

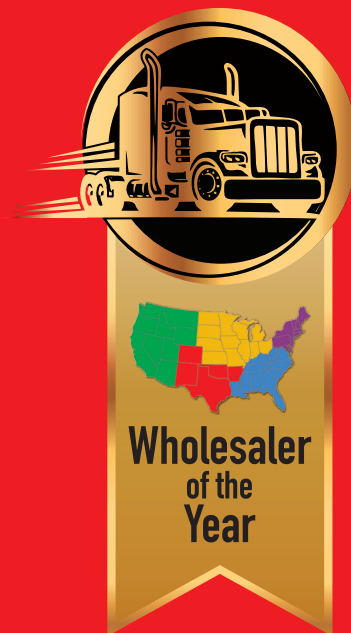
The Shelby Report of the Southwest

salutes

AFI AFFILIATED FOODS INC.

Amarillo, Texas

80th ANNIVERSARY



AFI at 80: Cooperative's legacy remains rooted in family

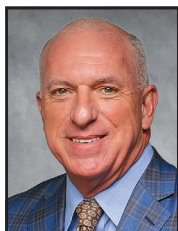
by Treva Bennett / senior content creator

In an industry defined by change, Affiliated Foods Inc. in Amarillo, Texas, has spent the last 80 years anchoring independent grocers with a simple promise: integrity, innovation and a shared sense of ownership.

This year, that legacy is honored on a larger stage. *The Shelby Report of the Southwest* has named AFI its Wholesaler of the Year, recognizing a cooperative that has not only endured – but evolved – without losing sight of its founding principles.

Randy Arceneaux, president and CEO, has spent nearly 16 years at the company, leading with a deep understanding of what has made the cooperative so successful since its founding in 1945.

"We have never lost focus that the members we serve actually own this warehouse, and we work for the member owners ... it's just the culture of understanding who we are and who we represent and take care of every day," Arceneaux said.



Randy
Arceneaux

Built for the independent

AFI began in 1945 with six independent grocers sharing a single vision: survival through collaboration.

That small group now spans more than 785 stores across 10 states – Arkansas, Arizona, Colorado, Kansas, Louisiana, Nebraska, New Mexico, Oklahoma, Texas and Wyoming.

The transformation is staggering.

"Back when we started, our warehouse was very small – about 51,000 square feet," Arceneaux said. "Now we have 1.3 million square feet under roof that we operate."

The cooperative's volume has grown alongside that footprint.

"This year, we're going to finish at a little over \$1.75 billion dollars in sales," he said. "I remember looking at the first invoice that we wrote, and it was for \$131. Now, our average store order is anywhere from \$22,000 to \$60,000, depending on store size, per delivery."

Arceneaux also noted that in its early days, the warehouse carried about 800 items. Today, it carries more than 60,000 SKUs. "It's a lot different."

More than a wholesaler

What sets AFI apart isn't just volume or reach – it's vertical integration. The co-op owns and operates its own dairy, bakery, water plant, produce facility and meat processing operations.

Arceneaux calls them "ace cards in the deck." And for members, they're game-changers.

"We're not just a grocery wholesaler that distributes food. We are producers of food as well," he said.

"We have our own water plant, our own dairy, our own bakery, our produce operation, our own potato sheds, our own meat-processing facility, which makes it completely different than our competitors in the marketplace. And at the same time, it gives the members that we service a head start on being competitive in the market on key categories that are important to the consumer that shops their stores."

These integrated operations help level the playing field with national chains, giving independent grocers access to quality products at competitive prices – often with a local or regional twist.

For prospective members, the idea of owning a piece of these production facilities is compelling. "You own your own dairy, bakery, meat processing facility," Arceneaux explained. "That has a lot of merit."

Growth with purpose

To keep pace with demand and better serve its region, AFI recently expanded both produce and dry grocery facilities.

The new produce center was a long-overdue upgrade.

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2025 Southwest Wholesaler of the Year

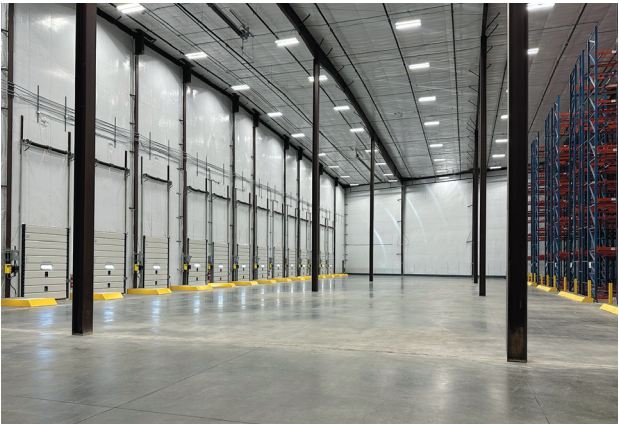
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“We outgrew our wet vault and our produce holding power in the main warehouse years ago,” Arceneaux said. “We needed this for not only future growth in produce but for us to maintain the produce and the proper atmosphere that it required, especially the wet vaults. It was a project that we really had to do.”



Produce facility

In dry grocery, AFI introduced a vertical selection system to manage slow-moving regional items. “You’re going to have a lot of requests or a lot of demand for different SKUs of product that are very regionalized. They may only move 10 or 15 cases a week, but they’re important to the region and we have to carry those items,” he said. This system keeps operations lean while preserving the flexibility that small-town retailers rely on.



Vertical selection system

Measured approach to technology

While automation is sweeping the industry, AFI is holding off – for now. “At this point, we have looked at a couple of possibilities,” Arceneaux said. “And quite honestly, when I put it on paper, I could not see the ROI for us today.” He noted this is because AFI’s labor market remains strong, unlike many urban areas facing shortages. “Many wholesalers and self-distributing retailers have launched automation because they could not get labor. We’re not having labor issues in Amarillo. We are fully staffed,” he said. “If we were having issues with labor, our view and approach to automation may be different. But today, we don’t have any plans to put automation in.” Still, Arceneaux is realistic. “Ten years from now, maybe it’s a different story. But the workforce in our market is strong.”

Tools for today’s retailer

AFI hasn’t ignored modernization. Its IT department, print shop and marketing services offer full-spectrum support – from store engineering and remodeling to weekly circulars and in-store décor. Arceneaux said the print shop is offered as a

low-cost service to AFI’s members. “We don’t look at our print shop or store décor as a profit center,” Arceneaux said. “We look at it as a break-even department so our customers can utilize it to help drive not only the customer experience when they’re shopping but also to tell their story every day in the marketplace as to why the consumer needs to shop with them.” AFI also helps members transition to digital coupons, pricing tools and retail media platforms – many through collaborations like ROFDA’s Retail Media Network. “Our IT department is very vibrant and works with our members very much on front-end systems and retail pricing and working with them to utilize the tools that we have in place,” Arceneaux said. “We are definitely into the digital age. We’re moving in that direction, and we’re helping our customers go there as well.”

Independent – and unshaken

Arceneaux acknowledges the immense pressure independents face from national giants such as Walmart, Amazon, Aldi and the dollar store channel. But he’s not discouraged. He noted that many of the stores AFI serves are in rural communities. “They’re definitely impacted by the dollar channel in all these rural communities, and within striking distance of 20 miles, there’s probably a Walmart super-center they compete against,” Arceneaux said. However, he emphasized his firm belief in the power of the independent retailer.

“The independent has survived and strived in the Walmart era,” he said. “Walmart is a tough competitor, but we’re better operators than Walmart. We’ve got better produce, better meat departments; we’ve got great bakery delis and great customer service. “And the things the independent operator has always hung their hat on, they continue to hang their hat on. That’s what brought us where we are and will continue to get us to the next phase of success in the independent world. I firmly believe that.” Arceneaux said the No. 1 job for all wholesalers, not just Affiliated, is “to hope that the customer never loses the passion to put the key in the door. We have to help them with that by working with the vendor community, coming up with programs that compete directly with item and price but at the same time have a different twist on how we go to market.” AFI supports those independents with tailored marketing: three-day sales, weekend events, anniversary campaigns – what Arceneaux calls “the invitation



AFI administration office

to the party every week.” He noted that most independents take pride in providing a “great environment to shop” through clean stores, great variety and selection and competitive pricing. “The dollar channel might give you competitive price, but that’s about it. There’s nothing else there for the consumer,” he added. “And in the Walmart world, yes, they will have competitive price and a clean store, and they do a great job at merchandising. But then you take away the people aspect and the personal service, and what independents offer in the meat department and also your perishables that they cannot match, it continues to give us that advantage against even the big box operators.”

Vendor partnerships that last

AFI maintains strong vendor relationships through its Vendor and Retail Advisory Councils, launched 15 years ago. “We bring them together and say, ‘What do you need to drive market share?’ And as a retailer, ‘Hey, Mr. Vendor, what do you need from us in order to bring us the best cost of goods to help us compete in the marketplace?’” Arceneaux said. “That marriage between vendor and retailer has been super successful for us because they’re all on the same page, working together to understand each other’s needs. They all work toward the common goal of selling groceries to the consumer in the markets we serve. What we did with that marriage 15 years ago has paid dividends to our membership and to the vendor community time and time again.”

Culture rooted in family

At the heart of AFI’s success is its cooperative spirit and deep-seated culture. “When you’re a cooperative, in my opinion, your culture has to be family focused, because at the end of the day we’re families feeding families, feeding families,” Arceneaux said. It is everyone working together – “families working with families,” he said. “And we always talk about the Affiliated family, and it’s not just a cliché here. We believe that wholeheartedly. “When we welcome a new member to the Affiliated family, it’s a true family of retailers, wholesale people and the vendor community all working together to accomplish that same goal. Our culture starts with family and understanding that all of us are part of the bigger picture, and that’s feeding the families in all these different communities that we service.” Arceneaux said AFI’s commitment is to stay true to its vision and its morals. “For 80 years, we have hung our hat on servicing the independent with honesty, integrity and transparency. And 80 years later, we’re still doing that. We haven’t changed that.”

Co-op in name, spirit

At its core, AFI is still a cooperative. One member, one vote. One price for all. A cornerstone of Affiliated Foods’ approach is its pricing structure, which ensures fairness across its diverse membership base. “Everybody pays the same cost of goods from here, whether you own one store or several – it doesn’t matter. We sell one price to all our members,” Arceneaux explained. This philosophy ensures that even the smallest store in the most rural area has the same competitive footing as larger operators.



**Congratulations on your 80th Anniversary and
being named Southwest Wholesaler of the Year**



2025 Southwest Wholesaler of the Year



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“Everybody has to remember Affiliated Foods started with single-store operators,” Arceneaux said. “And that single-store operator has to be competitive in the market, just as the guy with several has to be competitive throughout his markets. It’s all the same.”

The principle of equality extends beyond pricing to governance.

“Nobody has more voting rights in our company. If you own multiple stores, you’ve got one voting right. If you own one store, you have one voting right in the co-op. Everybody’s treated equally,” he said. “And we go to work for that one store operator as hard as the guy that owns several locations, every single day.”

Looking ahead

As AFI celebrates 80 years, its focus remains clear: stay true to its mission, support its members and keep growing – organically and strategically.

“I tell my board this all the time – we always have to remember to keep the main thing, the main thing. And the main thing in our world is to be what I believe to be the best grocery cooperative in the country.”

AFI will continue to grow with its members and selectively expand its base. But its core values – honesty, integrity and transparency – remain non-negotiable.

“As long as we keep our focus on understanding what our true cause every day is as a cooperative, never take our eyes off of the main thing and what we really are here to do every day, then I see Affiliated Foods just continue to thrive and grow long after Randy’s retired,” Arceneaux said.



A celebratory banner for Affiliated Foods Inc.'s 80th anniversary. The background is a dark wood-grain texture. At the top, the AFI logo and 'AFFILIATED FOODS INC. Amarillo, Texas' are displayed. Below this, the text 'HAPPY 80TH ANNIVERSARY AND CONGRATULATIONS ON BEING NAMED 2025 SOUTHWEST WHOLESALER OF THE YEAR!' is written in large, bold, yellow-outlined letters. In the center, there is a 'valley PRODUCE' logo featuring a green shield with a sun and wheat. At the bottom, a variety of fresh fruits and vegetables, including apples, grapes, tomatoes, and bell peppers, are arranged in a colorful display.



Amarillo, Texas



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acosta group

Manufacturing subsidiaries fuel membership’s success, growth

by Treva Bennett / senior content creator

At Affiliated Foods Inc., a member-owned cooperative headquartered in Amarillo, Texas, the value of community-focused manufacturing is front and center. Noma Burr, the company’s chief financial officer, has seen that impact firsthand since joining the organization in 1996.

Burr highlighted how AFI’s manufacturing subsidiaries – which include a bakery, dairy, meat processing plant and water bottling facility – contribute to both the co-op’s stability and its members’ success.

“These manufacturing subsidiaries provide over 260 jobs in our community, while our members get the advantage of high-quality products at better pricing and without waiting on suppliers,” Burr said.

Among the standout performers is Tri-State Bakery, which produces fresh white and wheat bread three to four times a week. In 2024, the bakery expanded operations to prepare for a specialty bread program set to launch in 2025.

“Implementation of that program will provide those freshly baked specialty breads while continuing our white and wheat breads at competitive pricing against national and regional brands,” Burr said. “The specialty breads will be Oats & Honey, Multi-Grain, Sourdough and Buttermilk White. Everybody’s very excited about that.”

Plains Dairy, another key subsidiary, has broadened its offerings beyond white and chocolate milk by adding bottled teas and lemonades under the Panhandle Pure brand.

“This further provides efficiencies at the plant that in turn ultimately reduces costs for our membership,” Burr said.

Panhandle Pure’s branding, first launched with AFI’s water bottling facility, has become a recognizable name in the region.

“Our water bottling plant, Panhandle Pure, opened in 2021 as a direct result from the unavailability of bottled water during the pandemic,” Burr said. “The Panhandle Pure brand continues to be recognized across our region. We expect this to be a growing sector in 2025.”

AFI’s meat processing operation, Affiliated Fresh Cuts, also experienced growth. In 2024, the plant began expanding to support a new value-added hamburger patty program expected to begin in 2025. The facility already handles case-ready and

value-added beef, chicken and pork products.

“That whole plant has been a huge help for the membership, because all they have to do is take it out and put it in their meat case,” Burr said. “It’s fresh and it’s flavorful, and they know it’s good quality. We’ve seen that business grow quite a bit from ‘23 into ‘24 and now.

“I think the biggest benefit to the membership is the fact that it’s going to give them better pricing, and they don’t have to wait on suppliers. They’re getting really good product faster and at a better price.”

Burr credits AFI’s enduring strength to its focus on members’ needs. The co-op serves a 10-state region and maintains close to zero percent attrition.

“A wholesaler’s success is only as good as its members’ success,” she said. “Our president and board of directors are always striving to provide the best and most complete services to the entire membership – so that all our independently owned stores in our 10-state area are as successful as possible.”

In addition to delivering groceries at a 96.8 percent service level, AFI provides its members with support services ranging from store engineering and resets to merchandising classes and a full-service print shop.

“These services, along with consistent patronage rebates each year, I believe are the key to our members’ loyalty and longevity with Affiliated Foods,” Burr said.

AFI’s leadership, she added, also plays a critical role in shaping that culture.

“The president and board, they are always wanting to make sure that they’re doing the best for the entire membership,” Burr said. “They are so good about taking off their owner hat and putting on their board member hat and making sure that the decisions we make are right for everybody. And I think that really shows.”

Burr’s own journey with Affiliated Foods is a testament to the company’s supportive environment.

“I walked in as a mom of a 4-year-old and kind of found my place,” she recalled. “I have since been married for 29 years and raised my family – a bunch of us have raised our families here. It’s a quiet but strong presence here in my community.”

The company’s culture of encouragement and purpose has been a defining element of her career.

“This allowed me to be everything that I wanted to be, and it taught me what encouragement and support can do for someone, to watch them grow,” Burr said. “And it made me want to do that for other people.”



Noma Burr

Leveraging technology to boost retailer services, engagement

by Treva Bennett / senior content creator

Amarillo, Texas-based Affiliated Foods Inc. is investing in forward-thinking technology to enhance the shopping experience for consumers and improve operational efficiency for its retail members.

Among the most visible innovations is the implementation of digital video rails in member stores – a project led by Josh Silvia, AFI’s network and PC manager.

Vusion v-rails is a program of putting video rails on the shelves at end cap displays in AFI member stores.

“We’ve made a program available to our customers that they can get these installed on location and then digital content is created monthly for the products that are selling that month,” Silvia said.

The content, produced in-house by AFI’s art department, highlights private label products promoted through DeJarnett Sales, the wholesaler’s in-house brokerage. Silvia said the rails are “certainly an eye catcher.” He recalled when AFI implemented the rails in its test aisle, particularly one that showed a video of cola being poured.

“It would make me thirsty every time I saw it. You’ve got the age-old saying of a picture’s worth a thousand words. Well, I think a video is worth a million,” Silvia said. “It really does make an impact.”

About 150 stores have opted into the program. While participation is voluntary, most locations have embraced the technology. The only barrier for some, Silvia noted, has been lack of reliable internet as the rails operate via Wi-Fi.

“If they do not want it, they don’t have to have it. It just didn’t work for very few,” he said. “They do have to have the infrastructure ... every now and then you get a smaller retailer that just doesn’t have the Internet that will work for that.”

The program launched about two years ago, debuting at one of AFI’s food shows to strong reception. Since then, Silvia’s team has been responsible for installation, maintenance and updates of the v-rails.

AFI also is streamlining delivery communication through a new tracking system built in partnership with Forward Mobility. The dual-app solution includes one app for store personnel to monitor incoming shipments in real time and another used by delivery drivers to track orders and complete digital forms.

“We’ve got an app that will show our customers where the truck is and give them an ETA,” Silvia said. “Should the truck have a backhaul on it, if the truck were broken down, if the truck were delayed or had any kind of issues, we can push that to the stores. The ETA is dynamic.”



Josh Silvia



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Amarillo, Texas

80th ANNIVERSARY

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The delivery app is available on iOS, Android and the web. Stores can view the truck’s route in real time and receive updates on its expected arrival. On the logistics side, the app allows for digital documentation and post-delivery feedback – including photos – to be submitted to AFI.

The tool has seen high participation from member retailers, particularly from the Allsup’s (Yesway) convenience store chain.

“That was great for them ... they have plenty of admins also in there that can sign up their own stores,” Silvia said. “We’re here to help them and take care of most of it, but we also want to give them tools in case they need to take care of something and not wait on us. It also allowed us to better track delivery.”

The app also benefits AFI’s third-party carrier, who can use it to track vehicles, access delivery stats and communicate with drivers.

Silvia said they have been very pleased with the participation on the new system. “We saw a very large number of unique people signing in and checking where their load was.”

Silvia, who has been with Affiliated Foods for 23 years, said he’s proud of how technology is enhancing AFI’s service to its members.

Appreciates personal interaction with retail members

“Over the years of my service to Affiliated Foods, I have always enjoyed the personal interaction I have with our retail members. Their overall success to provide quality service to their customers begins with AFI and what kind of service we can provide our retailers.

“I worked in a small grocery store in my hometown when I was growing up. I already knew that in most of the area communities, the small retail stores were at the heart of the community. They weren’t just a business; they were like family.

“That’s what it’s like working for Affiliated Foods. It’s not just a company; it’s like working with family that gets to help give small as well as large communities the opportunity to succeed.

“Since I have been at Affiliated Foods, there has been tremendous growth in our warehouse expansion, as well as our customer base. I am so proud and would like to think that whatever little contribution I may have had was passed along to the communities we have serviced over the years.”

– Bradley Hanvey, IT Operations Supervisor and 44-year employee



Bradley Hanvey

Opportunities to advance

“The one thing that I appreciate the most is the environment here. From day one, it was a family environment. At that time, it was a lot smaller company ... you quickly learned who everybody was. And it was where – regardless of if you were here six months, a year, 10 years – if you needed help or assistance, everybody would step in help you out.

“If it was toward the end of the evening, everybody made sure that everyone was done, the entire place was clean, ready for business for the next shift. That’s not a trait you find very often in companies anymore.

“Affiliated is one of those companies that if you show effort, work ethic and morals, you will advance. The company gives you opportunities to ... succeed from within. If you have the desire, the motivation, pretty much anything’s the limit. Anything is possible.

“I’ve worked under three presidents here at Affiliated, many board members, but everybody has always been great, very kind, very respectful, very supportive.”

– Miguel Herrera, director of produce operations and 36-year employee



Miguel Herrera



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2025 Southwest Wholesaler of the Year

Growing sales, market share through innovative retail programs

by Treva Bennett / senior content creator

Affiliated Foods Inc. continues to drive member profitability and market share through innovative retail programs, strategic procurement initiatives and logistics optimization.

Tommy Galyen, director of procurement, said the company is focused on helping independent retailers succeed by developing programs with strong vendor partnerships and measurable results. Galyen oversees the company’s grocery, dairy and frozen departments, along with other procurement functions.

One of the company’s most successful initiatives is the Big Buy program, launched in November 2024. The program was born from “top-to-top” meetings held weekly between AFI CEO Randy Arceneaux and vendors.

“We have anywhere from five to seven top-to-top meetings every week,” Galyen said. “And if it’s a broker, we bring in their principals or regional managers. We’ve even had CEOs come in, and we just have a top-to-top meeting. We’re kind of looking at the past but looking also at the future.”

The meetings are data-driven, with comprehensive vendor performance information presented up front.

“We have pretty much all the numbers that we need to understand where that manufacturer is – whether it’s where they are in their marketing funds, where they are on service levels, where they are on a whole criteria of information,” Galyen said.

During these meetings, Arceneaux makes recommendations based on market needs.

“What Randy does at those meetings is, he’s looking to drive the business, and he’s looking at where we are down in what segment of the business, or what we need to do right now to drive business to be competitive in the marketplace,” Galyen said.

Vendors often come to meetings ready to present their own Big Buy offers,



Tommy Galyen

knowing the opportunity for incremental sales.

“It’s been a great program for us. It’s driven a lot of incremental volume. We buy a lot of product to support it, and it’s been really, really successful,” Galyen said. “You can see in the numbers that we’ve saved our customers a heck of a lot of money since its inception.

“The customers really like the program. And I think the vendors also benefit greatly from all the extra sales.”

Another initiative is the Hispanic End Cap Program, launched in June.

“We kicked it off in an effort to grow our Hispanic sales,” Galyen said. “We just picked up a big customer down in South Texas – Junior’s Supermarket – and they’re real heavy in Hispanic ... knowing that the Hispanic business continues to grow, we were looking for something that increased that business.”

Participating stores receive a monthly planogram, shelf signs, header signage and product to stock the designated end cap – all free of charge.

“We put together the items and the planograms every month. They have strong deals with each one of them, and then we ship that out to the stores,” Galyen said. “It’s on the end cap for a month, and then we just circulate into the next month with a different group of items.”

The program is voluntary, with stores opting in to receive the merchandising materials and products.

“We’re looking for seasonally relevant deals that make sense for that season,” Galyen said, adding that the new program is gaining momentum. “We think that it’s something that will continue to grow.”

Another new program, launched Aug. 1, is focused on boosting non-food sales.

“There’s a lot of competition in non-food – mainly paper products, soap products, cleaning products and even pet food,” Galyen said.

The idea originated with a retailer suggestion and was developed further at a retailer/vendor advisory council meeting.

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Amarillo, Texas

80th ANNIVERSARY

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“We do all the graphics. This is like an in-store flyer,” Galyen said. “Customers choose how many they want per month. They hand them out in the stores, and then we also do the shelf tags. Again, everything’s done at our print shop across the street, and everything’s free to the customers.”

The flyers, coupled with promotional shelf signs, allow retailers to highlight deals competitive with big-box stores.

“Based on the number of stores that have responded, it’s going to be a real big success. It should be really a strong program,” Galyen said.

The in-house print shop gives Affiliated Foods full creative and production control. “We do all the pre-press graphics, and on this program, we have a person in this office that has done all the graphics. He’s in marketing,” Galyen said. “When he gets done with it, and it’s all approved, then it goes over there and they do all the printing and all the shipping. It’s just real nice to have them over there. You have control from beginning to end.”

On the logistics side, the company has made major strides in improving freight efficiency and service levels through an expanded backhaul program and the use of third-party freight partners.

“We ship out of this facility several hundred trucks a week, and we’re shipping into a 10-state area, which is a large geographic area,” Galyen said. “So those trucks, unless you find something, they’re coming back empty. And that’s a full expense.”

With backhauling, Affiliated Foods coordinates pickups from vendors to utilize returning trucks, reducing costs and improving service.

“Our folks do such a good job with all the back hauls that our service level, our fill rates to our stores, are better than the manufacturer-delivered loads,” he said. “We measure our backhaul on time versus our manufacturer loads on time, and our backhauls are significantly better.”

The program not only cuts expenses but also improves delivery reliability.

“If a vendor’s lead time is seven days from the time I order it, I’m going to pick that product up in seven days or maybe a day or two early,” Galyen said. “Our backhaul program is more reliable in getting it here on time than the manufacturers who are hiring a third-party company to ship it here.”

A recent addition to the logistics program is truck tracking for member stores. “We just started where our stores can track their trucks,” Galyen said. “When the truck leaves here, they can track their trucks all the way through the delivery.”



‘It’s just awesome to see’ company’s growth

“It’s just family oriented, and they treat you like a person, not just an employee. It’s literally like my family away from home. They allow you to prioritize your family. And if you do your job, you’re able to take care of everything.

“Something that’s so cool to me about working here for this long, we have grown exponentially, and just remembering where I used to walk through the parking lot into our office is now warehouse space.

“It literally almost makes me tear up when I drive by this place, because I’ve been here for all of this, and it’s just awesome to see. This place is like my family; it’s just part of my life.

“My husband worked here for 45 years. My daughter works here now. My grandkids have worked here. It is amazing.

“I remember sitting on milk crates, doing physical inventory in this warehouse, and now everything’s automated. But just thinking back from day one to current is overwhelming.”

- Cindy Craig, executive assistant and 43-year employee



Cindy Craig



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2025 Southwest Wholesaler of the Year

Our own brands ‘differentiate us from the other warehouses’

by Treva Bennett / senior content creator

As inflation reshapes consumer behavior, Affiliated Foods Inc. is capitalizing on the growing popularity of private label products by doubling down on innovation and strategic promotions to support its independent retailers.

David Rudder, regional manager for DeJarnett Sales, the in-house brokerage arm for own brands at AFI, says private label is more than just a value play – it’s a key differentiator in a competitive grocery landscape.

“That’s kind of our day-to-day strategy here,” Rudder said. “Everybody’s selling the same canned vegetables, meat, potatoes, frozen. The things that separate us are our own brands. So those are the brands that if we can get that customer addicted to those, then that’s what’s going to make them come back to that individual store.”



DeJarnett Sales operates as an inbound broker, with 85 percent of its revenue funneled back into AFI to fund marketing efforts for independent grocers. According to Rudder, those investments are paying off, particularly with private label.

“We drive a lot of promotions around private brands, trying to drive our retailers’ consumers to those brands,” he said.

One such initiative is the Three Day Sales program,

which returned in early 2024 after a successful launch two years prior.

“They were such a huge success that, yes, we came back and did those in January, February, March, which tend to be slower months after the holidays,” Rudder said. “Those are huge impacts.”

AFI also is continuing its digital end cap (video rail) program, now entering its third year. While year-over-year growth has leveled from an initial spike of 72 percent to 30-40 percent, Rudder says the results remain compelling.

“It’s still impactful, to see 30 or 40 percent increases,” he said. “It’s our brands, it’s consumers, it’s the digital content. It draws the attention to the customer: ‘Come look at me, see what I’m about,’ and then sees a great price.”

As consumers adapt to ongoing economic uncertainty, Rudder believes they are more open than ever to exploring private brands – and liking what they find.

“In essence, private label used to always be considered second tier, not as good, but that’s where you got the price impact. That whole mentality has changed,” he said.

“Go look at the things that Topco is doing with Food Club, as far as revamping it. Look at the huge success they’ve had with Simply Done and Crav’n as far as creating new brands.”

Younger shoppers, in particular, are less brand loyal, he added, and more focused on experience and value.

“They’ll pinch pennies on a certain item in center store ... so they can spend more excess money on a Starbucks coffee or something,” he said. “They spend their money differently.”

COVID-19, Rudder said, played a major role in shifting shopper preferences.

“People were just buying what was on the shelf, and they were really careless about brand, and it created a lot of trial,” he said. “Therefore, a lot of that trial stuck, even once the brands came back. We’re still riding on that momentum.”

AFI also is working to revive interest in general merchandise, launching an in-store flyer in August to promote competitive pricing across that category.

“These are aggressive promotions to try to re-engage that customer,” Rudder said. “Although that includes a lot of national brands, too, private label’s right there, always engaged, always a good presence.”

Innovation across private label has further fueled growth.

“We’re back into the ice cream business. That helps out,” he said. “If they try our ice cream, and they taste the Crav’n, then when they see Crav’n somewhere else in center store ... ‘Hey, I like that Crav’n item. Now, let me go try this one.’”

The success of the video rail end caps has even inspired spin-off initiatives in specialty areas, including targeted merchandising for Hispanic shoppers.

Please see page 31



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2025 Southwest Wholesaler of the Year

With services, ‘we maintain a focus on being the best value possible’

by Treva Bennett / senior content creator

As independent grocers navigate the pressures of national chains and digital competitors, Affiliated Foods Inc. is investing heavily in technology and value-driven services to strengthen its members' competitiveness and long-term success.

“We like to offer multiple solutions where it makes sense, but sometimes we streamline our selections to limit complexity or achieve the best cost,” said Shane Doucette, director of sales and marketing.

“Overall, with any of these services, we maintain a focus on being the best value possible, and we don’t include additional unnecessary charges.”

AFI, based in Amarillo, Texas, serves members across 10 states, ranging from single-store operators to



Shane Doucette

multi-store chains. That diversity presents challenges in implementing scalable solutions, but the company continues to prioritize broad accessibility.

“Very challenging,” Doucette said of finding systems that work for all members. “The stores are independents. They come from different backgrounds, and they meet a lot of different people, so we have to always take that into account.”

At the heart of AFI’s strategy is a focus on value – starting with item and price. Doucette said Three Day Sales continue to drive foot traffic, “as long as they aren’t overdone.” The company also has ramped up its digital coupon program to increase value for consumers and reduce costs for suppliers.

“When I got here, I think we only had four or five coupons, and this past year we had 600 coupons,” Doucette said. “We have a huge chunk of our stores that are on the program, and our redemption rates are through the roof compared to everybody else.”

Affiliated’s digital coupon platform avoids common industry fees.

“We developed a program where we don’t allow any of those charges, so the manufacturer does not get charged for any clip fees or any redemption fees. It’s only the value of the coupon,” he said.

“That’s not something that happens much in this industry, and the manufacturers have really appreciated that. That’s why we have such a robust program.”

Affiliated is preparing to roll out a full retail media network with national and local capabilities.

“It’ll be two different systems that will integrate with many of our customers without having to change any of their technology partners,” Doucette said. “It’s really going to be a very turnkey activity for them.”

Through its membership in Retailer Owned Food Distributors & Associates, Affiliated is partnering with Instacart Carrot Ads for national retail media and with Design House by Ideal for localized content.

Transportation enhanced with real time tracking, expanded reach

by Treva Bennett / senior content creator

Drustten Hanyen will mark his 10th year with Affiliated Foods Inc. this September, and in his role as transportation manager, he is focused on improving logistics, visibility and reliability for the cooperative’s retailer members across a 10-state region.

“In the industry, we have a lot of resources at our disposal that any transportation outfit has, so that doesn’t make us special in any capacity,” Hanyen said. “I think what sets us apart in the similar grouping, or within the peers – in some instances, what people would consider competitors – is our culture, and that starts with great leadership – a CEO that has high expectations and maintains that expectation through his management team. There is no standard.”

“We are the servants of the great communities our retailers hold a place in and without that, they’re not successful,” he said. “It is our responsibility to do everything we can in human nature to ensure that metrics are met, those expectations are fulfilled, not only under his leadership but to the needs of the retailers.”



Drustten
Hanyen

Expansive routes, third-party support

The transportation department – Panhandle Transportation Group (PTG), a subsidiary of AFI – serves a territory that spans 10 states, covering significantly longer routes than many of its industry peers.

“We definitely differentiate ourselves from some other distributors. It’s my understanding that in the peer group, they like to try to stay within a 300-400 mile range within their distribution, whereas we have an average route of 750 miles within that 10-state territory,” Hanyen said.

“It can get a little complicated at times, especially with weather events, but it’s to be expected, especially having such an outreach within that space or in that territory.”

To support that expansive network, Affiliated partners with Amarillo-based Jax Transportation in addition to the company’s internal fleet.

“Within that 750-mile route profile, it takes a lot of resources, and we leverage a third-party contractor that helps us with the delivery,” he said.

Jax Transportation operates about 150 trucks to serve AFI’s needs. AFI has 50 retail drivers, while its foodservice division has about 35.

“A lot of personalities, a lot of interactions every day and on a weekly basis, depending on the season and those weather events,” Hanyen said. “It’s not untypical to have 750 retail routes. Our foodservice profile remains pretty static on a weekly basis, at about 105 routes per week.”

Retailers have praised the reliability of deliveries, even in challenging weather conditions.

Hanyen said he appreciates that sentiment. “That’s reassuring, because it doesn’t go without sleepless nights at times to make sure if they don’t get their delivery as expected that they understand why, and the timelines on maintaining that fulfillment and that expectation ... I don’t have this great, wonderful opportunity unless they’re successful,” Hanyen said.

Visibility, retailer planning

One of the most recent advancements in Affiliated’s transportation operations is a new truck tracking system called Forward Mobile, developed by John and Anne Kangas.

“It has a lot of great attributes to it,” said Hanyen, adding that it provides real-time interface on the customer side.

Prior to this system, if a retailer expected a truck at a certain time and it wasn’t there, they would call AFI and be transferred to dispatch, where the truck would then be tracked.

“Long story short, you’re probably going to waste about 10 minutes to understand your truck’s around the corner,” Hanyen said.

“With that truck tracking system, it’s going to give the user or the store group that real time interface. You don’t have to hem and haw around, looking for an answer that could be immediate through your desktop portal or your phone, depending on how you set that up. So that’s the brilliant application.”

The system shows real-time truck locations and stop sequence, allowing stores to better plan labor needs and reduce unnecessary expenses.

“Right now, it is strictly just pinpointing where their actual truck is and if they are stop one of three ... they have that visibility,” Hanyen said. “Whereas, prior to the app, they’d have to call in the night before the delivery to put together a game plan of when to bring in their resources for receiving and stocking, depending on where they fell within that route sequence.”

Retailer reaction has been positive.

“For the folks that I’ve had the opportunity to talk to and work with ... they really like it, due to the ability to bring in their help in a sufficient manner that isn’t too burdensome on their expenditures or resources,” Hanyen said.

While about 70 percent of retailers are using the app, Affiliated continues to fine-tune its tracking capabilities and user analytics.

Inbound freight, vendor partnerships

Beyond real-time tracking, Affiliated also has scaled up its backhaul program, now coordinating more than 13,000 inbound loads annually through PTG.

“When we first took over the program ... it went from about 11,000 coordinated inbound loads to about 13,000 now on an annual basis,” Hanyen said.

Reflecting on the company’s logistics success, Hanyen emphasized the importance of its relationship with Jax Transportation.

“I would say our partnership with a third-party company that is family owned makes a difference, rather than dealing with a corporate entity. It has empowered us. It’s given us the flexibility and the latitude to serve the members due to their ability to adapt very rapidly to the ever-changing needs,” he said.

“It’s just like any other outfit – the workflows differ week to week and day to day. So their ability to maintain a staff and a group of folks that can fulfill our needs ... goes a long way. That partnership means a great deal to us, and we owe a great deal of our success to their ability to be so dynamic and flexible.”

To support these efforts, Affiliated has removed all data analytics charges for its members.

"They were having a weekly charge when it came to some of their data analytics, and we've decided that we're going to just make that charge go away going forward, so all of our grocery stores can have that solution," Doucette said. "That will also benefit retail media networks, because that data is very important."

Affiliated's analytics partner, BRData, offers wide compatibility with point-of-sale systems, which Doucette noted is critical for retail media functionality.

"By taking away that barrier of cost, that enables every single one of our stores to sign up for free," he said.

Affiliated also is investing in e-commerce through its partnership with Instacart, supporting last-mile delivery options tailored to each store's operations.

"They've been a really good partner that gives different solutions depending on how the store wants to go to business with that," Doucette said.

On the back end, the company has implemented a new inventory management system that has restored its pre-COVID-19 pandemic service levels.

"That was a huge struggle as we came out of the pandemic," he said.

Affiliated's in-house print shop continues to be a valuable marketing asset for members, offering far more than weekly ads.

"We can really print nearly anything that they need. It's not just flyers that we print," Doucette said. "It's a tremendous benefit. Cost wise, we keep our costs lower than anybody out there ... it's really a great solution for [members] that they all benefit from. And we have a very talented team over there."

While Affiliated does recommend website partners, most members have implemented their own online solutions – a factor that the company takes into account as it builds new digital offerings.

"Sometimes that delays the process, like it is with our retail media network," Doucette said. "We've got to have something that's really easy for them, and we worked hard to find that solution."

Enjoys encouraging employee atmosphere

"I've stayed with the company [because I want] to improve the operation that we know as 'organized chaos.'"

"Helping and encouraging new employees to see their potential at AFI is what I enjoy most [about my job]."

– Kirk Collins
receiving manager
and 35-year employee



Kirk Collins

From page 28

"That digital end cap created for some of our Hispanic stores created some excitement," Rudder said. "It doesn't have the [video] rails, but it's still creative. The success of the digital end cap did feed into 'hey, let's try this in another category.'"

For Rudder and AFI, the mission remains clear – keep driving consumer engagement and loyalty by making private brands central to the independent grocery experience.

"Our brands are what make us," he said. "That's what differentiates us from the other warehouses that we're competing against. It's our brands that separate us."



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2025 Southwest Wholesaler of the Year

Board chairman: Growth rooted in solid management, shared vision

As Affiliated Foods Inc. celebrates its 80th anniversary, Roger Lowe Jr., chairman and CEO of Littlefield, Texas-based Lowe’s Market, says the co-op’s unique structure and self-supply capabilities through its subsidiaries are what set it apart in the grocery warehouse industry.

AFI’s subsidiaries are Panhandle Pure, a bottled water company; Plains Dairy; Tri-State Baking Co.; and Affiliated Fresh Cuts, a meat processing company.



Roger Lowe Jr

“The subsidiaries are very unique in the co-op world,” said Lowe, who also chair’s the AFI Board of Directors. “As far as co-ops go, Affiliated has something that other co-ops do not have, starting with our dairy, Plains Dairy.”

The dairy allows AFI member retailers to offer a better price and quality to customers, he noted.

“We’re able to produce our own milk and source products at attractive prices compared to where we were when we used to have to buy from outside suppliers. And we control the quality,” Lowe said. “We’re able to cut out the middleman.”

According to Lowe, the subsidiaries have created a cost-effective and reliable supply chain that has helped retailers remain competitive and well-stocked – especially during turbulent times like the COVID-19 pandemic.

He said AFI stores were unable to get bottled water during the beginning of the pandemic, as suppliers were providing it to mass retailers such as Walmart.

“Randy Arceneaux (AFI’s CEO) saw that, and we all came to an agreement that we needed to explore putting our own water plant in. And that’s when Panhandle Pure came to the forefront,” Lowe said. “We put that in mainly not for price but for supply, making sure we had guaranteed supply lines.”

He added that they now are able to deliver the lowest cost on private label water, “way cheaper than we were ever able to buy it from the outside.” Also, in-stock levels have grown sales “because we’re never out of water.”

They also save on their stores’ warehouse space, as they can purchase pallets of

water instead of truckloads, which is “a huge benefit.”

Innovations in fresh meat, produce

Lowe also highlighted the Fresh Cuts program, a pre-cut and value-added meat initiative that offers unique items to Affiliated retailers.

“Instead of having ‘me too’ items, we’re able to be on the cutting edge and try different items and have product and variety that our competitors don’t have,” he said. “Plus, we’re able to get meat at a great cost.”

Additionally, a modernized produce distribution facility has improved the quality and efficiency of fresh product deliveries.

“Our produce facility at our warehouse was dated,” Lowe explained, noting it also was undersized as the fresh program has grown at AFI. “Now we have all our produce under one roof ... controlling the quality – from receiving to getting it onto the truck. We have different rooms for different products and also have new state-of-the-art banana rooms.”

AFI also has a potato storage and bagging facility that it operates under its produce warehouse, Lowe noted.

Strength in unity

Beyond its subsidiaries, Lowe credited the co-op’s collective approach as a major differentiator. Unlike other co-ops, he said Affiliated Foods retailers are not beholden to supply contracts or warehouse loans.

“Our warehouse has no supply contracts and does not loan money and sign leases for its retailers. The people who are in our warehouse are in our warehouse because they want to be there,” Lowe said.

“We run that warehouse as the most efficient business unit that we can. It’s retailer run, retailer owned.”

He described Affiliated’s unified strategy as key to its purchasing power and operational efficiency.

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Lowe said Affiliated Foods is “the goose that laid the golden egg,” adding that it offers its member-owners an advantage from a cost of goods standpoint.

“At the end of the day, it’s the retailers that are coming together under the one program ... We go truly as one voice in one direction from our warehouse, and we let our warehouse be the 10,000-pound gorilla out there, negotiating with the vendors,” Lowe said.

He added that the co-op’s 95-96 percent fill rates remain among the highest in the industry, a testament to its reliability even through supply chain challenges.

“Even during COVID, where other co-op warehouses or voluntary warehouses were struggling, we were still a lot better off than they were. Every day, we got our groceries.”

Looking ahead

Reflecting on Affiliated Foods’ 80-year legacy, Lowe – whose father also served as board chairman – said the co-op’s continued growth is rooted in solid management and shared vision.

“It’s an amazing milestone that this co-op has reached,” he said. “That growth has come basically just off of being well managed and doing a great job at the warehouse.”

Looking forward, Lowe expressed enthusiasm about the board’s recent investments in warehouse expansions.

“As much as I like looking back, I also am excited to look forward to see where we’ll be in the next five years.”

Message to prospective members

For retailers considering membership in Affiliated Foods, Lowe offered a clear endorsement.

“It’d be the best decision you could ever make for your store, for your company,” he said. “Affiliated is a great source for groceries and a great source to get all your product. But not only that, they’re a great partner in everything you will do with them.”

At AFI, ‘We all stay close together’

“Even before I started with Affiliated, I was working at an AFI store in my little, small hometown. It’s a comfortable feeling. I enjoy the people I work with. It’s more of a family. You get to know everybody, get close to them.

“The moves that I made, from rack service to retail support and into the office ... it was the next opportunity. We all stay close together. To me, it’s all about family.

“I know [CEO] Randy Arceneaux often says it feels like family, and it really is ... we get to know each other. You get to have that friendship.

“What I enjoy most is the interaction with the stores. I love just interacting with people – being able to know at the end of the day that I really did help that customer out.”

– Delia Mirelez, HBC buyer and 32-year employee



Delia Mirelez







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FROM YOUR FRIENDS AT:





2025 Southwest Wholesaler of the Year

Durant Foods owner praises service levels, consistent deliveries

Veteran grocer Randy Sullivan, owner of Durant Foods Inc. in Durant, Oklahoma, has been a member of Affiliated Foods in Amarillo, Texas, for 16 years. He says in today's competitive market, AFI's subsidiaries provide a great benefit to the co-op's members.

"The subsidiaries offer us benefits of availability and profitability in the areas of milk, Plains Dairy; water, Panhandle Pure; bread, Tri-State Bakery; and fresh cut meat, Affiliated Fresh Cuts. Without these, it's a difficult environment to deal with finding suppliers who can make you competitive and supply you consistently."

Sullivan, who also serves on AFI's board of directors, added that the company also provides even more to help its independent retailers.

"We have unique products, great deals, great advertising, great



Randy Sullivan

allowances to run temporary price reductions on a wide range of products," he said. "Their service level is very high, which keeps us in products we need for our customers. Deliveries are very consistently on time, which makes our labor scheduling easier."

As AFI marks its 80th anniversary this year, Sullivan said reaching such a milestone "in this day and age is quite an accomplishment" and is evidence of the legacy of "great leadership" in the company.

For a retailer considering joining Affiliated Foods, Sullivan said he would suggest looking at the warehouse's success over 80 years, its subsidiaries and services.

"I have been with six warehouses over my 58 years in the retail grocery business and only changed wholesalers one time on purpose. Affiliated is the best wholesaler I have ever dealt with. I highly recommend a good look at what Affiliated has to offer. I'm confident that you will make a great decision."

Migalitos CEO: 'Just such a benefit to have those subsidiaries'

Mike McDaniel, CEO of Migalitos Supermercado - with two locations in Dallas and Garland, Texas - also serves on the Affiliated Foods Inc. Board of Directors.

The grocery industry veteran credits AFI's subsidiaries - Tri-State Baking Co., Plains Dairy, Panhandle Pure and Affiliated Fresh Cuts - with helping the cooperative stand out in a competitive market and delivering significant advantages to its members.

"It's just so easy to get the product. It comes right on your truck," McDaniel said. "You don't have to worry about a [direct store delivery] driver getting there or what time he's going to get there. And the pricing on those products is way below what we could buy it from somebody else. The price is a distinct advantage."

Another key benefit is product availability, especially during emergencies. In events such as an impending hurricane or snowstorm, when demand spikes, AFI members are able to get those items the next day.

"Whereas, if you're counting on a DSD driver, you don't know if he's going to be there or not. During the [COVID-19] pandemic, we were never out of milk, bread or water - never. And it was on the news every night about you couldn't find these things anywhere."

McDaniel added that in such situations, customers often turn to Migalitos - something that's become visible through social media.



Mike McDaniel

"I'll see posts on social media that 'Migalitos has bread and milk' when other stores don't. It's just such a benefit to have those subsidiaries and to be able to get things, essentially, in a day's notice. That's been a real benefit to us. Not to mention the lower price of goods. The pricing on the product is always real fair, and it allows us to be competitive."

AFI is "truly retail driven," McDaniel added. "Every decision they make, they make to benefit the retailer."

He also noted that AFI CEO Randy Arceneaux is as concerned about driving business for the retailers as he is driving business for the warehouse.

"Obviously, the two go in hand in hand, but they're just very retail focused. And they're so easy to do business with. It's like family. They're so personable, and their customer service is great."

McDaniel's stores are participating in a new AFI program featuring an end cap promoting Hispanic products.

"We've been asking for that for some time, and they were able to put that program together. It's remarkable. We're only two months into it, but the product selection, the pricing on it, has been just phenomenal. It's been very productive for us."

80 years of success

As AFI celebrates its 80th anniversary this year, McDaniel said the wholesaler is "doing something very, very right."

He said it is remarkable to continue to have sales growth year after year, especially in times of economic uncertainty.

McDaniel added that he is very optimistic about the future of the company.

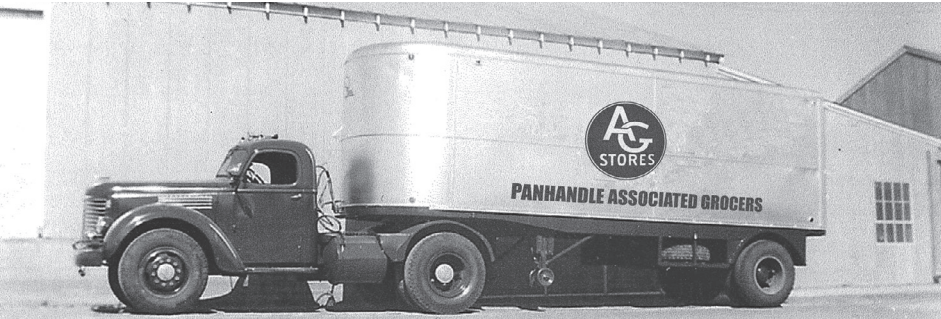
"I feel very strongly about our leadership team there. We've got a really strong team of people in the upper levels of that company. They're all very talented people, and they work very hard to do the best that they can."

He pointed to recent investments, including a new produce warehouse and expanded dry grocery space, as a sign of AFI's readiness for the future.

"They've invested quite a bit of money in getting ready for future growth. I think they're positioned to take on additional business. I think that just says that their future is bright."

For a retailer considering a partnership with AFI, McDaniel said he would say, "It'd be the best decision you ever made."

"I know from our standpoint, we never really enjoyed substantial growth in top line sales and consequently profit until we joined Affiliated. It's so easy to grow with them. In my 54 years selling groceries, I still think it's probably the best decision that I ever made."



Truck circa 1950s

'Just awesome to see' the growth

"[After starting in the print shop], I got an opportunity to work the front desk as a receptionist and still be in the art department. And when they realized I was willing to learn, and I was coachable and trainable, they started teaching me the graphics part.

"In my department specifically, it's very much a family atmosphere. Most of us have worked together 20-25 years. We know about each other's kids; now we know about each other's grandkids, and we're always checking in with each other. I think that is a huge part of why I stayed - this is my home.

"I love that they give you opportunities. I had very few college hours, and they saw something in me that said, 'let's see.' And they gave me the chance to show them that I could. And that's something I will never forget."

- Patti Reynolds, graphic arts department supervisor and nearly 30-year employee (in September)



Patti Reynolds

Company is very 'family oriented'

"My first job was as a reset guy ... eventually, I started running the reset crews, and I ran those for the first 10 years of my employment. And then my boss retired, and I've been running the department ever since. I've been doing that for 23 years.

"This company is very family oriented, and they're just a good bunch of people ... I really like our retailers, and they've just been a good, down-to-earth company to work for."

- Danny Jackson, director of retail support and 33-year employee



Danny Jackson



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2025 Southwest Wholesaler of the Year



Gene’s Heartland Foods finds ‘old-school philosophy’ appealing

James Clasen is president of Gene’s Heartland Foods in Wichita, Kansas, which operates seven stores throughout the Sunflower State.

Clasen said Affiliated Foods Inc.’s subsidiaries are a huge benefit for the wholesaler’s members.

“Due to AFI’s outside-the-box thinking, we have been able to remain competitive with our milk, bread and bottled water programs. The management teams are always looking for new and unique items that are not available to our competitors,” he said.

“Fresh Cuts, the in-house meat packaging program, has also helped us stand out with their new and unique item offerings. These programs enable us to stay competitively priced while maintaining profitability in those key areas.”

AFI is “very specific” in the execution of its commitment to its members’ success.

“From a powerful private brands program to same-day returned calls, to input and assistance with sales and promotional plans, AFI is there to help,” said Clasen, who also is a member of AFI’s board of directors.

As AFI marks its 80th anniversary, he said the co-op’s continued success comes as no surprise.



James Clasen

“AFI is celebrating 80 years because they have spent 80 years thinking about the retailer first,” Clasen said. “They let us be us.”

He noted that members have varied markets, competition, strengths and weaknesses, and all have different ways they go to market.

“AFI just gives us tools to compete and guidance if we are willing to listen,” Clasen said. “Randy is willing to help if he is able; he has walked our stores and given us feedback and shared successful ideas that he has seen implemented by other retailers.

“AFI doesn’t force a ‘cookie-cutter’ idea or program on the retailer that may actually be much better for the manufacturer than it is for us at retail. With the leadership at the warehouse, the subsidiaries and the departments, I have no doubt this warehouse will continue to flourish.”

When asked what he would say to a retailer who is considering joining AFI, Clasen called upon his own experience.

“My company’s association with Affiliated Foods has been both pleasant and successful,” he said. “AFI’s old-school philosophy of ‘You know best how to run your business – how can we help?’ is what most appeals to me as a member. If it appeals to you – call AFI.”

Joining AFI ‘best business move’ Crump Foods Inc. ever made

Chris Spencer, president and CEO of Crump Foods Inc. in Linden, Texas, and member of the Affiliated Foods Inc. Board of Directors, says the Amarillo-based co-op is “the greatest wholesaler in America.”

Among the reasons for this ringing endorsement is the benefit of AFI’s subsidiaries, including a dairy, bakery, water bottling plant and meat-cutting facility.

“This enables the independent retailer to compete in these segments on an even playing field with Walmart,” Spencer said.

He added that, as a cooperative, AFI has “a vested interest in the success of each retailer.” This is demonstrated by the relationships from the president to the delivery drivers.



Please see page 38 Chris Spencer

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Affiliated set Fiesta Foods on foundation ‘to be able to compete’

Jarrett Copheranham, president of Fiesta Foods in Amarillo and Pampa, Texas, is a third-generation grocer and a member of Affiliated Foods Inc.

He said AFI’s subsidiaries – Tri-State Baking Company, Plains Dairy, Panhandle Pure and Affiliated Fresh Cuts – are what set the cooperative apart from its competition. They allow member retailers to “have very competitive prices while still maintaining a margin on key everyday staple items that our customers are looking for,” Copheranham said. “It truly allows us to compete with the big box on those key items that other wholesalers aren’t able to do.”

He also noted that AFI’s VegPack potato operation helps members “keep those key items at a very attractive price point.”

In addition to its subsidiaries, AFI helps its members



Jarrett Copheranham,

stand out and compete in their market by getting aggressive, Copheranham said.

“Affiliated has hit on improving the price impression through their TPR programs, trying to protect the margin for the retailer while having a competitive price point on the shelf for our customers to look at,” he said.

“In addition to that, they have their print shop that allows us to create our own in-house marketing material, whether that be handbills, ad circulars, even up to and including store décor. The Affiliated print shop has a tremendous amount of capabilities to be able to create content for us, to set ourselves apart, to make us look more professional – just to spice up the appearance of the inside of our stores.”

Remarking on AFI’s 80th anniversary, Copheranham said success did not happen by accident.

“I’m in the unique position that I’m a third generation, and I get to say the same thing that my dad and my grandfather all said, in that we would not be as

successful as we are if not for Affiliated Foods. They set us on a foundation to be able to compete in a way that we would not otherwise be able to.”

He noted that AFI is very customer oriented. As many of the co-op’s employees have had retail experience, they “understand what we’re going through, and do everything in their power to set us up to succeed.”

For retailers who are considering joining AFI, Copheranham said he would tell them “they’re crazy if they don’t do it, just because of how much Affiliated has to offer, specifically through the subsidiaries.”

Those businesses “continue to set us apart and allow us to differentiate or lead on price while maintaining quality in ways that other wholesalers just aren’t able to do. The innovation, the long-term view that the leadership at Affiliated has taken over the years – it didn’t happen overnight. It was a gradual progression. But where we stand today, I feel we are head and shoulders above what other wholesalers are able to offer.”

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“A family atmosphere is the best way to describe how Affiliated treats its members, Spencer said. “Phone calls are promptly returned, courtesies are extended and problems are addressed and solved quickly.”

Spencer, a single-store operator, has been a member of AFI for 10 years. He said he would “strongly advise” any retailer to join Affiliated if they are searching for a new warehouse.

“They will be glad they did,” he said. “My only regret is that I didn’t join until 2015. Best business move that our company has ever made.”

Collaboration ‘incredibly rewarding’

“Affiliated and Plains Dairy have deep roots in this community, and it’s clear they’ll be here long after I’m gone. I’ve stayed because I value long-term tenure with a strong, stable company – and that sense of security means a lot to me.

“What I enjoy most about working with Affiliated Foods is the relationships I’ve built across our subsidiaries and the warehouse. Collaborating with people who share the same passion makes the work incredibly rewarding.”

– Colby Butcher, director of Plains Dairy and 18-year employee



Colby Butcher



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