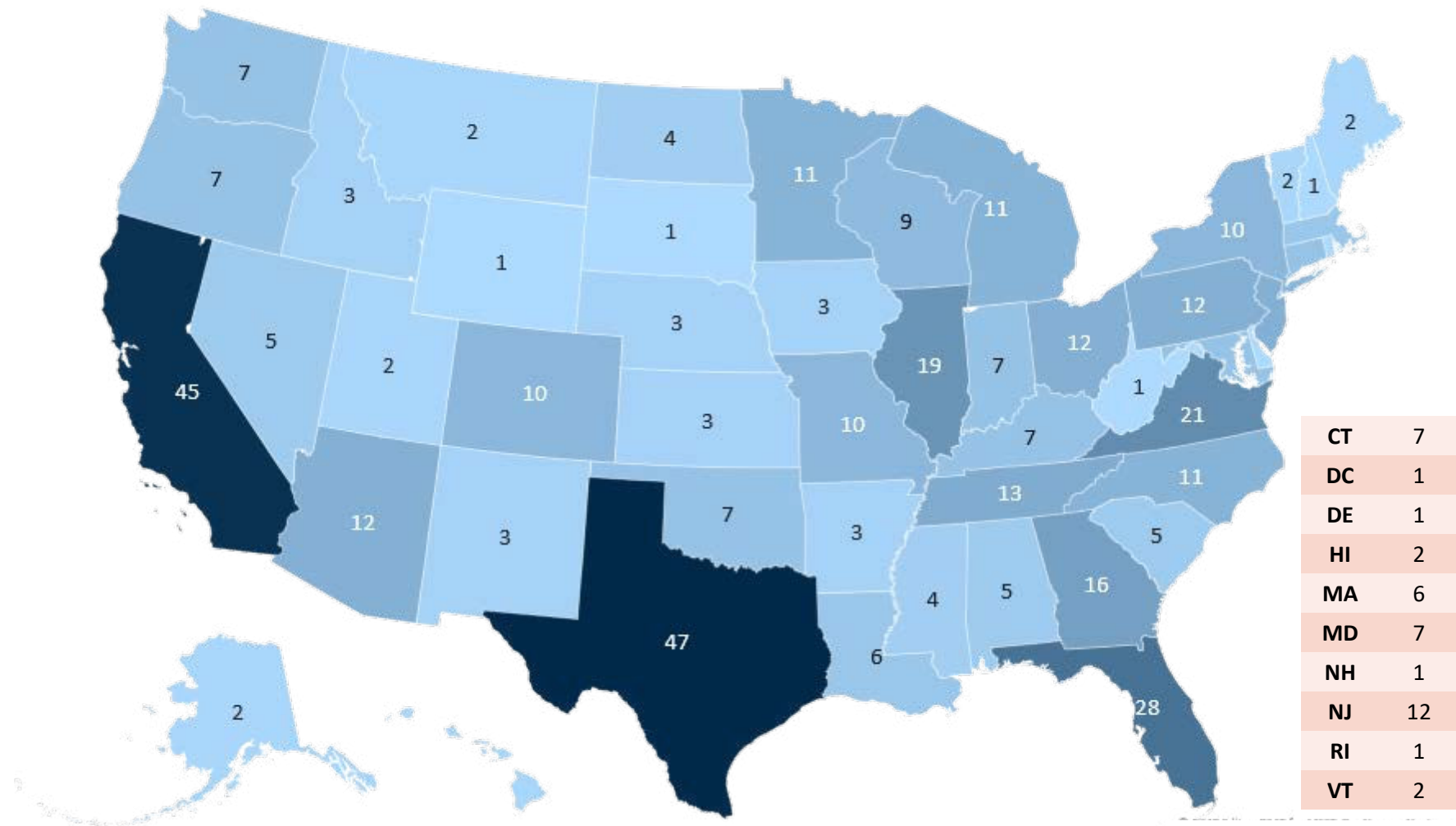
While California and Texas had the largest foodservice distribution employment impacts in 2022, North Dakota, Alaska, Vermont, and Virginia had the largest impacts by percentage of total jobs in those states.



Units: Thousands of jobs

Direct Jobs

The foodservice distribution industry directly employed 431,000 people in 2022. These jobs include all workers employed by foodservice distribution companies and are generally proportional to state-level industry output and sales.

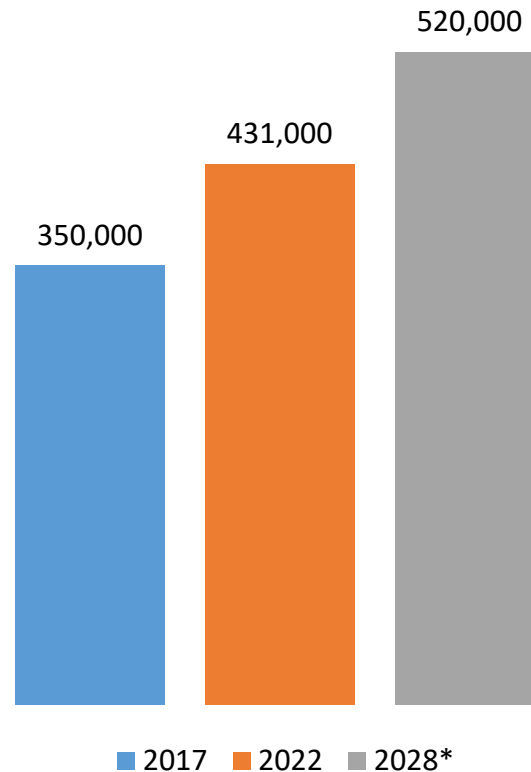


Units: Thousands of jobs

Estimated Jobs Forecast

Foodservice distributors are optimistic about future business, with expectations for strong growth in the next five years.

Jobs



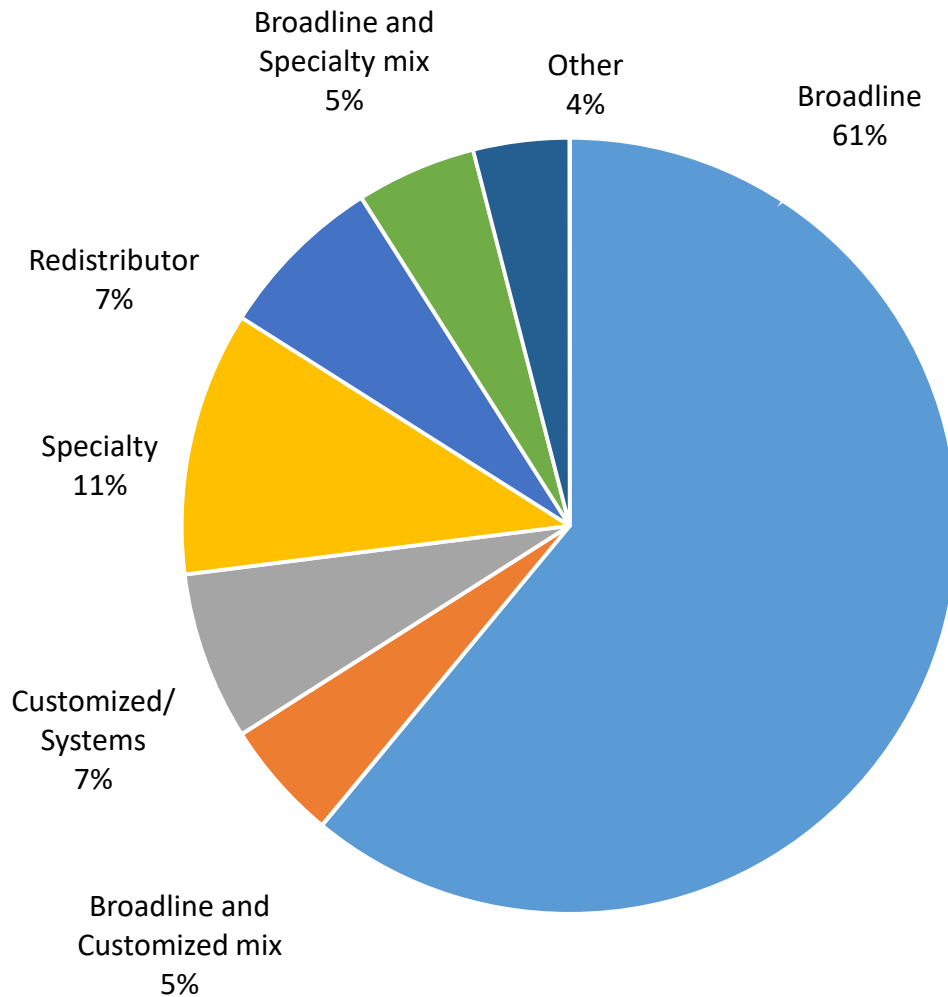
* 2028 values are based on companies' self-reported growth expectations in the IFDA survey.



Physical Footprint

Business Types

The majority of U.S. foodservice distribution companies are **broadline distributors**.



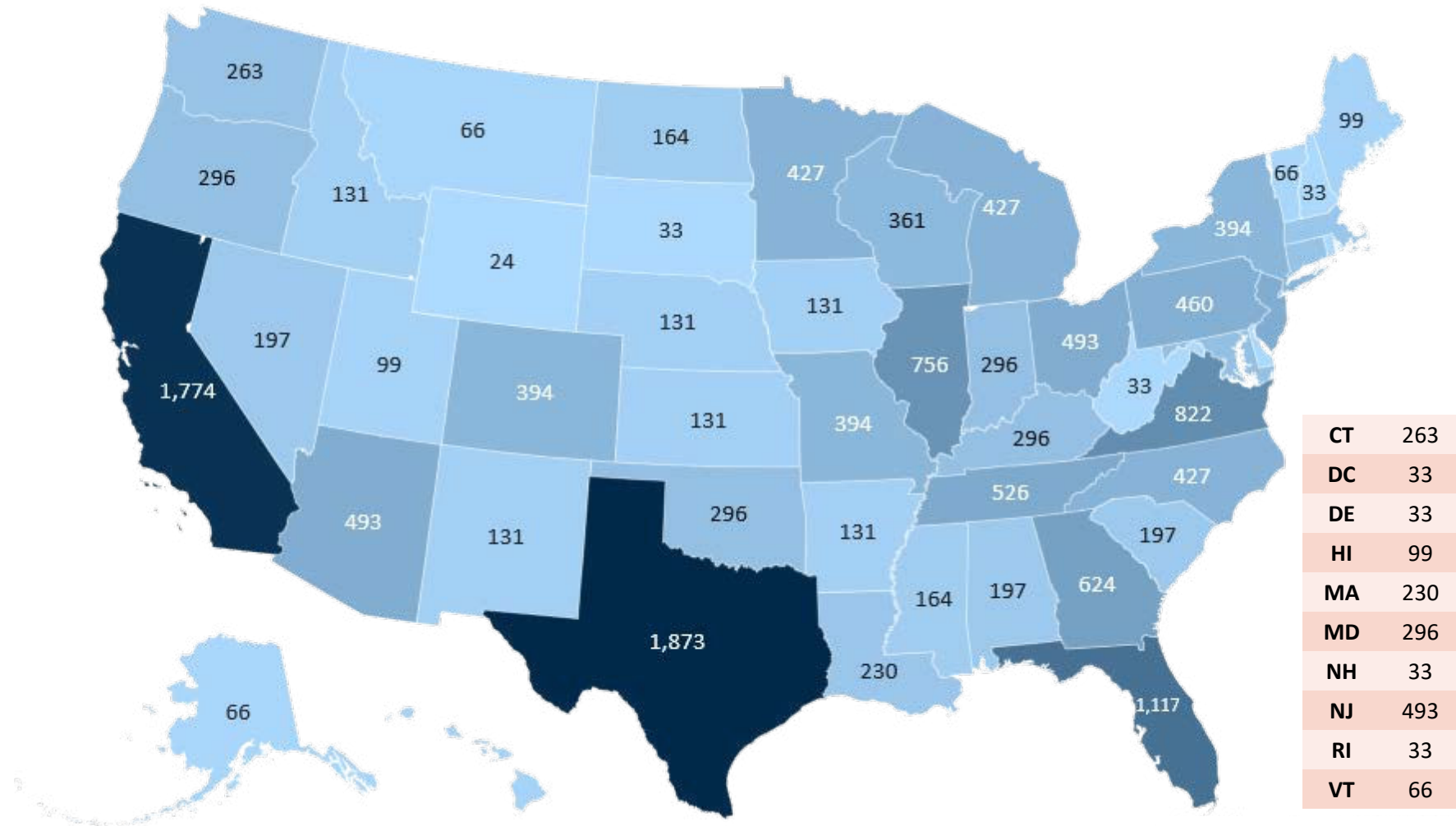
86%
of foodservice distribution
companies are family-owned



4,400
Estimated cash-and-carry locations

Distribution Center Locations

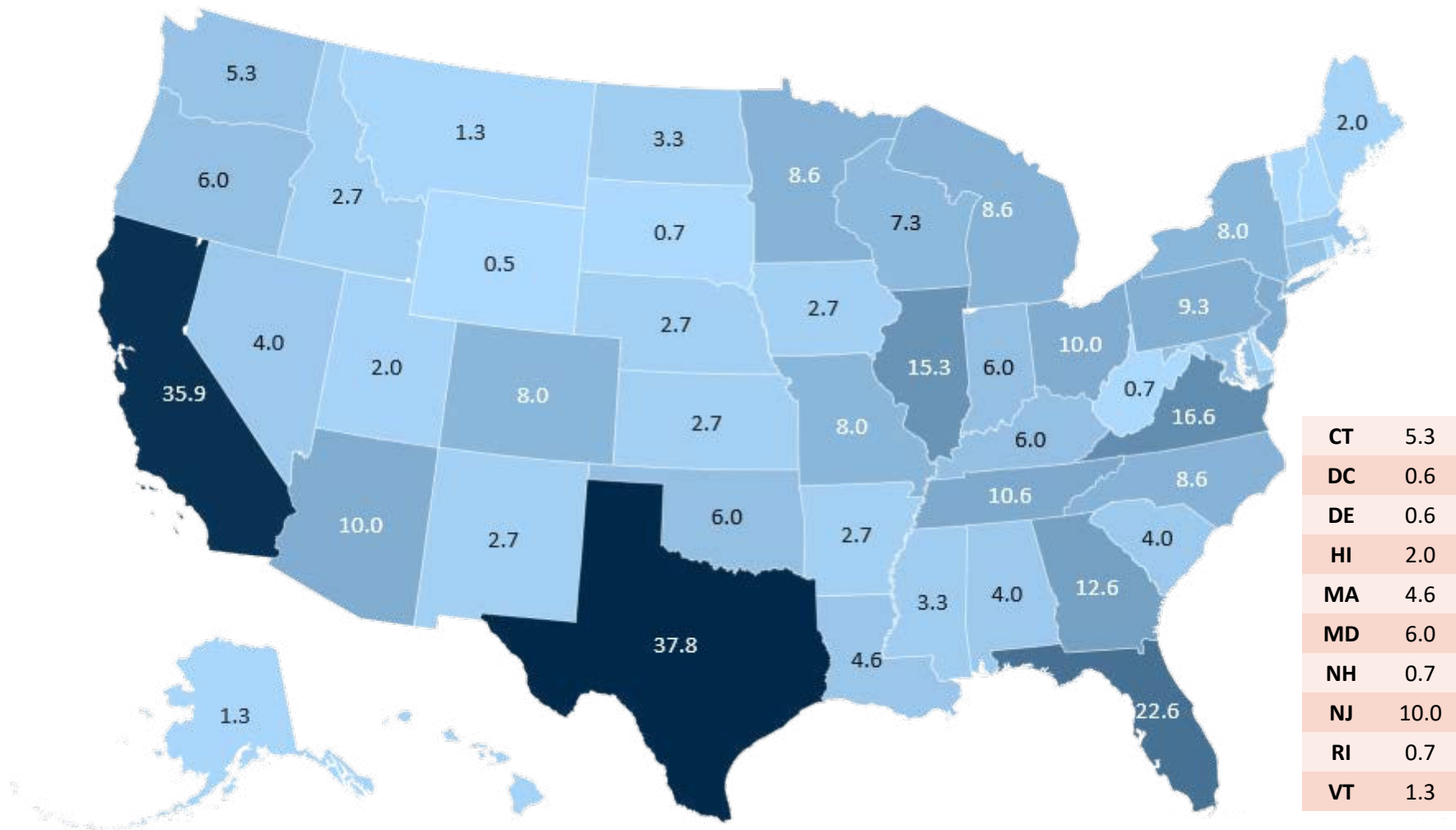
The foodservice distribution industry operated 17,100 distribution centers in 2022, of which one-third are in California, Texas, and Florida.



Units: Distribution centers

Distribution Center Square Footage

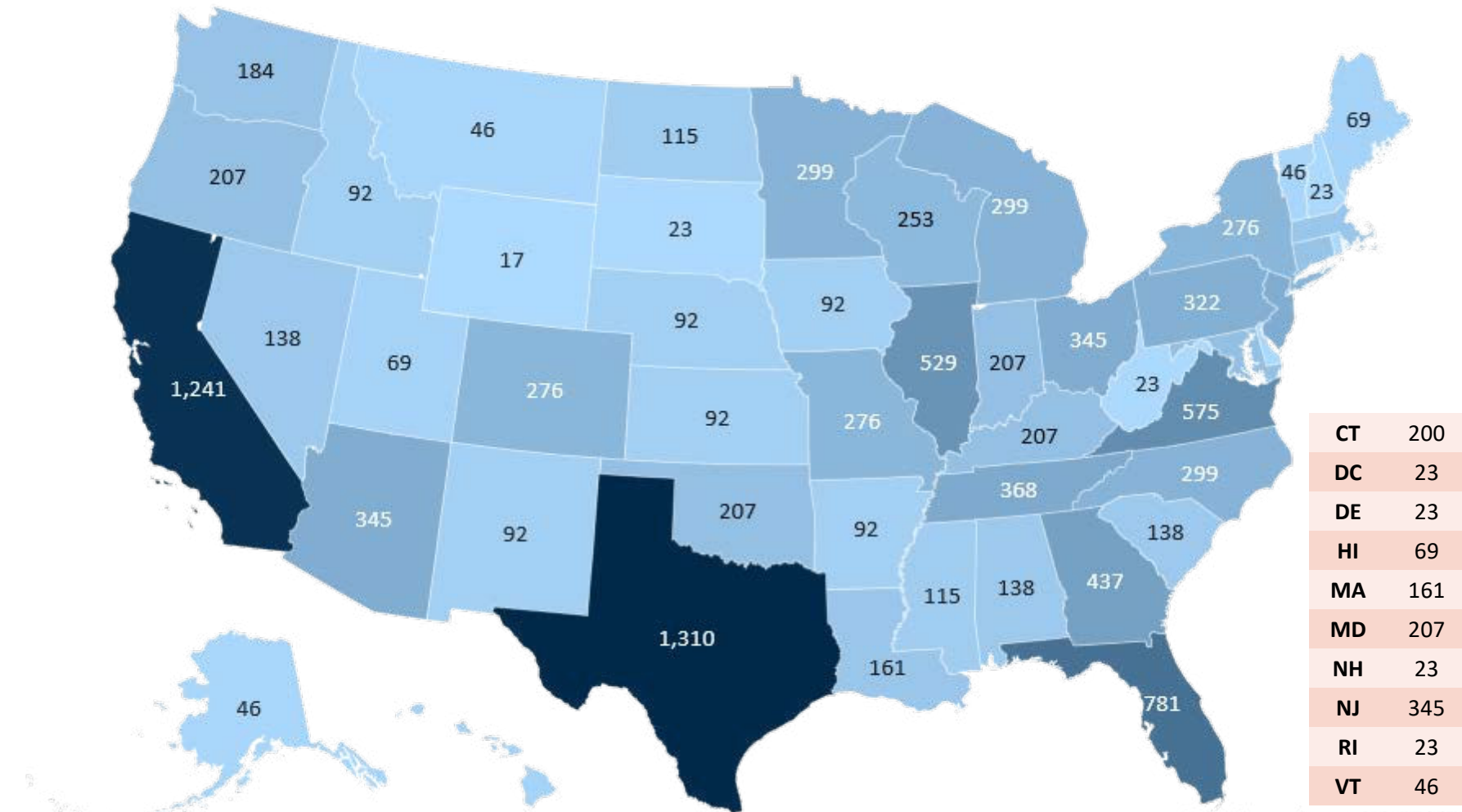
The foodservice distribution industry operated 346+ million square feet of distribution center space in 2022, with almost one-third being in California, Texas, and Florida.



Units: Millions

Cases Delivered

The foodservice distribution industry delivered 12 billion cases across all 50 states and the District of Columbia in 2022. By state, the number of cases is proportional to economic output and sales, with the three largest volumes being Texas, California, and Florida.

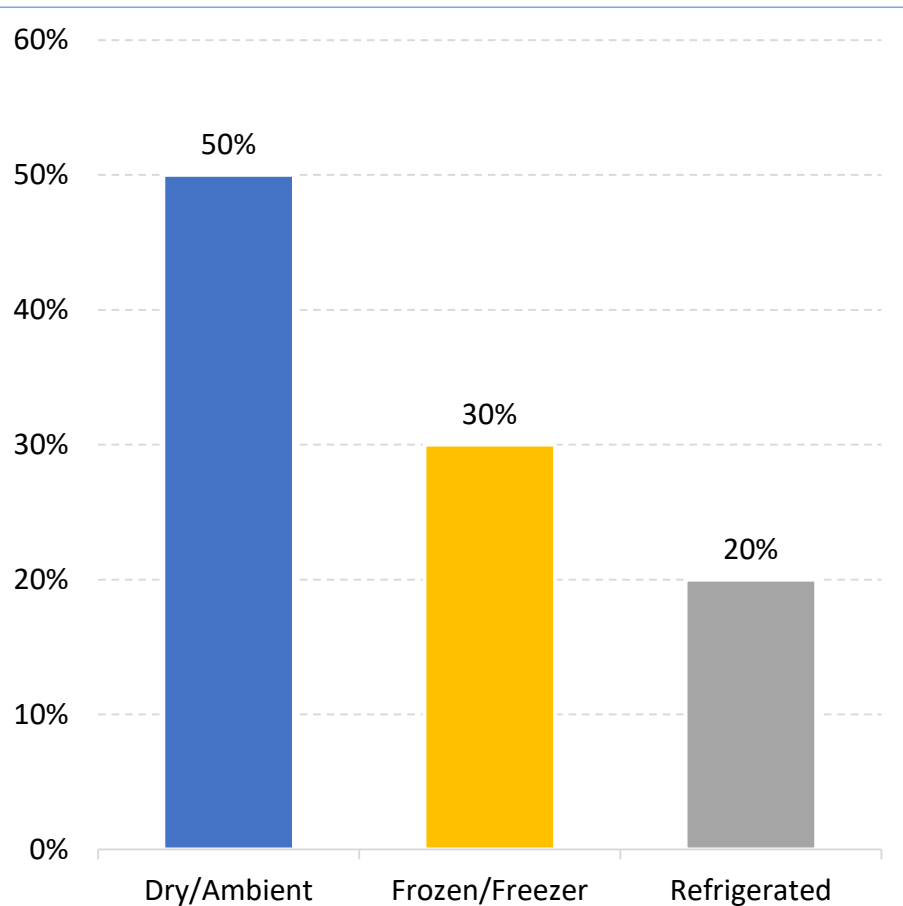


Units: Billions

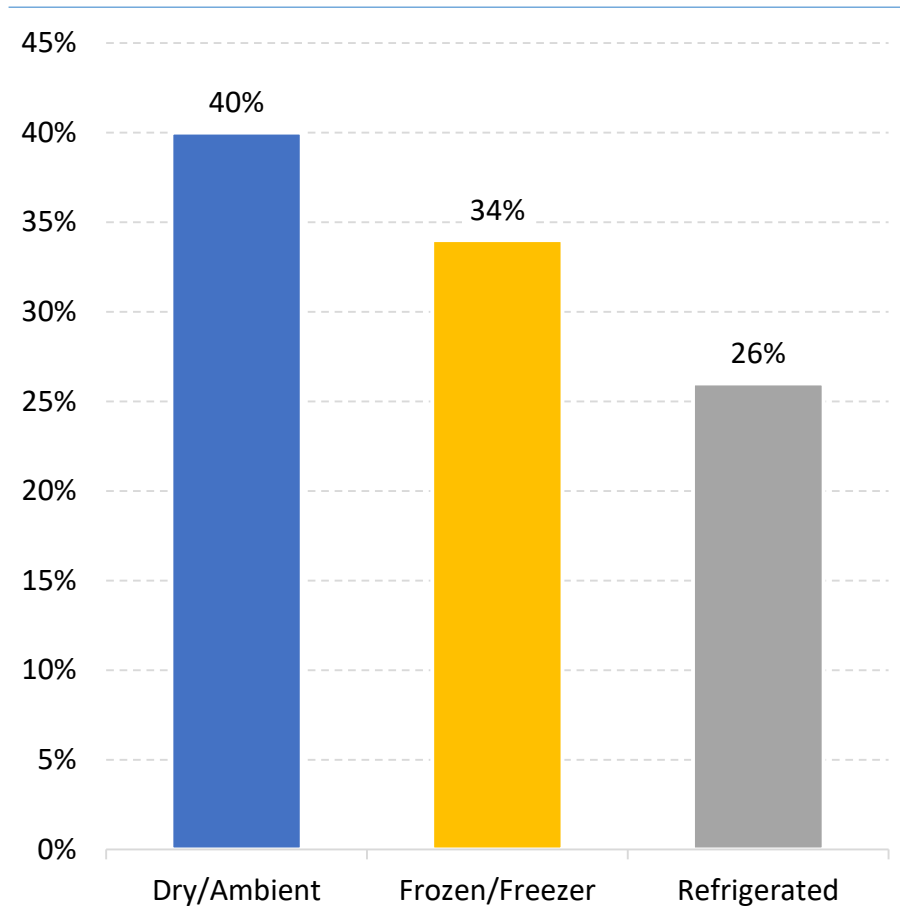
Geographic distribution of cases delivered is based on distribution center locations.

Temperature Categories

Distribution Center Space by Temperature Category

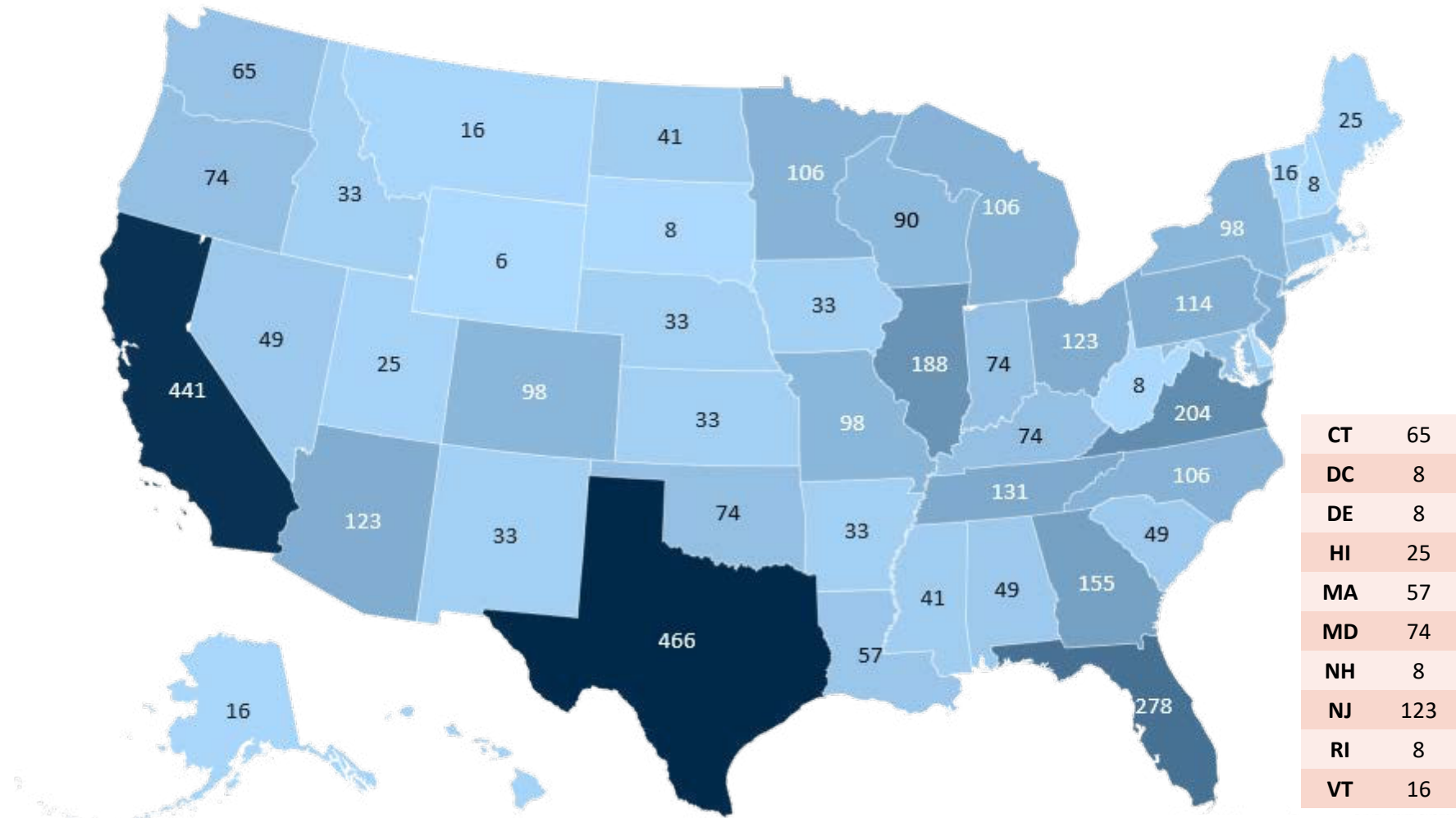


Total Cases Delivered by Temperature Category



Vehicle Miles Traveled

The foodservice distribution industry’s delivery drivers drove 4.2 billion miles in 2022. The industry employed 135,000 delivery drivers, which averages approximately 30,000 miles per driver, per year.

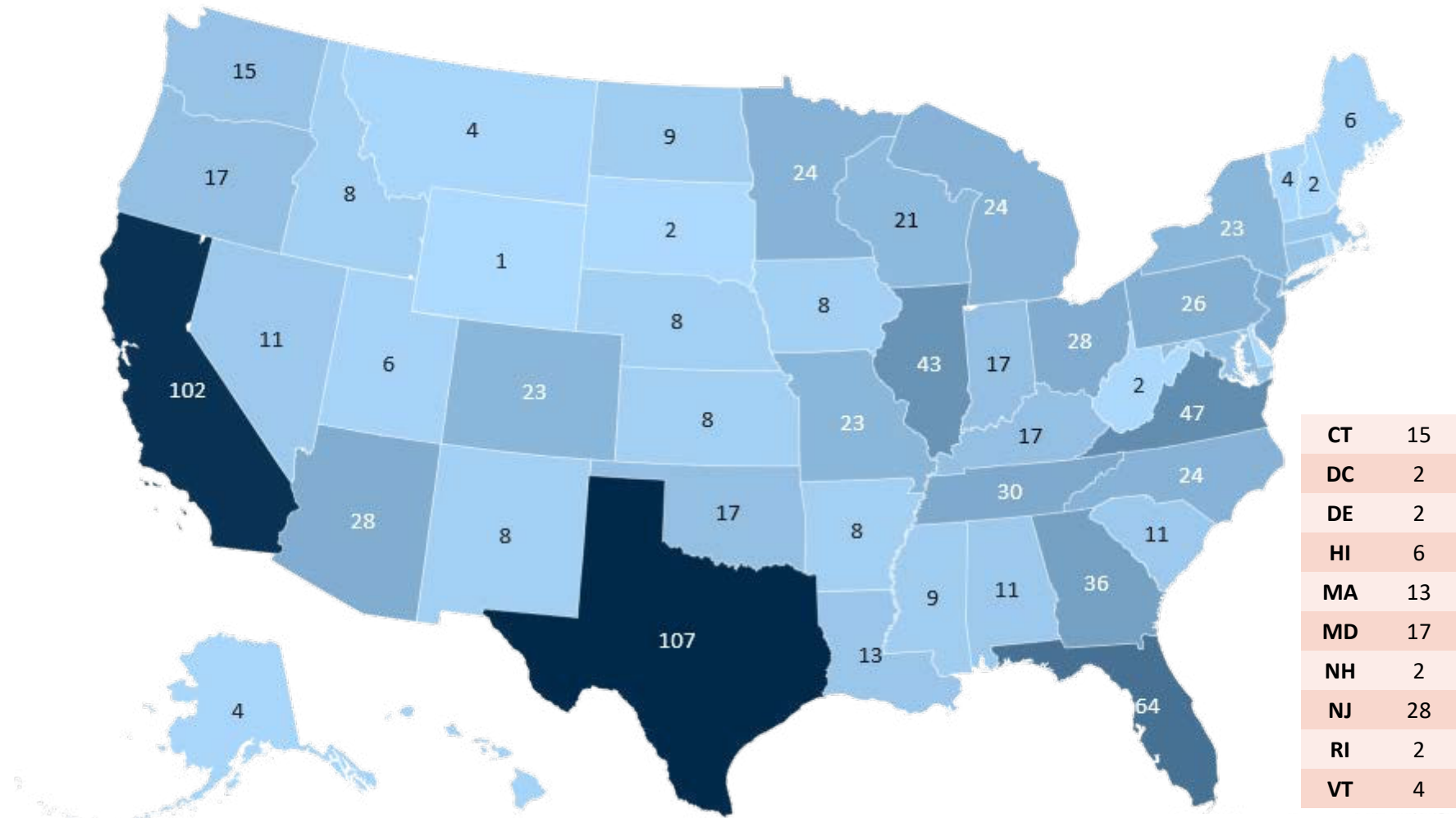


Units: Billions

Geographic distribution of vehicle miles is based on distribution center locations.

Gallons of Fuel Consumed

The foodservice distribution industry consumed 980 million gallons of fuel in 2022.



Units: Millions

Geographic distribution of gallons of fuel is based on distribution center locations.



Methodology

Project Overview

The International Foodservice Distributors Association (IFDA) engaged FTI Consulting (FTI) in the spring of 2023 to conduct an economic impact study and physical footprint analysis of the U.S. foodservice distribution industry in 2022.

Scope of Work

The project measured the 2022 economic, fiscal, and physical impact of the U.S. foodservice distribution industry nationally and at state level.

Methodology and Approach

IFDA and FTI created and distributed a survey to IFDA foodservice distributor members and non-members to characterize the direct activities of the industry in the most recent full calendar year (2022).

IMPLAN Economic Modeling

- Applied the IMPLAN model to estimate the economic activity supported by the industry:
 - Direct industry sector
 - Indirect (supply chain) and induced (consumer spending)

Survey Data

- Operations
- Financial activities
- Workforce
- Locations and facilities
- Vehicle fleets
- Philanthropic activities

Total Impact

- Sales and output
- Employment
- Gross Domestic Product (GDP)
- Labor income
- Federal and state/local taxes
- Physical footprint

Model Input

- IFDA survey responses
- IFDA membership records
- Sector-specific economic output from IMPLAN
- Publicly available data

Data Sources

- IFDA survey
- IMPLAN (the leading provider of economic impact data and analytical applications)
- IFDA membership records
- Previous IFDA research
- *Restaurant Operations Report* (National Restaurant Association)
- *Transport Topics* (American Trucking Associations)
- Bureau of Labor Statistics
- Publicly available company records

IFDA Survey

A survey was conducted among IFDA foodservice distributor members and non-members in March-April 2023 and covered six business areas to assess the scope and scale of the foodservice distribution industry in the United States. Responses from 44 companies were received. All data was self-reported by the participants.

1. Scope of Operations

Company ownership structure, distribution type, and geographic footprint

2. Financial Activities

Total annual sales, expenditures by category, total employee compensation, and customer segments

3. Workforce

Employee count by job function, and estimated employee growth projections

4. Locations and Facilities

Distribution centers by location, employee headcount per location, distribution space by temperature category, total annual cases delivered, and cases delivered by temperature category

5. Vehicle Fleet

Number and type of company vehicles, annual vehicle miles traveled, annual gallons of fuel consumed

6. Philanthropic Activities

Volume and value of annual food donations, and types of charitable activities

Economic and Fiscal Impact Analysis

Economic Impact

- **Employment:** the number of jobs supported by the sector's activities.
- **Output:** net sales or sales less inventories sold.
 - The federal definition of "sales" and "output" are the same except for in retail and wholesale, as those sectors do not "transform" what are already final goods for sale.
- **Gross domestic product:** the sum of all incomes related to production.
 - Most typical of the total economic activity associated with a project or economic sector.
 - Combination of sales, receipts, operating income, commodity taxes, and inventory changes minus its intermediate inputs (energy, raw materials, and semi-finished goods and services).
- **Labor income:** the household income supported by the sector's activities.

Fiscal Impact

- Fiscal impact is calculated at two levels:
 - State and local tax revenues
 - Federal tax revenues
- Fiscal impact includes revenues from all sources including income taxes, payroll taxes, sales taxes, property taxes, and any other taxes and user fees.
- All dollar amounts in this report are constant 2022 dollars. In future years, the actual dollar amounts are expected to increase at the rate of inflation.

Industry Sales Calculation

- IMPLAN uses raw U.S. Bureau of Economic Analysis (BEA) output (sales) for overall restaurant sectors, and adds sales from restaurant activities in other sectors to develop a true restaurant sector sales snapshot.
 - Overall restaurant sectors include full-service restaurants, limited-service restaurants, and all other food and drinking places.
 - Restaurant activities in other sectors include amusement parks, bowling alleys, hotel-owned restaurants, schools, military, and prisons that are not included in the BEA restaurant sector data.
 - IMPLAN adjusts the BEA data to reflect actual economic activity, not just parent industry classification.
- The cost of food and beverage sales proportions from the National Restaurant Association's *Restaurant Operations Report* for full-service restaurants, limited-service restaurants and all other food and drinking places.

IMPLAN Methodology

IMPLAN provides standard multipliers from direct expenditures (the ripple effect). The results from IMPLAN fall into one of four categories:

1. **Direct Impact** – direct employment and expenditures associated with the foodservice distribution sector. Examples include warehouse and transportation workers.
2. **Indirect Impact** – the effect of the direct employment and expenditures on the regional supply chain. For example, equipment and materials used in the construction of new warehouses, and general services used while conducting business, such as architecture, legal, and engineering services.
3. **Induced Impact** – spending by direct and indirect employees on consumer goods and services.
4. **Total Impact** – the sum of the direct, indirect, and induced impacts.

