



1926 YEARS 2026

Serving Independent Retailers

The Shelby Report's 2026 Wholesaler of the Year

Cooperative strength positions independent grocers for the future

As Associated Wholesale Grocers celebrates its 100th anniversary in 2026, the cooperative is reflecting on a century defined by independent spirit, shared success and an unwavering commitment to its members – while keeping its focus firmly on what comes next.

Founded in 1926 by a group of independent grocers who believed they were stronger together, Kansas City, Kansas-based AWG has grown into the nation's largest retailer-owned grocery wholesaler. Yet, according to President and CEO Dan Funk, the cooperative's greatest strength remains the same today as it was a century ago: alignment among ownership, strategy and service.



Dan Funk
President and CEO

"When you think of the governance model and the bylaws and how the company was developed and formed, a lot of those same principles have withstood the 100 years," Funk said.

"Early on, when that first group came together, they had an idea about how to be fair and equitable and transparent and work together. To be part of a team and do something that was going to help them just thrive and survive at that time. And then over generations, you saw that continue to build out at AWG.

"The cooperative model for us is so unique because the stakeholders, who traditionally are just wholesale customers, are owners of the cooperative model," Funk said.

Advantages to the member-owners include the services offered by the co-op that are designed to meet their specific needs. And on the financial side, the "profit-

ability from the supply chain is essentially going back to those independent members to be able to reinvest back into their stores. That is a huge differentiator within the cooperative model that really stands out," Funk noted.

That model, giving independent grocers both operational and financial advantages, is increasingly important as consolidation reshapes the grocery landscape, he said.

"When the industry is consolidating in many respects, whether it's on the retail side or the wholesale side, AWG strives to be the wholesaler of choice for anybody that's an independent, an ESOP or regional grocer – those that want to control their own destiny," he said. "That's why it's more important now than ever for that alignment."

A family feel with national scale

AWG, *The Shelby Report's* 2026 Wholesaler of the Year, has maintained what Funk describes as a distinctly personal culture over the years.

Funk calls AWG "the biggest small company you'll ever work for," maintaining a family atmosphere despite operating nine distribution centers across 33 states – soon to be 34 – and serving 1,100 member stores.

"We have a group of entrepreneurs that came together 100 years ago, and we have a group of entrepreneurs today that continue to come together and try to make a better outcome, for their stores, for their communities and for their supply chain," he said. "It's not only an economic or financial commitment; it's in their head and their heart."

That sense of shared purpose has carried AWG through multiple eras of change, including several key growth moments that expanded the cooperative's footprint while staying true to its founding principles.

Generational growth milestones

Several pivotal decisions shaped AWG's century of growth. Within the first decade of its founding, AWG added a second division in Springfield, Missouri, which nearly doubled its size, Funk said.

More growth came in 1995, when the company opened its Oklahoma City division and launched Valu Merchandisers Company as a subsidiary.

"That was huge. You almost doubled the size of the footprint of the company in one year, in '95, placing some bets on a market like Oklahoma and that surrounding area," Funk said.

The 2003 acquisition of multiple assets following Fleming Foods' challenges proved equally impactful, bringing Nashville and Memphis, Tennessee-area facilities into the fold.

The volume from those Fleming assets, building from 2003-13, allowed the company to start its Gulf Coast Division.

"Had they not made that acquisition in 2003, a big part of our company now – what's in Hernando [Mississippi] and what's in Gulf Coast and what's in Nashville – wouldn't exist today," Funk said.

The 2016 acquisition of Affiliated Foods Midwest facilities in Norfolk, Nebraska, and Kenosha, Wisconsin, expanded AWG's geographic reach northward.

"Ultimately, those two divisions helped generate and create the division we have in St. Cloud [Minnesota]," Funk said.

When a Chicago-area cooperative faced challenges in 2017-18, AWG's Kenosha facility was positioned to serve displaced independent retailers.

"Had we not bought Kenosha ... we would not have had the facility there to be able to serve and move forward," Funk said.

Funk described those moves as "one big event that led to several events after that, helped shape those generational changes of growth in the company."

He also noted that while AWG's members have changed in "size and shape and forms over that century, we just continue to find ways to serve the members based on where they are today."



Wholesaler of the Year



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Navigating competitive pressures

In the current retail landscape, independent grocers face mounting challenges from value chains like Aldi, mass retailers like Walmart and the proliferation of dollar stores in small communities. AWG conducts annual member surveys to track competitive threats and member needs.

“Dollar stores are in towns of less than 5,000 people, sometimes less than 2,000 people now,” Funk said. “That’s a huge change for a lot of our retail entities, having another competitor in town, particularly in small rural communities.”

Despite these pressures, Funk remains confident in independents’ resilience.

“Through 100 years, our independents have been resilient about finding ways to adapt, change and compete,” he said. “Our role is to try to take these 1,100 disparate family businesses and aggregate that volume in a way that they couldn’t do on their own.

“We have to take a big responsibility at AWG to try to help position our independent retailers to be successful in any environment.”

Investing in supply chain for next century

That responsibility has driven significant investment in supply chain infrastructure and technology, including the All-In-One Distribution (AIO) facility in Hernando – the largest single project in AWG’s history.

At the time, AWG’s 2024 opening of its highly automated AIO facility represented one of just three such operations worldwide. The facility now serves as the Mid-South Division, also handling health, beauty, wellness and specialty natural and organic products for the entire membership. This allows the cooperative to move more variety with greater efficiency and lower cost.

“It was a lot of moving parts and a significant capital investment but also a lot of consolidation and realignment [along with] new tools and technology that needed to go into it,” Funk said. “And I think it really showcases that.”

He added that the investment in the AIO was “very strategic in being able to help our remaining support centers across the country, and it reduced our need to have to put more capital into other facilities across the company.

“Also, by this single investment, we’ve been able to use a hub-and-spoke type of a supply chain to really help move more variety, more products with less cost through the supply chain to our customers.”

Looking at the success of the AIO, Funk said AWG is planning to invest more capital in automation and deliver improvements in service, efficiency and scale.

“We’re very focused on how we use our existing assets, but how do we also incorporate automation into existing facilities to help scale that facility and help improve throughput and efficiency for those facilities in the future ... very close on the horizon, more projects are coming and we’re excited about that.”

Funk noted that with the opening of the AIO, the cooperative kept its Valu Merchandisers Company subsidiary open, but it now serves non-members.

“When we moved into that facility, we moved those product departments from a subsidiary company into the cooperative. So now all of those departments that used to sit outside of the cooperative are now part of the cooperative, so they’re patronage eligible, and they’re for any member now ... That’s just adding more value to our existing membership.”

VMC now, as a separate entity, is growing through non-member business, including regional grocers, competitive wholesalers and self-negotiating chains.

Looking ahead, AWG is investing in a new warehouse management system, procurement and forecasting modules and additional automation projects.

Artificial intelligence will play an increasingly important role.

“We’re going to have artificial intelligence embedded into [many of] those tools,” Funk said. “It’s not some standalone product anymore. It’s a commingled product in which that artificial intelligence will help us to be much more predictive and proactive within our supply chain.”

‘One Team’ and a shared direction

Internally, AWG’s “One Team” philosophy has shaped how the cooperative sets priorities and makes decisions, emphasizing input from members, employees and vendor partners.



The “One Team” philosophy emerged from extensive stakeholder input as the company transitioned leadership and emerged from the COVID-19 pandemic’s disruptions. The approach involved gathering feedback from members, teammates, vendor partners, the board of directors and executive leadership.

“One Team for me was really about getting everybody on a common game plan going forward,” Funk said. “We curated feedback from each one of those stakeholder groups and ultimately came together with a multi-year strategy.”

A recent example of member-driven innovation came in the produce department, an area Funk said is essential to helping independent retailers compete.

He said over the course of the last several years, AWG has worked on its perishable departments within product assortment, quality and freshness. Produce, in particular, continues to be a highly competitive area.

Based on member feedback and competitive analysis, AWG formed a board subcommittee to examine how the company could better position members for success in this critical category.

Through the subcommittee’s recommendations, AWG has “made adjustments in how we manage our markup policies in produce, how we manage our produce investments for promotion and for ongoing, everyday value that our members can take advantage of,” Funk said. “That cross-functional initiative launched here in 2026.”

Funk said it is an example of feedback from the field, from competitive situations and from members about adjustments that everyone could participate in, helping drive future success.

“That’ll be an ongoing initiative for us in ‘26, and that will stick ... as the go-forward model, not unlike when we pulled the VMC product departments into the cooperative,” he said.

Funk added that the produce project and the AIO are examples of how board and member involvement “really helped to curate and craft that we need to find ways to help our members be more competitive in that space. Those are adjustments that we make all the time.”

Elaborating on the “One Team” philosophy, Funk said he tells his AWG team that this is the work they signed up for.

“When departments and team members are willing to sacrifice something that they believe was important for their team, but they know what they’re sacrificing is for the greater good of our membership and the greater good of the company, that’s when the team is really clicking on all cylinders. We strive every day to do that, and we’re getting better at it.

“But it is critically important, because we don’t have infinite resources and we don’t have infinite time, and we don’t have infinite ability to take on every single project. We have to focus our energy on what is really going to move the business forward for the future.”

Annual member engagement surveys and strategic planning councils help guide major decisions.

Funk also noted that “this utopia of ‘one decision works for everybody’ doesn’t work well” at AWG.

“We have to constantly be thinking about groups of members together, and how do we help particular groups differently, whether that’s through geographic differences, whether that’s through store format differences or whether that’s through size of community that’s served, or urban versus rural,” he said.

While considering the needs of different groups of members or geographies is important, Funk emphasized one thing that applies to all members is AWG’s commitment to the common cost of goods, the infrastructure of the cooperative and the share in the patronage pool of profits that comes from the whole company.

Looking to next century

For Funk, leading AWG during its centennial carries both pride and responsibility.

He reflected on times in the past when so many would have ruled out the independent and cooperatives.

“For the company to not only make [its] way through those generational changes but to be thriving at 100 years, it’s one of those feelings that you can’t really explain. You’re proud; you’re so grateful for what the company has accomplished. And I think at times you’re scared, because you have this feeling of, we’ve got to do this for another 100 years now.

“Think of all the decisions that have been made by the leaders before us and the boards before us and the members over the last 100 years, and we’ve got to position the company to be ready to do it for another 100 years.”

The CEO sees independent grocers’ personal investment in their communities as a defining strength.

“Their whole family, their livelihood – everything is on the line every single day,” Funk said. “They put their family’s livelihood on the line to take care of their neighbors.”

As consumer expectations evolve, AWG must continue adapting its support for members in areas such as store format, e-commerce and shopping experience while maintaining supply chain efficiency.

“This is what our members really empower us to do, and they’ve collected their equity together for us to make sure we run the best supply chain,” Funk said.

“We can’t burden our independent members with a supply chain that is not meeting their needs and not delivering on the economies of scale that this infrastructure of the cooperative is designed to do.”

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For 100 years, Associated Wholesale Grocers (AWG) has proven that being independent doesn't mean going it alone.



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UNITED IN SUPPORT:



Wholesaler of the Year



Gary Koch Chief Financial Officer



When Gary Koch joined Associated Wholesale Grocers in late 1995, the cooperative was just beginning its transformation from a two-division operation into the nation's largest cooperative food wholesaler serving independent grocers.

Three decades later, as AWG's chief financial officer, Koch has witnessed firsthand how the cooperative model has not only survived but thrived in an increasingly consolidated grocery landscape – a testament to the vision of those handful of retailers who came together 100 years ago.

"I think the team has always believed in the co-op model as being the best thing you can do for independent grocers," Koch said. "And I know we've expanded beyond that, with having larger retail chains, but it's really that way to fight those self-distributing retail chains. And now the omnichannel, the dollar stores, all the different competition that's there, I think it's been that one, steady-as-a-rock thing that the grocery store owners can count on."

From regional player to national force

Looking back over the past century, Koch points first to the foresight of AWG's founders.

"One hundred years ago, having the handful-plus of retailers that had enough foresight to get together ... and to start doing things together," he said, adding that the decision to formalize a separate warehouse and operate as a cooperative "really spelled success for their companies moving forward."

More recently, strategic expansion proved equally important.

When Koch arrived, AWG had recently acquired the Oklahoma City Division, formerly a Safeway operating unit, bringing the cooperative's volume to about \$3 billion. Before that acquisition, the company consisted solely of Kansas City and Springfield, Missouri, divisions that operated almost as competitors.

"It was the Kansas City way, the Springfield way, competing with each other – which division could be the best," Koch recalled. "And I think when the company added Oklahoma City, it became more of an overall company, as opposed to two operating entities. It became more of a collective."

That shift proved pivotal. When Fleming encountered financial troubles in the early 2000s, AWG was positioned to expand further, acquiring several divisions and setting the company on a path for continued growth.

"I think it kind of set the trajectory for them to understand you can only optimize single operations so much," Koch said. "And if you want to have that back office that can really drive

synergy, you need to add volume."

With each acquisition, he said, the board demonstrated a willingness to balance annual patronage with long-term investment.

"Some years, you have to invest a little because there's going to be some transition cost. But, boy, you're going to reap the benefits in the future," Koch said.

The cooperative advantage

What sets AWG apart, Koch explained, is its fundamental structure: one share, one vote, regardless of purchase volume, creating equity across the membership.

"Doesn't matter what volume you're buying," Koch said. "Everybody buys 15 shares and has 15 votes. And you have to invest in the co-op. You have to put some money forward, as opposed to the landscape, when other people are trying to buy your business."

That investment requirement creates alignment between AWG and its members that differs fundamentally from traditional wholesaler relationships.

"When someone's trying to give you money to be supplied by them, they've got to be making money on the backside, right? And that's where you're eventually paying for it," Koch said.

The co-op model also streamlines operations. Unlike wholesalers that engage in complex, individualized negotiations, AWG operates on a single sell plan.

"You don't have to have a vast memory of recruiting prospects, because you don't have to sit there and figure out what deal [you're] going to offer this store owner," Koch said. "I think it really is the ease of joining the co-op and being treated the same as members that have been with us for decades, some since the beginning."

'One Team' philosophy

Under President and CEO Dan Funk's leadership, AWG has embraced a "One Team" philosophy that extends from the executive level throughout the organization.

"I think some of the most successful people that have worked for the company have been able to focus on the overall. What is the objective of the team? What's our performance in total? And not worry about individual accolades," Koch said. "We've never been led by people that have been in it for themselves, because it is about the company, it's about the membership, it's about the cooperative ... that really drives us to work together."

"We're all rowing in the same direction. We might not be on the exact same path, but we're all going to the same destination. And I think that's what makes the co-op so strong."

This collaborative approach has become particularly important for members served by multiple divisions, creating consistency across AWG's expanding footprint.

Investing in future

AWG's commitment to innovation continues with significant technology investments. The company recently completed its All-In-One automated facility in Hernando, Mississippi, which Koch described as the "biggest investment the company has ever made."

"And that's paying dividends now, because it's fully integrated," he said. "We're using all of it. We're getting all the return that we thought we were going to get out of it."

Building on the success of the Hernando facility, AWG is exploring ways to retrofit automation into other divisions.

Other recent initiatives include a retail pricing solution and partnerships like the one with GOT Systems, now part of FMS, for store orders. AWG plans to implement Manhattan Associates' warehouse management system in its first division by late summer, with full rollout expected within three years.

Looking ahead, Koch identified data analytics, AI and robotic process automation as key areas of focus, along with helping members navigate an increasingly complex retail technology landscape.

For smaller members who don't have internal tech teams, AWG's assistance is vital.

These projects are staged meticulously to minimize member impact while maintaining the high patronage levels members expect, Koch said.

Member-driven governance

AWG's governance structure ensures member voices shape strategic decisions. The cooperative regularly forms board subcommittees and steering committees that include both board members and at-large members with specific expertise.

"I think we do a good job of not trying to address things at 30,000 feet," Koch said. "If we're going to dig into something and we want the retailers to buy in, we get that input from them and the suggestions from them."

Rather than claiming to be "the best at everything," he said AWG focuses on listening and refining.

"In totality, the AWG solution is best for the retailer," Koch said. "But there's a rough edge here or there that we continually need to hone and get better at."

Personal legacy

For Koch, AWG's centennial represents both a milestone and a testament to a proven concept. It also carries personal meaning.

"The company has done more for me and my family than I could ever repay," he said. "I've had that intersection of extremely good luck, some hard work and being in a place where there was opportunity – and we acted upon it."

He recalls an early conversation with former Board Chairman Fred Ball, who told him: "If you invest your time in this company, you'll never want to leave."

"He was right," Koch said.

As for his own legacy, Koch said he hopes to leave behind a team capable of carrying the cooperative forward.

"I've got people in positions on my team now that are in jobs that I've done, and it's great that some of them can do that job better than I did it."

The centennial milestone itself represents something significant about AWG's approach, Koch said.

"I love that at the 100th year, we're still growing. We're still looking for other opportunities. We're not set in our ways," he said. "I think that's the cool thing, because it tends to show the future is going to be something bright."

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The cooperative's founding principles of fairness, equity and transparency remain central to its identity.

Funk noted that AWG's prior strategic plans, as well as its current one, help it make choices and investments so that it does not become stagnant.

"People shouldn't confuse cooperative [with] stagnant," Funk said. "Cooperative means that we're coming together to find the future solutions ... We're constantly evolving in products and services to meet our members' needs for the future."

For AWG's team members across the country, the daily work of receiving, selecting and

shipping products represents the backbone of the operation.

"As a supply chain company, our team and what we do in those division support centers, that's where all the real magic happens within the company," Funk said.

"It's a pleasure to lead the group, and I think that's part of 'One Team.' What is important to me is that I'm a team member, just like every other team member here. I just happen to do different things on the team," he said.

"It's just as important that we select a grocery order effectively and efficiently and with accuracy, so it gets to our store on time as any decision that I'll make today ... and that's part of being on the 'One Team.'"

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Wholesaler of the Year



Richard Kearns EVP of Distribution and Logistics



Marking a century of service this year, Associated Wholesale Grocers' distribution and logistics operations have evolved from basic warehousing to sophisticated automated systems that serve independent grocers across multiple states.

Richard Kearns, EVP of distribution and logistics, has witnessed and led much of that transformation during his nearly 26 years with the company. Kearns oversees a broad portfolio that includes warehousing, transportation, automation, food safety, safety, security, routing, distribution strategy and union relations.

His responsibilities extend to corporate distribution – a team focused on implementing new warehouse and transportation systems and processes, managing labor standards and productivity, process improvement and establishing best practices for both warehousing and transportation, additionally – as the corporate services department, handles not-for-resale purchasing diverse purchases ranging from mechanical handling equipment, trucks and trailers to shrinkwrap, while also supporting the support centers in all facilities and maintenance support activities.

“Our team is involved in all activities associated with helping and improving the support centers’ operational performance,” Kearns said. “We also engage in major projects like the Hernando, Mississippi, facility and designing and building our facilities.”

From third-party supply chain leader to long-term executive leader

Kearns joined AWG in 2000 through an unexpected path. He worked for Tibbitt & Britten Group, a UK-based third-party logistics provider operating in the U.S., with experience in clothing and textiles, general merchandise and fast-moving consumer goods.

He originally came to the U.S. to open a distribution center in Lubbock, Texas, later running Brooks Brothers distribution in New Jersey and working on projects in Canada. A short-term assignment to Springfield, Missouri, during a labor strike changed his trajectory.

“They said, ‘Can you come down and help for two weeks at AWG?’” Kearns recalled. “So I came for two weeks, and then they asked me to stay.”

From 2000-04, he worked for the third party, running the Kansas City and Springfield distribution centers. When AWG dissolved its third-party relationship in 2004, then-COO Mike Rand asked him to stay.

When Kearns arrived, he questioned the cooperative’s long-term viability. AWG operated four distribution centers in a landscape dominated by major players like Walmart.

What he came to understand was the strength of the co-op model.

“I think, from a cooperative standpoint, the important thing is, and I think you’re going to hear it from everyone, is that the money that we make goes directly into the members’ pockets, which hopefully they reinvest in the co-op,” he said.

Because AWG operates on fixed margins, he said the organization remains disciplined.

“It keeps us aggressively focused on top line and also the expense side of the business,” Kearns said. “Having the cooperative model and all the money going back to the members

is great, keeps things very transparent, and it also forces us to perform on a daily, weekly, monthly, yearly basis.”

He also points to scale and governance as competitive advantages. With retailers serving on the board, strategic decisions are not made in a vacuum.

“What’s right for distribution or right for AWG sometimes isn’t right for the member,” he said, referencing former CEO David Smith’s emphasis on “member economic value.”

“At the end of the day, we don’t run retail stores. [Hearing feedback] is valuable for people like me, because I’ve never worked in a grocery store.”

Pivotal moments in AWG’s growth

Asked about defining milestones, Kearns did not hesitate. “I think the Fleming asset acquisition was without a doubt pivotal,” Kearns said. “That brought incremental volume and started to significantly grow the business. And really, in my view, put AWG on the roadmap. This injection of volume was comforting, as it changed my mindset and I knew that AWG was in it for the long term.

Other major milestones followed: the Fort Worth facility acquisition, the building of Oklahoma City and Gulf Coast, Nebraska, and Great Lakes. The volume due to the Central Grocers bankruptcy also proved particularly significant.

“When Central’s volume was transferred that was huge, as Great Lakes’ volume springboarded the facility to almost a billion dollars overnight.”

Strategic investments in technology also have shaped AWG’s competitive position.

“In 2006-ish, before everyone else was doing it, we invested in a state-of-the-art WMS [warehouse management system] and labor management system, which I think gave us the foundation and the ability to grow, while also allowing us to increase our productivity and reduce our operating expenses,” Kearns said.

Hernando: A strategic transformation

The \$350 million Hernando, Mississippi, automated distribution center represents both Kearns’ signature project and a strategic inflection point for AWG.

“It started off as a warehouse project ... and it morphed into a strategic project for AWG,” Kearns said. “It touched all facets of the business, and everyone had to pull together as one team to make it happen. “The joining of VMC [Valu Merchandisers Company, an AWG subsidiary] and AWG together and making everything patronage eligible was huge for our members. Additionally, the facility really streamlined our distribution operations.”

The board’s confidence in approving the investment for the All-In-One (AIO) facility wasn’t lost on Kearns.

“For them to make a leap of faith, spending over \$350 million and having the confidence in the team to execute was humbling,” he said. “If I look at my peers, not many get to do a complex, innovative and technologically advanced project like this in their career. It was fantastic and we are privileged. Our commitment to the board and members is we’re going to make that thing hum even more than it is today.”

The facility enabled new business opportunities, including serving Schnucks and K-VA-T, plus there are continuing discussions with additional prospects.

Late last year, AWG began offering expanded variety (EV) – specialty, Hispanic and Asian items plus slow-moving products from other warehouses through the AIO. This offering will be increased significantly in the near future, delivering on the commitments made at the inception of the project, and will allow it to provide members with unique assortments at a lower cost of goods.

Hernando also delivered transportation efficiency and sustainability benefits by reducing truck traffic. This was possible due to increased tote fill and cube utilization.

“Since launching Hernando, we have reduced 50 percent of the trucks off the road that we would have had prior to it,

and that’s just on the VMC side of the business,” Kearns said. “If we used to do 32-35 loads a day, we now do 16 or 19.”

AWG continues to evaluate the network, automation and technology. Another automation project awaits board approval, featuring different technology suited for retrofitting existing facilities.

Technology shaping future

Kearns believes the future of grocery distribution will look very different, driven by automation, artificial intelligence and, eventually in the longer term autonomous transportation.

“Automation all the way,” he said when asked what excites him most.

“I think from a distribution/logistics standpoint, it’s going to be very different in the future,” Kearns said. “I think you’re going to see a lot more automation be introduced into the industry, and it’s not going to be the traditional automation that you see today.”

Artificial intelligence will support decision-making and continuous improvement. “At the end of the day, it is going to make better decisions than us. It’s going to make quicker decisions. It’s going to be more nimble, and it’s going to learn.”

For members, automation delivers measurable benefits. “I think we’ve clearly demonstrated with Hernando lower costs, better quality and improved on-shelf availability,” Kearns said. “Also the stores have seen benefits at the back door and in the back room – less pallets, fewer totes, quicker unload times, less damage and like items stacked together.”

Long-term financial benefits will compound as depreciation schedules complete.

“In 15 years, when the depreciation drops off these systems, you’re going to see a huge reduction in cost, and that’s the gift that’s going to keep on giving forever,” Kearns said.

AWG’s “One Team” philosophy drives collaboration across departments. Recent projects bringing on new business demonstrate the philosophy in action.

“When we’ve got these big projects now, we all get together. We collaborate. It’s very open, it’s very transparent,” Kearns said.

“One Team” also means prioritizing member economic value even when operational costs increase. AWG recently switched Hernando’s milk program from corrugated containers to plastic crates, increasing manual picking requirements and operational expenses, but lowering the members’ cost of goods.

“I think that’s a really good demonstration of us working together and compromising and also doing exactly what we need to do for the member,” Kearns said.

Legacy, founding principles

As AWG reaches its centennial, Kearns hopes to leave distribution and logistics operations optimized and more efficient than they are today by leveraging the team’s expertise and also deploying automation, technology and improved procedures. But the legacy extends beyond operational efficiency.

“We’ve provided our team with a quality of life and a standard of living that without AWG they may not have had,” said Kearns, recalling conversations with retiring employees who credit the company for their pensions and ability to send children to college. “I think that’s very powerful, and that’s a legacy that we should all be proud of.

The cooperative’s founding principles remain intact even as methods and technology evolve.

“Our founding principles are amalgamating volume to lower cost of goods and support our members. And I don’t think we’ve deviated from that. We’ve just done it in different ways,” Kearns said. “I think that’s the fabric of AWG.”



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Wholesaler of the Year



Stephanie Becker Chief Legal Officer



AWG Chief Legal Officer Stephanie Becker has experienced two decades of transformation at the cooperative – from navigating the company’s most expensive and ambitious automation project during a pandemic to advocating for independent grocers on Capitol Hill.

Becker joined AWG in 2005 as a real estate attorney, bringing private practice experience to a role that initially focused on building ground-up stores for retailers and managing the cooperative’s real estate portfolio. Twenty-one years later, her work spans everything from advocating for Robinson-Patman Act enforcement to workforce development initiatives for women in the grocery industry.

“My job is to sell groceries,” Becker said, a statement that draws chuckles from her legal team. “If we’re not selling groceries to our retailers, then we’re not doing anything ... Our goal is to make sure that everything else happens behind the scenes so that the groceries can get sold.”

In today’s rapidly consolidating grocery landscape, Becker sees AWG’s cooperative structure as its greatest competitive advantage – and the simplest story to tell lawmakers.

“When you’re in the co-op, everybody’s in the same business, everybody’s in the same world and everybody’s working together,” Becker said.

That structure becomes particularly powerful when Becker advocates for enforcement of the Robinson-Patman Act, legislation passed in 1936 after grocers went to Capitol Hill complaining about discriminatory pricing from vendors.

Today, it’s the power buyers that are dictating prices to vendors, putting them in “an absolutely terrible spot,” she said.

It is simple to explain the co-op model to legislators, “because we’re treating everybody the same,” Becker said. “And all of our profits go back to our retailers.”

That closed-loop structure – profits returned to members after expenses – is central to AWG’s mission.

Becker emphasized that AWG’s executive team holds no shares in the company.

“We are here working for our retailers. We are treating them the same, and we are making certain that they’re getting the lowest cost of goods possible,” Becker said.

During visits to Capitol Hill, including trips during the National Grocers Association’s events, Becker said she finds

herself standing alongside other wholesalers who normally compete for business but unite around the need for fair pricing enforcement.

“We are all dealing with the same issue,” Becker said of those meetings. “We are all trying to get to the point that we don’t want a handout; we don’t want special favors. We just want a level playing field.”

The meetings yield mixed results. Sometimes lawmakers are distracted by other priorities. Often, conversations happen with staffers rather than members of Congress themselves.

“I don’t mind speaking to staffers because they’re the ones who are doing the research,” she said. “They’re the ones talking to the members. And if I don’t have a staffer who wants to listen to what I have to say, their member’s never going listen to what I have to say anyway.”

She appreciates when retailers join these meetings. “They have fantastic stories to tell,” Becker said.

Pivotal decisions

Looking back at her tenure under four CEOs – Gary Phillips, Jerry Garland, David Smith and current President and CEO Dan Funk – Becker identifies two decisions as most critical to shaping AWG’s trajectory.

The first: the decision to remain a cooperative rather than pursue an initial public offering.

“I think staying a co-op, making that decision to focus on retailer ownership and to really stay in that world, was extremely important,” Becker said. “Having those initial conversations, going through it, realizing that wasn’t the right direction to go at that point in time. I think staying as a co-op, continuing to believe in and fostering and focusing on the co-op model was really important.”

The second pivotal moment came more recently: the decision to build AWG’s highly automated distribution center in Hernando, Mississippi – a project Becker describes as the “biggest, most expensive, most transforming, most time-consuming, most sleep-loss time – in a pandemic no less.”

Becker’s role in Hernando was substantial from the start, working on land acquisition, contracts with the construction company and automation provider WITRON, and negotiating incentive packages from local and state governments.

“I think making the decision to go with automation was pivotal,” Becker said. “It was the way to say we’re in this for the long game. We’re going to make sure that we are really doing everything we can to benefit our retailers, and this is the way to do it.”

The Hernando facility represents AWG’s most comprehensive automation implementation, handling everything from each-pick (individual items like health and beauty products that retailers need in small quantities rather than full cases) to frozen, fresh and dry goods.

While retrofitting existing warehouses would require closing them down for full automation, Becker noted that facilities can implement pieces of the technology incrementally.

AI and data access

As AWG moves into its second century, Becker sees artificial intelligence as the next frontier – particularly in helping retailers access and understand their own data.

She cited shrink management as one example where AI-driven processes could help retailers analyze their operations more effectively. But the technology brings its own challenges.

“That seems to be always the issue. You’ve got to put all that data in to be able to get anything out,” Becker said.

Under Funk’s leadership, AWG has emphasized its “One Team” culture – a concept Becker sees extending beyond a motto to genuine collaboration

across the organization’s 4,000-4,500 employees spread across nine distribution centers.

“Dan’s doing a great job of making certain that we work as one team, that we’re coming together, that we’re thinking about the different areas and how our worlds impact everyone else,” Becker said.

“We’re also trying very hard to get out there and make certain that everyone feels as though they’re part of one team working toward the ultimate goal of helping the retailer make certain that their companies are successful and that they’re feeding their communities.”

The executive team meets regularly and shares information down through the officer level to reach all teammates. AWG holds quarterly town hall meetings to maintain transparency.

Becker makes a point to be visible, whether at food shows, division support centers, quarterly town halls or a rotation through the headquarters building’s three carbonated water machines that puts her on different floors.

“I love this leadership team,” Becker said. “I love being able to be part of the team that is working for the future of the company, that is working for the retailers.”

She encourages the next generation of AWG employees to grasp more quickly than she did the cooperative’s ultimate purpose.

“To see that our goal, the goal of AWG as a co-op ... is providing food for our shareholders to be able to provide to their communities [and] that when we do our jobs right, then the communities are able to keep their local grocery stores,” Becker said.

Building networks for women

Beyond her legal responsibilities, Becker has taken the initiative to support women’s advancement within AWG and across the grocery industry. She hosts monthly lunches with women directors and above from diverse departments across the company.

The informal gatherings, which have no agenda, help build internal networks.

“[It’s] just to be able to build those networks and those communications internally, and then maybe then we can start doing it externally as well,” Becker said.

She also actively promotes engagement with the Women Grocers of America, encouraging participation from AWG leaders and board members.

AWG currently has two women – Nikki Carver and Dana Naifeh – serving on its board of directors.

For the industry overall, Becker sees a need to showcase the diverse career opportunities available to women, pointing to leaders in AWG warehouse operations and distribution centers.

She acknowledges that AWG remains relatively unknown outside the grocery industry – “we’re very quiet, we’ve always been” – despite being one of the nation’s largest cooperatives.

Even locally in Kansas City, she often has to describe the million-square-foot building near the airport or reference Best Choice products to help people understand what AWG does.

That quiet approach stems from AWG’s focus: “We’re out primarily functioning and working with and for the benefit of our shareholders,” Becker said.

As AWG celebrates 100 years, Becker sees Funk’s leadership positioning the cooperative not just to mark a milestone but to build a foundation for the next century.

“Dan is really focused on making certain that we’re ready for the next 100, so that this is not something where we hit 100 years and we don’t have the foundation and the way to move forward for the next 100,” Becker said.

“How can we set a good foundation, not only for our shareholders, who are our members, but also for our employees, so that this is a great place to be?”





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Wholesaler of the Year



Pat Reeves Chief Human Resources Officer



As Associated Wholesale Grocers marks its 100th anniversary, Chief Human Resources Officer Pat Reeves sees the milestone not only as a celebration of longevity but as proof of a model built to endure.

The cooperative's longevity reflects not just business acumen but a fundamental commitment to its people – from the member-owners it serves to the teammates who make that service possible.

Reeves has witnessed this commitment firsthand during his 12 years with the organization. After spending his career at Fortune 100 companies, he joined AWG in 2013 and quickly recognized something different about the cooperative model.

"I came from Starbucks and Delta Airlines, Sears, The Home Depot, Shell Oil ... We operated differently. We operated based off Wall Street," Reeves said. "But we don't do that here. The members are the owners, and the work that we do is in service to them.

"We work side by side with them. I was impressed with the commitment that the teammates had to those member owners, because they knew who they were. It's not like someone buying stock. We know who the owners are, and we're directly tied to their success."

That direct connection can be seen in employee longevity. While many industries grapple with turnover and mass exits, AWG boasts numerous employees with 20, 30 or more years of service – a testament to the organization's culture and the work its teammates perform.

AWG plans to mark its centennial throughout 2026 with celebrations across all locations. The company will install a time capsule, distribute commemorative items, including a special truck model, and host family events at each site to give loved ones an opportunity to experience where AWG teammates work.

The company also plans special recognition for long-tenured employees and former CEOs including Jerry Garland, David Smith and Gary Phillips. Video projects featuring veteran employees are under way.

Building 'One Team'

Under President and CEO Dan Funk's leadership, AWG has evolved from what Reeves describes as geography-based cooperation to truly operating as "One Team" – the company's guiding motto.

"For many years, it seemed as though geography was the definition of us being a team, because we were co-located as opposed to actually being a part of the same team," Reeves said. "Under Dan and this notion of 'One Team,' we are coming together to effect change in the strategy."

That transformation produced AWG's first comprehensive five-year strategic plan, developed collaboratively across the organization rather than handed down from leadership.

"It was a labor of love," Reeves said. "We're going to need to get better at being 'One Team.' It's not what's in the best interest of my department, what's in the best interest of your department – it's what's in the best interest of the organization and what's in the best interest of our membership?"

The strategic plan includes multiple initiatives under its people pillar, with several already launched or underway.

Defining 'AWG Ways'

Perhaps one of the more impactful of the recent people initiatives, according to Reeves, has been developing and implementing AWG Ways – a set of core behaviors that define what it means to be an AWG teammate.

A cross-functional team representing the entire organization collaborated to identify these behaviors, which have since been taught across all AWG locations. The company plans to launch "2.0" this year, with more specific applications for different work groups and organizational levels.

"The cross-functional team came together to identify those core behaviors that really illustrate what it is to be an AWG teammate," Reeves said.

The initiative exemplifies the "One Team" approach: "This didn't come from the executive leadership team. [It came from] the representative team that we had on this initiative, which was representative of the company. They came up with that."

Investing in wellness

Another strategic initiative moved from a planned 2027 launch to January 2026: a comprehensive wellness program addressing the total person – medical, dental, emotional, spiritual and financial well-being.

"Dan asked that we accelerate it 18 months. We had about six months to get all that done, which was good. It forced us to really get to the root and move forward," Reeves said.

The wellness program asks teammates to take action regarding their well-being. Through a partnership with Vitality, employees can complete preventive screenings, health risk assessments and wellness activities tracked via an app.

"We can't control medical inflation. We can't control what big or small insurance companies do, and we certainly can't control what happens coming out of the Capitol and the White House," Reeves said. "What we can control is how we treat our bodies. So what we've asked is that we take action, be active in our well-being."

Staying connected across nine locations

With operations spanning nine divisions, AWG maintains connection through structured communication channels. The company hosts quarterly town halls featuring Funk and CFO Gary Koch, who discuss company updates and financials before opening the floor for questions. Individual divisions then host their own follow-up town halls, and department heads conduct department-specific sessions.

For the Kansas City campus, Funk hosts "Ask Dan Anything" sessions, giving AWG Support Center employees direct access to the CEO – an opportunity division employees receive during regular visits.

The strategic plan includes forthcoming mentoring programs and expanded employee development initiatives.

AWG also prioritizes internal talent development and promotion. The company's goal: fill at least 75 percent of positions internally, with only 25 percent coming from external hires. The organization consistently meets or exceeds that target.

"We're very proud of that. And we spent a lot of time crisscrossing the entire organization, departments,

understanding next-level talent, developing that talent and then moving that talent around in the organization," Reeves said.

Leadership through three CEOs

Reeves has served under three AWG CEOs: Garland, Smith and now Funk. While all three share exceptional intelligence, he notes distinct leadership styles.

"Dan is very purposeful ... and he pushes 'team' ... he's coaching you all the time," Reeves said. "He's very cerebral and always prepared. No matter what."

He credits each leader with unique strengths: Garland's teaching, Smith's infectious personality and growth mindset and Funk's thoughtful combination of both approaches.

"He plans to grow and will grow the organization, but he's going to be thoughtful about how he does it. He's going to make sure that we take care of the day to day while we are still aggressively going after the future, and we're going to let this blueprint, our strategy, be our guide," Reeves said. "And it's we; it's not [the executive leadership team] is going to do this or the officers are going to do this. This is a 'we.' We have to do this."

Next 100 years

Looking ahead, Reeves anticipates significant evolution in distribution and workforce dynamics. Technology – particularly artificial intelligence – will handle increasingly complex tasks, but human expertise remains essential.

"AI has already impacted certain work activities. AI won't replace humans. We will work alongside AI. I think the future of distribution is technology, whatever the emerging innovation will be," Reeves said. "If you have all of that tech, you've got to have a human behind the tech."

AWG has demonstrated its commitment to innovation through investments, including the automated All-In-One Distribution facility in Hernando, Mississippi, and technology implementations across other locations.

For prospective employees and industry observers, Reeves points back to the centennial milestone itself.

"AWG is about to celebrate 100 years, full stop. How many organizations have been around for 100 years and are growing? During the pandemic, we got bigger. We got busier," Reeves said.

"We continued to thrive, because the independent retailer continued to thrive. As long as individuals have that entrepreneurial spirit, which is really synonymous with being an American, then there will be a need for someone like us who has the best interest of those member owners."





Congratulations AWG

The Prairie Farms Family of Companies proudly congratulates Associated Wholesale Grocers on being named the Midwest, Southeast and Southwest **Wholesaler of the Year**.

We also commend AWG for its unwavering commitment to feeding America as the organization celebrates its remarkable **100th Anniversary**.

Wholesaler of the Year



Tye Anthony Chief Merchandising and Marketing Officer



Associated Wholesale Grocers didn't reach its 100th anniversary by accident, according to Tye Anthony, the cooperative's chief merchandising and marketing officer.

"There's always a reason why companies survive this long ... but we aren't going to survive the next 100 by accident either," Anthony said. "It's going to take intentionality."

Anthony, who is marking his 13th year with AWG, joined the Kansas City-based cooperative as a marketing VP in the Nashville, Tennessee-based division. His career path took him through Fort Worth, Texas, and Kenosha, Wisconsin, where he served as division manager, before moving to corporate headquarters.

The journey represented four cities in five years, he said, providing crucial operational experience that complements his retail background.

Before AWG, Anthony spent 12 years with Randalls and Tom Thumb food markets and worked with Ahold USA, primarily at BI-LO and Bruno's. He also consulted for Family Dollar, helping build the retailer's private label program. But working with independent grocers represents a full circle moment for Anthony, who grew up in a family-owned supermarket business in Nebraska. His family was with a member-owned co-op.

"It's kind of like coming back home for me," Anthony said, "back to working with independent retailers after 20-plus years on the chain side."

What stands out most from his tenure at AWG, Anthony said, is the resilience of independent retailers and the cooperative model that supports them.

"The industry has been declaring the death of the independent retailer forever, and they continue to be very resilient," he said. "I think the co-op model has been a part of helping keep them resilient. But at the end of the day, we're a member-run company. Our board is all members. Our inspiration comes from them."

That resilience plays out in markets across the country, even in communities where independent grocers face competition from dollar stores.

"I can take you to a number of small-town retailers who they've been talking about the death of forever. They've got just them and a Dollar General, and they're still doing well," Anthony said. "Now there's some that aren't. It depends on what their commitment is and how they want to utilize resources, but there's plenty of them out there that are winning in that equation."

Tech, efficiency drive next century

Looking ahead, Anthony identified several priorities for AWG's next 100 years, starting with helping members leverage technology more effectively.

"The consumer is utilizing technology more," he said. "We all have to play a role in that. I think that's a big part of our future."

From distribution improvements to broader digital capabilities, he said AWG must continually refine how products move from vendor to retailer to shopper.

The cooperative's All-In-One Distribution facility in Hernando, Mississippi, represents one step in that direction,

but Anthony said similar technological advances will touch more of AWG's footprint.

"One of the top things in the next 100 years that we will continue to look for [are] efficiencies in how we distribute product, how we get product to our members," he said. "How do we ultimately get products to the consumer?"

Maximizing efficiencies to drive down cost of goods remains critical, Anthony said, but AWG's role extends beyond pricing.

"It's more than just about us placing a P.O. and the truck shows up at the door and then we ship it back out," he said. "I think that role is going to be ever-evolving, too, and that's going to be part of the next 100 years as well."

The cooperative will continue playing a crucial role in aligning vendors and retailers, Anthony said, ensuring members receive necessary resources while maintaining collaborative partnerships that benefit both sides.

Unified mission

The cooperative model itself inherently operates on AWG's "One Team" philosophy, Anthony said.

"The co-op model itself says if you're not one team, you're not going to be successful," he said. "Whether it's the members, whether it's the vendors, whether it's our internal team, trying to align yourself and collaborate so it becomes a win for everybody – that's your ultimate goal."

Today's competitive environment demands greater teamwork than ever before, he said, and the cooperative's membership and hiring practices naturally support that approach.

"I think, more than ever in our business, because it has become so much more competitive, it's mandating that we act, look and perform like one team more than it ever has before," Anthony said. "Not everybody you can hire necessarily has that type of personality that is a team player, and we look for those team players."

AWG's governance structure, with a board composed entirely of member-retailers, ensures the cooperative stays focused on what matters most to independent grocers, Anthony said.

"When you have 19 different board members who are independent business owners, they're going to have different opinions. But it's great when we walk out of that room, everybody's going the same direction."

That structure differs significantly from his experience in corporate and publicly traded environments, Anthony said.

"This is so much better because, again, you're all going toward a common goal," he said. "You're all trying to achieve success in the same metrics, and that's going to drive your governance."

The member-owned structure also ensures consistency across leadership transitions, he noted. Anthony has worked under three CEOs during his AWG tenure – Jerry Garland, David Smith and Dan Funk.

"They're all different, but they share some common traits," Anthony said. "Number one, they understand the independent retailer very well. They were very committed to understanding what our mandate is as a co-op for independent retailers. And they were all, including Dan now, visionary about where they want to see us 10-20 years down the road."

He contrasted that continuity with leadership changes at publicly traded companies, where new CEOs often dramatically shift direction.

"All these guys ... may have done things differently and they may have come up with different visions, but it always was centered around what's going to help these independent retailers survive the best," Anthony said.



"Nobody can come in and go so far off to take the company away from what's going to help the independents. That will never happen because it's member-owned and it's member-driven."

Engaging next generation

One of the industry's ongoing challenges involves attracting and retaining young talent, Anthony said. Speaking at a recent Houchens Food Group management conference, he encouraged store managers to recognize their role in inspiring the next generation.

"That high school kid that's bagging groceries may end up the next person in my position someday, or somebody else's position," he told the group.

The industry needs to better communicate the career rewards available in grocery, he said.

"This may not be a glamorous business ... but it can be a very rewarding business. It does take work, it does take commitment, but it has its rewards. We need young people to understand that better."

For AWG's own talent development, Anthony emphasized the value of employees who can adapt and learn across multiple areas of the business.

"Those that have that capability to learn new things and do different things, they're more successful in our business than those who are not," he said. "You still have to have the position players, but you have to find good athletes."

Success paramount

For independent retailers evaluating their wholesale partnership options, Anthony emphasized AWG's 100-year track record of supporting independent grocers through consistent, long-term leadership focused on retailer success.

"We've been here for 100 years ... through many different leaders, none of them short term. They've all been good, long-term leaders," he said. "The focus around the success of the independent retailer has been paramount."

Despite AWG's scale – serving more than 1,100 member-retailers – the cooperative maintains an intimate understanding of its membership, Anthony said.

He described AWG as "the biggest small company I've ever seen," noting that despite its size, the cooperative remains "very small, independent focused."

For Anthony, serving on the executive leadership team of a century-old cooperative represents the culmination of a career that began in his family's independent store.

"It'd be one thing to be an executive in a company that's 20 or 25 years old, but to be able to do what I'm doing, having grown up in an independent retailer environment, to get to this point in a company that's been doing this for 100 years, that's the difference for me," he said. "It's an honor."

His greatest contribution, Anthony said, has been bringing flexibility and understanding from multiple perspectives – having been an independent retailer himself and having worked on the chain side – while maintaining an approach that emphasizes listening and collaboration over individual directives.

"I love interacting with our members. I hope that that's something I'll leave a footprint on. You've got to get out of the chair, and you've got to go," he said.

As AWG celebrates its centennial, Anthony said the cooperative's success stems from understanding both its history and its future imperatives.

"There's been myriad companies who have looked back and looked at their past 100 years and haven't been able to change and evolve, and eventually they haven't survived," he said. "This company has continued to have a great dynamic, and a lot of it's because of the leaders that have been chosen by these independent retailers to not only look back on the success and learn how you got here, but what do we have to do for the next 100?"

It is an incredible honor to congratulate **Associated Wholesale Grocers (AWG)** on reaching your **100th Anniversary**.

A centennial is more than just a milestone; it is a testament to resilience, vision, and an unwavering commitment to the independent grocers who feed our communities. At Return Management Services and Recalls123, we feel a profound sense of pride in our shared history.

AWG100



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Wholesaler of the Year



James Neumann SVP of Sales and Support



As Associated Wholesale Grocers celebrates its 100th anniversary, James Neumann sits in a role that didn't exist in his life plan but seems tailor-made for his experience.

Today, as AWG's SVP of sales and support,

Neumann serves on the executive leadership team, overseeing business development, real estate, store planning and design, advertising and marketing, retail media and a growing portfolio of technology partnerships.

But his perspective didn't come from a corporate office – it was built on grocery store floors. Neumann grew up in the independent grocery business. His father started young – “paper route into popcorn stand and into grocery retail by 16” – eventually opening two stores in 1978 with a high school friend after their employer exited the grocery business.

Neumann followed suit.

“I started going to the store as a very young kid,” he said. “I was probably more of a pest than anything else [but] would help pull cardboard, wrap lettuce, sweep the floor, help baggers.”

By 16, he was officially on payroll. He worked his way around every corner of the store and eventually into management, then into the VP role, where he and his brother formed what he describes as a natural partnership: Neumann handling operations, his brother the accounting and pricing of his family's Louisville, Kentucky-based company, operating under the Valu Market banner.

That hands-on background shapes how he approaches his current role. He understands what it means when a retailer says they need help – because he has been that retailer.

“An owner never takes that hat off,” he said. “I don't care if you're on vacation, it's always churning. You're always worried, and you're always going to get the call when something happens. It's just different.”

Discovering cooperative difference

Neumann's company joined AWG in 2005, a year after AWG took over the former Fleming warehouse in Goodlettsville, Tennessee. It was, by Neumann's own admission, a difficult stretch leading up to that transition.

The stores had bounced between SuperValu and Fleming, eventually avoiding Fleming's bankruptcy but still struggling under the weight of activity-based costing and stiff competition.

Joining a cooperative was new territory. But what Neumann witnessed inside that Nashville division – with largely the same personnel as before – changed his understanding of what a wholesale partner could be.

“Everybody got the same cost of goods. You didn't have to play behind-the-scenes games and metrics to hit a gross margin. You didn't have to worry about Wall Street. Simply focus on taking care of their members.”

Over the next decade, his retail company expanded from three stores to six, remodeling locations and strengthening operations.

Seat at the table

Around 2010, then-AWG President and CEO Jerry Garland called Neumann to let him know his name had surfaced with

the nominating committee for the AWG Board of Directors. Neumann was floored.

“I was probably the youngest board member to come on and really wanted to learn and understand before I spoke,” he said. “And in the latter years, they probably couldn't get me to shut up.”

Board service gave him a broader view of the cooperative's scope that he couldn't have gotten from the retail floor – the financials behind the cooperative model, strategic planning, technology investments, facility acquisitions.

He visited sites to evaluate major capital decisions before the board voted on them, participated in member-facing business development meetings and helped recruit prospective members in Ohio, Chicago and elsewhere across the region. Through it all, he came to understand AWG from the inside out, while never losing his perspective as the retailer in the room.

“I think it just got me to see a universe much larger than running our company in Louisville,” he said. “And not that it's small, but by comparison, it's tiny.”

New calling

In early 2023, then-CEO David Smith – who was planning to retire at the end of the year – asked Neumann to consider joining AWG's leadership team full time. The conversation centered on culture.

“He goes, ‘I look at our company, and we have exceptional teammates here and really solid leadership,’” Neumann recalled. “‘But I feel like we're missing a piece of connection with our retailers when I'm gone, and just that natural ease of understanding what our members' needs are and being an advocate and always reminding everyone in the building why we're here and that our members need to come first.’”

Smith made clear the move would require Neumann to fully sever from his family's company – he couldn't be both a member and an employee.

For Neumann, the decision came down to impact.

“I have the opportunity to impact 3,500 member stores and not just four,” he said.

He left his family business – turning in his stock and ensuring a succession plan was in place – and relocated to Kansas City.

“I was really yearning for the challenge,” he said.

Translating retail reality

In his current role, Neumann oversees a broad and expanding portfolio. After beginning in business development, he added oversight of real estate and store planning and design.

Today, his responsibilities span retail-facing services: AWG's in-house ad group, retail business solutions, digital marketing, retail media initiatives and third-party partnerships such as e-commerce, loyalty and credit card programs. He still stays involved in business development – the part of the job that drew him in to begin with.

If AWG's operations team “delivers brown boxes,” and its merchandising team determines what goes inside those boxes, Neumann's group focuses on everything that helps members sell what's in them.

“We need to be that lever to help our members understand what needs to be on the shelf, where on the shelf, what price is the most efficient to run at to help optimize their profitability,” he said. “And we have to help deliver those tools and that functionality.”

He views technology and data capabilities as no longer optional.

“You really need to be present in e-commerce. You need to be present in understanding loyalty and customer behaviors, and in not pricing with emotion but using algorithms and understanding your market pricing and market metrics,” he said. “It's back to your simple marketing. It's the four Ps – product, price, promotion, placement.”

Neumann said while his AWG teammates truly care about the members and want to take care of them, his retail instincts sometimes act as a filter inside AWG's walls.

“There are times when you're in conversations, ‘Oh, we need to do this,’” he said. “It's like, ‘Yeah, but do you understand the decision tree? What happens at retail?’”

He points to single-store operators who may be cashiering at dawn, stocking shelves mid-morning and balancing books at night.

“Yes, we've got some tech or something that's innovative, but it's different when you're living that life,” he said.

That empathy – and credibility – resonates with prospective members, too.

“If we have a retail member that speaks to another prospect, the credibility is far more than anything anyone within AWG can say because of speaking the same language and having that empathy and understanding,” he said.

Crisis, community, commitment

Neumann said the moments that reveal what AWG is made of aren't the ordinary ones – they're the fires, the tornadoes, the hurricanes, the floods.

“Everyone asked me, what days do you miss out of retail, and I'm kind of a weird one. I miss the worst days,” he said. “When you've got that power outage, a fire, a tornado, flood, COVID – to see a team come together and bond over a common thing, that's when your teams really come together and gel and perform at a high-functioning level.”

He's seen that crisis response from both sides now. As a retailer during COVID, he watched AWG warehouse teammates work extraordinary hours to maintain supply levels and experienced the transparency AWG provided to keep members informed in real time.

As an AWG executive, he's seen division teams respond to hurricanes, blizzards and member disasters with what he describes as true partnership – boots on the ground, engineers engaged, connectivity teams making sure stores stay online.

“The support from your warehouse, and the hours that we knew these teammates were throwing in just to get groceries out to our customers is staggering ... We weren't selling groceries anymore; we were feeding people,” he said.

That mindset defines the cooperative in his eyes.

“Just that retail focus and that understanding that the answer can't be no,” he said. “It can't ever be, ‘No.’”

Not just strategy – it's culture

As AWG enters its second century, Neumann sees both challenge and opportunity for independent grocers.

“There's still always going to be a need for that community connection, and independent grocers do it better than anyone in our segment by leaps and bounds,” he said.

He acknowledges ongoing consolidation and competitive pressure from national chains and alternative formats. But he also sees generational transitions as a critical focus area. He sees a significant wave of owners nearing the end of their careers without solid exit plans, and he views helping those operators find a path forward as a critical part of AWG's mission.

“If we let that single store in that 5,000-population town close, no one's going back,” he said. “The cost is too great to do a new store in some of those small communities. But the opportunity to continue is there, and the difference between buying and maintaining and building is a huge gap.”

AWG has built internal tools to help identify potential buyers within its member network, streamlined member-to-member and member-to-non-member sale processes, and developed a platform that coordinates real estate, divisional, finance and legal teams to keep transitions moving efficiently. The goal is always to keep stores open, keep communities served and keep members within the AWG ecosystem.

“We need to be identifying, up front, and having the

conversations with our members to let them know we're here to help," he said.

For Neumann, the cooperative model remains the differentiator.

"For an independent retailer, I think the cooperative model is the model that makes sense, because it's the fiber of their being," he said.

After a lifetime in grocery – from sweeping floors as a kid to influencing thousands of stores – his mission is clear: keep the member at the center.

At AWG, that's not just strategy – it's culture.



Shelly Moore Chief Information Officer



In Associated Wholesale Grocers' 100-year history, few areas reflect the cooperative's evolution more than member growth and technology. Today, the co-op is in the midst of a comprehensive digital transformation designed to give independent grocers the

technical "muscle" needed to compete with global retail giants.

Shelly Moore, chief information officer at AWG, has championed this overhaul since joining the AWG executive leadership team five years ago. Her diverse background in consulting and technology leadership roles at Ernst & Young/Cap Gemini, Albertsons, Payless Shoesource and Yellow fostered a learning mindset, relentlessly looking for improvement and transformation opportunities.

Her support for AWG's strategic initiatives spans logistics, merchandising, marketing and supply chain management – touching nearly every nerve center of AWG's operations.

"There is almost nothing from the last five years, or looking into the next five, that we won't touch, enhance

and improve," Moore said. "The accomplishments our AWG team has made would not have been possible without their incredible business know-how and unrelenting commitment to member service."

The automated advantage

AWG's automated distribution facility in Hernando, Mississippi, is a cornerstone of this strategy. Moore notes that the precision of robotics doesn't just improve speed; it improves quality. "The stability and quality of the pallets we deliver are among the best in the industry," she explains.

AWG is currently transforming its core operations through a new warehouse management system and a total overhaul of its forecasting capabilities.

"While our previous solutions provided a strong foundation for two decades," said Moore, "we are migrating to a modern platform designed for our next century of growth. This transition does more than just move boxes; it leverages AI-driven decision support to optimize every link in our supply chain. By integrating sophisticated demand signals – ranging from promotional trends to real-time consumer shifts – our new forecasting technology will simultaneously improve days' supply, optimize working capital and elevate service levels for every member."

Beyond the warehouse, AWG is piloting in-store robotics and AI camera technology as a part of its Retail Business Solutions capability set. These tools scan shelves for price compliance and out-of-stocks, allowing store staff to stop hunting for problems and focus directly on solving them.

By introducing members to solutions that excel at automating backroom tasks like inventory tracking and

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Wholesaler of the Year



David Smith former Chief Executive Officer



As Associated Wholesale Grocers celebrates its centennial, former CEO David Smith looks back on his tenure with the perspective of a steward who sought to leave the cooperative stronger than he found it.

Smith joined AWG in August 2003 as director of real estate. He stepped into the CEO role at the end of 2015, beginning officially in early 2016. He retired at the end of 2023.

"When I took the seat, the co-op was strong," Smith said. "The reason being that its independent grocers were really good operators, and they had been battle-tested and already proven their value in the communities they serve, for decades and decades. It's a very strong company."

Smith said he entered the role with a simple mission.

"My mission was simple - to listen to the needs of the retailers and to provide them with what they needed,

whether it was products or tools or the support in order to be able to succeed and remain competitive."

One of the first major steps under his leadership was forming a strategic council of retailers to serve as the voice of the membership. Their feedback shaped AWG's strategic plan - what to maintain, improve and stop doing.

"Implementing those plans involved maintaining the momentum that we already had as a company and what was working and defining and communicating the new things that we needed to do, as well as stopping some of the things that we were applying time and effort that really weren't any longer applying value," he said.

Difficult start - and strategic pivot

Early in his tenure, Smith faced a defining challenge. AWG's largest member acquired a chain that required self-distribution, meaning the retailer would leave the cooperative.

"That's not really the kind of notices you want to receive, especially not in your first year," Smith said.

AWG had a choice: pull back and minimize the damage or push forward and grow through it. Smith chose the latter.

The cooperative completed an acquisition with Affiliated Foods Midwest, significantly increasing volume and strengthening buying power and service offerings. The addition of what became the Great Lakes division in Kenosha, Wisconsin, brought a wave of new stores and members.

"It just became very, very, very successful," Smith said. "Even though we were facing something difficult, it ended up really good. It didn't start on a positive note, but it did

end on one."

He described the move as a "very strategic pivot" that positioned AWG in new markets and set the stage for Upper Midwest growth.

Innovation rooted in values

Balancing heritage with innovation is an ongoing challenge for any 100-year-old company. For Smith, the cooperative structure provided the answer.

"AWG had 19 fantastic grocers [on its board] that were owners and were kind of built into our fabric, representing every cohort of AWG's membership - single store operators, big stores, small stores, practically every format and operating philosophy," he said. "By involving that board in all of our strategic decisions and changes, we always were able to receive candid feedback, direct voices from the users, before making any bold left- or right-hand turn."

When the members helped select a course, Smith said, they were fully committed to seeing it through.

"I believe that's ... a secret to the innovation and adoption and change and improvement process at AWG is that we have the end-users as a part of those decisions," Smith said.

When asked about his proudest achievement, Smith did not point to expansions or facilities.

"It's really the people, and specifically the leadership team," he said.

The executive team he assembled more than a decade ago remains largely intact.

"[I'm] the only one that's kind of hit the off-ramp. But the

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planogram optimization, AWG is providing ways to free up independent grocers to focus on what they do best: serving their customers.

Building connected retail ecosystem

For AWG's 1,100 members operating 3,500 stores, fragmentation is one of the greatest controllable enemies. Moore is focused on creating a "cohesive ecosystem" where wholesale and retail data work as one more seamlessly.

- The scale gap: Unlike national chains on a single platform, AWG members use a patchwork of different systems. "Our job," Moore said, "is to help them operate with the power of a national chain while maintaining the heart of an independent grocer." Providing members with independence and flexibility while offering access to modern capabilities is key to the strategy.

- Unified pricing: AWG is re-platforming its pricing systems to give members a single tool to manage their entire store, ensuring they remain competitive in their local markets. Integrating strategic pricing models, competitive market data and connection to digital Electronic Shelf Labels enhances member price image and execution efficiency.

- Smart replenishment: Using AI and data, AWG is focused on finding ways to help retailers "leapfrog" technology gaps to create automated replenishment systems that were once only available to big-box competitors.

Data-driven partnership

This transformation isn't happening in a vacuum. AWG works closely with forward-thinking members to test-and-learn using real-time point-of-sale (POS) data. This visibility allows AWG to build feedback loops that refine marketing, merchandising and operations.

As consumer demands shift, AI and data can be used to expand and leverage relationships with AWG's specialty and natural/organic suppliers, helping members lead in the health and wellness space.

Looking ahead, AWG is exploring AI-powered loyalty tools to provide a personalized digital shopping assistant

and automated e-commerce basket integration - capabilities that typically require massive corporate marketing teams and hefty technology investments.

These tools will enable AWG members to be visible with time-constrained consumers who want to invest in making creative, delicious meals but don't have the time to spend planning the shopping trip. Convenience and delivery are not just technological goals but a response to a generational shift that demands a sense of urgency to maintain relevance for this next generation of shoppers.

The cooperative edge

Despite her background in national chains and private equity, Moore finds the cooperative model uniquely powerful.

"The synergy here is profound. Profits go back to the members, which means our decisions are driven by what is relevant for the grocers we serve, not for strangers on Wall Street," Moore explained. "If it doesn't make the member stronger, it doesn't happen."

"AWG's fiscally responsible financial model has allowed us to be ready when key market opportunities presented themselves. Our tech transformation isn't just a response to the market but a proactive move enabled by a strong balance sheet. We are setting up the next 100 years as One Team."

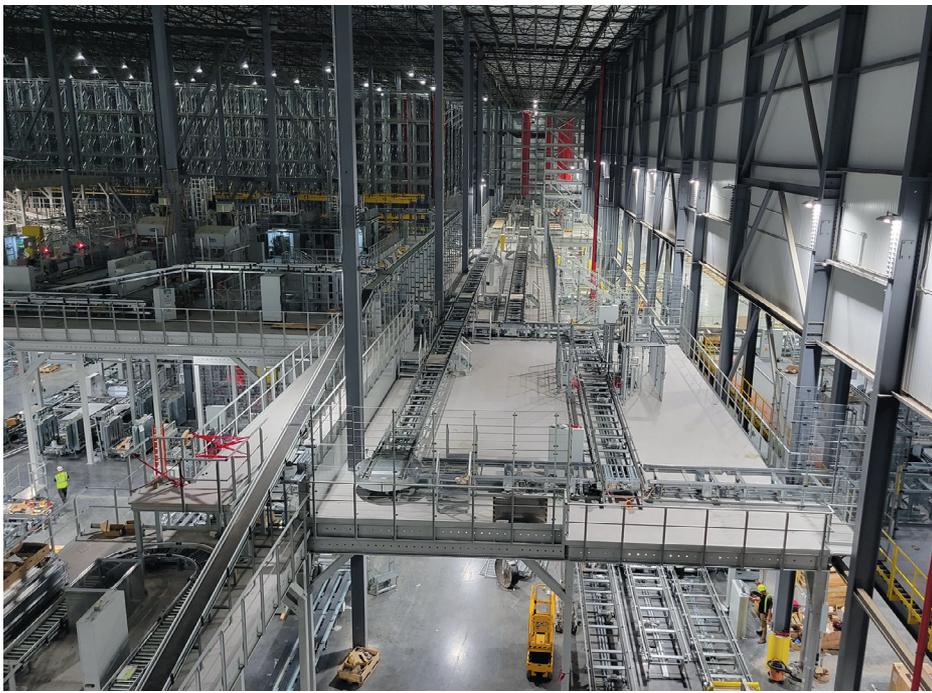
A personal mission

For Moore, the work is personal. Having grown up on a farm raising livestock and crops, she understands the entire journey of food from the soil to the shelf.

"I grew up in a small Wisconsin town with an IGA store. I've seen firsthand how vital an independent grocer is to a rural community," she said. "That connection has come full circle; today, my husband, four kids and I live in a small Kansas town, raising livestock and enjoying the same local market experience with one of AWG's members."

"I love that we help these businesses stay competitive and keep American towns thriving. We're not just providing product distribution; we're helping people pursue the American dream and supporting families and communities."





rest of them are there, and I have just tremendous pride in that team,” Smith said.

He cited their leadership during his unexpected quadruple bypass and valve replacement, as well as their continued performance today.

“That’s my pride, all of them, and the way that they have managed and led and stepped up to every challenge and every opportunity that has happened,” he said.

Lessons in resilience

Smith recounted a particularly vulnerable stretch when AWG was simultaneously exiting the market in Fort Worth, Texas, adding new divisions and absorbing hundreds of new members. Competitors seized the opening, and AWG lost a handful of stores – a rare and painful experience for a

retailers returned.

“We did snap back. We did re-earn their business. We got a second chance,” Smith said.

The episode reinforced his belief in the cooperative model.

“If you have the right business model, you have the right people and you have the right attitude for your customers, or members in this case, who really are there in an ownership role – it’s our role to serve them. We have a resilient business model, and it is a reliable and predictable place for the independent grocer,” he said.

Smith characterizes his time as “a season of growth, despite headwinds.” Today, he sees AWG in a season of refinement and operational improvement, investing in supply chain performance, replacing antiquated systems and

cooperative known for member retention.

“I felt that we had failed those retailers, or else they would not have switched,” Smith said. “And internally, we were sick, and it was a time of reflection, and we did our best to address the challenges and those losses with humility in order to learn from that, because it was a very humbling process of loss that we really hadn’t experienced.”

However, in the months and years that followed, those

leaning into technology.

“This season is a season of building a very, very strong and stable base for the future,” he said.

He believes the most consequential decisions ahead will revolve around technology adoption.

“The technologies in the next three years – what to adopt and what to avoid – will be more consequential than almost any other strategic decisions the grocer and AWG will make,” he said.

The ‘All-In-One’ investment

Among the initiatives board members most frequently cite from Smith’s tenure is the All-In-One Distribution facility in Hernando, Mississippi – the largest single capital investment in AWG’s history and, at the time, the first of its kind in North America.

The facility was born from two seemingly contradictory pressures: consumers demanding greater product variety and big chains and discounters driving down prices. In conventional warehousing, those goals work against each other – more variety means more SKUs, slower order selection and higher costs.

“In wholesale distribution and in retail, the more product variety you stock, the more it increases your cost of operation,” Smith said.

The automated system in Hernando allowed AWG to lower operating costs while expanding variety – shifting from labor-intensive processes to investment-intensive automation.

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Wholesaler of the Year



Mike Rand former Chief Operating Officer



When Mike Rand joined Associated Wholesale Grocers in 1974 as a retail accounting assistant manager in the Springfield Division, he had no idea his career would eventually lead him to oversee the operational backbone of one of the country's largest member-owned

grocery cooperatives.

By the time he retired in 2014 as chief operating officer, he had watched AWG grow from a two-division company into a seven-division operation spanning multiple regions.

Rand's path from finance to operations wasn't a straight line. After leaving AWG briefly for Roadway Express and a period of self-employment, he returned to the Springfield Division in 1980 and worked his way up through administrative services before making an unexpected pivot.

"In Springfield, I was the director of administrative services and office manager-type controller, head-accounting person," Rand said. "I was involved in all the departments in that process."

That broad exposure across departments laid the groundwork for a pivotal shift from finance to operations. From 1984 to 1995, Rand served as director of warehousing for the Springfield Division, stepping fully into distribution leadership.

Rand credits his brief stint at Roadway Express – where he worked as a dock foreman – with giving him just enough distribution experience to make the leap credible, but he's quick to acknowledge what really earned him the opportunity.

"I had a whole six months' experience at Roadway Express as a dock foreman, so I did have a little bit of distribution

experience in my background, but it was more about knowing the systems, knowing the numbers ..."

Growing with the company

From there, Rand's career trajectory was steady and deliberate. From director of warehousing for the Springfield Division, he moved to the Oklahoma City Division as VP of distribution and eventually SVP and division manager. He later led the Kansas City Division and served as EVP of division operations before being named COO in 2008, a role he held until his retirement.

Throughout it all, Rand said his guiding philosophy was less about grand strategy and more about fundamentals.

"My primary focus was just the day-to-day operations of the company and the divisions, and providing the best service and support while maintaining the lowest operating costs that we could," he said. "The operational challenge is the ability to bring the resources needed to where they are needed at the right time and in the right way."

"It was a complex system, but we had a lot of good people there," he added. "That's what I tried to focus on, just the day-to-day operations and making those work."

Rand describes himself not as an innovator but as a facilitator – someone whose value lay in knowing where to direct resources and who could solve a given problem.

Some of the most demanding tests of that philosophy came when AWG absorbed existing warehouse operations in Oklahoma City, Memphis and Nashville – facilities with established workforces and processes that had to be integrated into AWG's systems.

"They were complex. They demanded cooperation, coordination and a whole lot of hard work, and we were able to successfully do that due to the efforts of everybody involved," Rand said. "Bringing those warehouses up and having them work with our systems, that was a giant challenge that we were able to successfully get done."

That expansion from two divisions to seven wasn't just an organizational achievement – it was the economic engine that made AWG more competitive on behalf of its members. Rand sees the growth itself as perhaps the most consequential infrastructure decision of his era.

"It allowed us to just exponentially grow the volume and

in the growth for business, as we know, volume means a lot to people. It helps in lowering costs, spreading expenses over a larger base and just makes the whole thing work better. Product acquisition costs are reduced. Overhead spread. There's all kinds of economies of scale that are achieved."

Balancing the efficiency that scale demands against the autonomy that independent retailers require was an ongoing exercise in judgment. Rand said the quality of AWG's division managers made that balance achievable.

"I started out as a division guy. I always considered myself a division guy, not really a corporate guy, even when I got into the general management positions," he said.

He worked to balance operational consistency with local autonomy.

"I just tried to allow the autonomy needed by the various division managers to service their retailers and at the same time trying to keep them from straying too far outside the lines," he said. "Sometimes exceptions had to be made, just because of the situations or even the personalities involved, but because of the quality of the division managers that we had in place, it was fairly easy to do that."

As AWG marks its 100th anniversary, Rand said two principles should remain constant regardless of how much the industry changes.

"I've always believed that good expense controls and supplying the retailers what they need when they need it are the two basics for success that the company needs to continue to follow."

And the cooperative model itself – the founding idea that independent grocers could gain competitive strength by pooling their resources – remains as relevant as ever in his view.

"The whole cooperative movement and the theory behind that still exists today. That's what they were looking for, was just strength through numbers and being able to marshal those resources together to compete with people that were bigger than them, or just to gain any kind of an advantage in the marketplace," Rand said. "That's what it's all about – how do you leverage what you've got against somebody else? And I think that remains, and it should always remain."

For Rand, AWG's century of service is built on disciplined operations, scalable growth and cooperative strength – principles he helped steward for more than three decades.

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"It was the biggest single investment the company has ever made," Smith said. "It was scary, as all new things are. But it's worked out fantastic, and it's been a real blessing for AWG."

Still, he returns to people as the true differentiator.

"It would be easy to say that was one of the things I'm

most proud of, but that's just the people. It was the people that made that possible," he said.

Role of a steward

Reflecting on his place in AWG's 100-year story, Smith frames his tenure not as leadership but as stewardship.

"My role, as I viewed it, was that of a caretaker, really a steward, with the goal of leaving the company better than I

found it," he said.

That meant expanding AWG's scale, fighting for competitive fairness with vendor partners and legislators, driving down the cost of goods and giving independent grocers access to the technology needed to compete with chains investing billions in innovation.

"Independent grocers are an integral and essential part of the communities that they serve, and protecting them for the future was one of our most essential roles," he said.

If he could go back to his first day as CEO with one piece of counsel, Smith said he would urge himself to ease the pace.

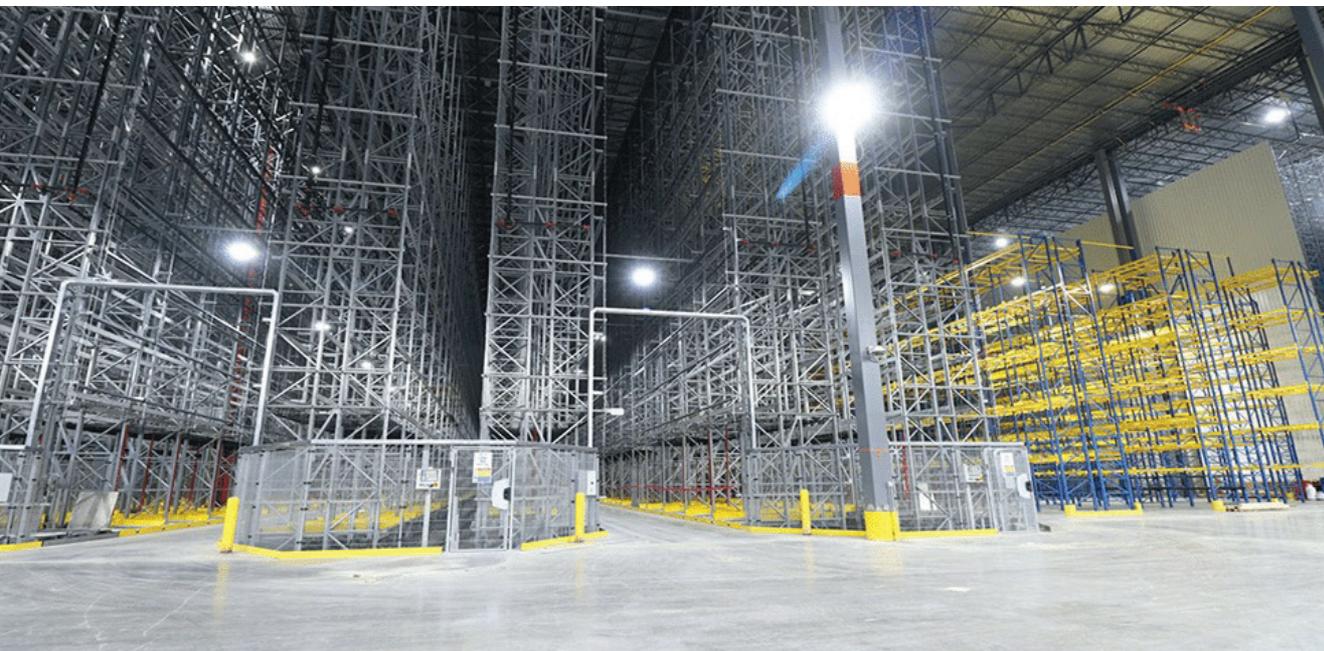
"You have to build in and have a cadence to business, to where you are able to rest the team, where they're ready to take on the next [challenge]," he said.

Reflecting on AWG's 100-year milestone, Smith points to resilience forged through the Great Depression, World War II, the inflationary 1970s, the 2008 financial crisis and the COVID-19 pandemic.

"Each of those milestones was more than just a challenge for us. It was an opportunity for AWG to stand up and show its strength and refine its resilience and really deepen its commitment to its member retailers in the communities they serve," he said.

As AWG enters its second century, Smith is confident.

"No matter what the next century holds, AWG possesses the proven expertise, the strength and the unwavering resolve to ensure that its members will always have exactly what they need to survive and thrive," he said.





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Wholesaler of the Year



Board Chairman Barry Queen Queen's Price Chopper



As chairman of the board for Associated Wholesale Grocers, Barry Queen keeps his focus squarely where he believes it has always belonged – on the independent retailer.

"We focus on retail, and we never waffle from that," Queen said. "I am often heard saying in board meetings that, hey, if this is not good for the retailer, then let's not do it. And we have stayed true to that."

Queen, who owns Queen's Price Chopper, represents a multigenerational connection to both retail and the cooperative. He and his family operate five stores.

In 1957, his father, Jim Queen, joined AWG as controller under Lou Fox. The family transitioned to the retail side in 1974, and Queen's Price Chopper is now celebrating its 52nd year as an AWG member.

Queen started in the business at a young age. After a brief stint outside the industry following college, he returned – with conditions.

"I said, 'Only if we can grow and we can improve our technology, start putting in perishable departments, like seafood, deli, bakeries.' We were real bare-bones back in the day," Queen recalled.

Today, his company's headquarters remains in Paola, Kansas, the location of its first store. The broader Price Chopper banner in the Kansas City market now includes more than 50 stores among the Ball, Cosentino, McKeever

and Queen families.

"We own the market share in Kansas City," Queen said.

Today, Queen's stores span a wide demographic range, from one of the lowest-income rural areas in the Kansas City market to one of its highest household income communities. He views that flexibility as one of the defining advantages of the independent model.

"A box is a box is a box in their world," he said of corporate chains like Walmart and Kroger. "And in our world, we can be flexible to appeal to the demographics of the consumer that we have."

Cooperative difference

That retailer perspective shapes how Queen views his role on the AWG board.

"I think in most instances, it's providing us with the lowest cost of goods possible in the most efficient manner," he said of AWG's mission, both past and present.

While the goal has remained constant, the tools have changed. Queen pointed to investments in technology across selection, distribution and transportation. He described advancements in electronic invoicing, better pallet configuration and improved visibility into out-of-stocks and credits before a truck ever arrives.

"Just simplifying the processes is what's changed over the years," he said. "But in reality, it is the same goal as the lowest cost of goods in the most efficient manner."

As a cooperative, AWG's governance model is central to its longevity, Queen said.

"Our motto as a board is that we're retailer owned, retailer led and retailer focused," he said. "And if they always follow that, then you have an example of how you have a competitive edge to not having to answer to the stock market."

Instead, he said, the cooperative answers to its members. Each one purchases 15 shares of AWG stock to join, regardless of size.

"You literally become an owner of AWG, and every owner of AWG only owns 15 shares of stock. I own the same amount as somebody who has one little-bitty store. I own the same amount as Houchens, our largest member," Queen said.

The stock is not publicly traded, and its value is intentionally kept accessible for new members. "It's not going to bankrupt you to do it," he said.

For Queen, the cooperative model creates fairness across the membership base.

"That's what makes it fair for us to be a co-op, is that there's really no advantages to our largest customers versus the single-store owner," he said.

Strength through relationships

Serving on the board also has broadened his view of the industry. Through engagement with groups such as the National Grocers Association, FMI – The Food Industry Association and Retailer Owned Food Distributors and Associates (ROFDA), Queen has built relationships with retailers across the country.

He said it has given him the opportunity to "understand the things that are outside of my day-to-day wheelhouse."

Those connections translate into shared learning, whether the topic is electronic shelf labels, delivery platforms or digital strategy.

"You develop relationships. And we reach out on a very regular basis," he said.

On the retail side, Queen credits AWG's operational improvements with helping his stores remain competitive. He cited the cooperative's store engineering support, billing and credit efficiencies and dramatically improved on-time deliveries.

"The only thing that affects it now is weather; otherwise it's clockwork," he said. "AWG's invested a lot of money in making sure that they're best in class when it comes to that."

Looking ahead, Queen remains optimistic about independent grocers' future – provided they stay committed to reinvestment and community engagement.

"If our retailers will reinvest in their operations and keep them up, we have a real advantage because we are family owned; we can engage in our communities," he said.

His advice to the next generation, including his son, is direct.

"Number one, you've got to reinvest in your business to keep up. And if you don't, you're either green and growing or you're brown and dying," Queen said.

"Number two, is you're only as good as the people you surround yourself with, so treat your people well. Empower your people ... Get their respect so that they trust you, and they will go to war for you."

Board Member/Vice Chairman Dale Trahan Dale L. Trahan Enterprises Inc.



For Dale Trahan, owner of Dale L. Trahan Enterprises Inc. in Rayne, Louisiana, and vice chair of the AWG Board of Directors, the cooperative model isn't just a business structure – it's the key to survival in an increasingly competitive grocery landscape.

Trahan, who has served on the AWG board since 2015 and on the finance committee since 2017, operates three stores in Louisiana's Acadiana region: Piggly Wiggly locations in

Rayne and Scott, and a Cash Saver store in St. Martinville along the Atchafalaya River area.

His experience on the board has given him a unique perspective on both the challenges facing independent retailers and the advantages the cooperative model provides.

When asked about AWG's most important role in supporting independent retailers today, Trahan points to accessibility and competitive pricing.

"They give us that access as a company, to be able to deal with whatever issues come up in our organization, especially within our stores, so that day-to-day activity, from week to week, year to year, they're always there to help us go forward with the issues that we're dealing with," he said.

"And that cost of goods provided on a larger scale is very important with all the big-box stores we compete against."

What sets AWG apart, according to Trahan, is its ability to provide a broader perspective that individual operators often lack.

"One of the biggest single things that AWG can provide for our members is that broader view that encircles our division areas, but also what's working in other areas in the country."

One member, one vote

For Trahan, AWG's cooperative structure is what sets it apart.

The cooperative model's fundamental principle of equality is what has allowed AWG to thrive for 100 years – and what will carry it forward.

"The model of the co-op is, to me, the closest thing you can get to the best because it equates everyone within the co-op. Whether you have 50 stores, whether you have one store, you have a say ... And then everybody getting the same cost of goods is what keeps everybody competitive in the market."

He emphasized that this model is unique in the industry.

"I think across the grocery spectrum, there's no other warehouse that I'm aware of that operates in that same model to where the big guy gets treated the same way as the small guy. Combined, those two forces create the volume that AWG has. That's what makes that model successful," Trahan said.

Transformative switch

Trahan's stores weren't always AWG members. He said his decision to switch over proved transformative.

"It was the best move that we ever made," he said. "And at that time, a lot of stores in my ad group put me in charge of [finding] a warehouse. And they came out on top."

"And to this day, I think every one of those retailers and members would tell you that it's the best move they ever made in their career, as far as what warehouse they were with."

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Trahan from page 56

Trahan went on to note that the most significant impact came from cost stability and improved margins. That meant more money for members.

Private label success

Another major factor in the decision was AWG's private label program. Despite some of Trahan's stores flying the Piggly Wiggly banner, they've completely converted to AWG's Best Choice and Always Save brands.

"The AWG private label program was the strongest, and I think to this day is still the strongest private label program that a company offers. That has been very successful for us," he said.

The transition was handled creatively. Working with the Memphis warehouse, a campaign was developed around the tagline "The Best Choice is the Right Choice."

"It was so successful," Trahan said. "It really moved the customer over without any complaints whatsoever. We gave them twofold. We gave them a top-notch program in Best Choice, and we also gave them a lower product cost in Always Save. And that's what those two brands give us today."

Competing against giants

Trahan is candid about the pressures facing independent grocers.

"Everybody competes against Walmart today, no matter where you are. Everybody competes against Amazon ... You are competing in a cost-conscious environment. Along with that, you're competing against dollar stores."

When talking to other independent grocers considering a

wholesaler change, Trahan leads with cost of goods. "We can make that comparison with just about anybody, and we're going to be on top every single time," he said.

The competition from dollar stores is particularly intense in Trahan's market.

"My little town in Rayne, we have four dollar stores, in a populated town of 10,000," he said.

But the cooperative structure provides crucial support.

"The other thing – and this kind of blows some people away – is the way we have the structure as a member that you're able to have that equal cost to you. No matter if we have a big member retailer with us or not, he's getting the same cost all the time. That's a big factor," Trahan said.

"And the other factor is, one vote, one member – no matter who it is."

He added, "And the support, AWG's employee base, they're a fantastic bunch of people. They bend over backwards to try to help the member retailer all they can."

Independent advantage

Despite intense competition and changing consumer behaviors post-COVID-19, Trahan remains optimistic about independent grocery retail's future.

"I've been doing this since I was 14, and I'm almost 70. The factor that has never changed in this business is you have to take care of the individual customer. And if you do that and you give them what they want, you're going to be successful," he said.

The independent operator's agility also provides a crucial advantage. "You have the ability to control your destiny every day, and in doing that, you can do things that big-box guy is never going to do."

Serving on the AWG board has expanded Trahan's view of the industry.

"The one thing that I've gained from being on the board is to have that grander look – what's going on in Oklahoma, what's going on in Kansas City, what's going on in the Midwest, all over the country," he said.

"I find that with independent owners, especially single-store owners, they are just zeroed in on their market, and they kind of tune everything else out. That's not a good road to travel today."

He sees plenty of opportunity ahead for independent operators, particularly with AWG's support.

"There's plenty of runway left, I think, for independent operators," Trahan said. "They have the ability to make the changes they need to make quickly. And with a company like AWG, they have a company to back them up."

Advice for next generation

For the next generation of independent grocers, Trahan emphasizes adaptability and customer focus.

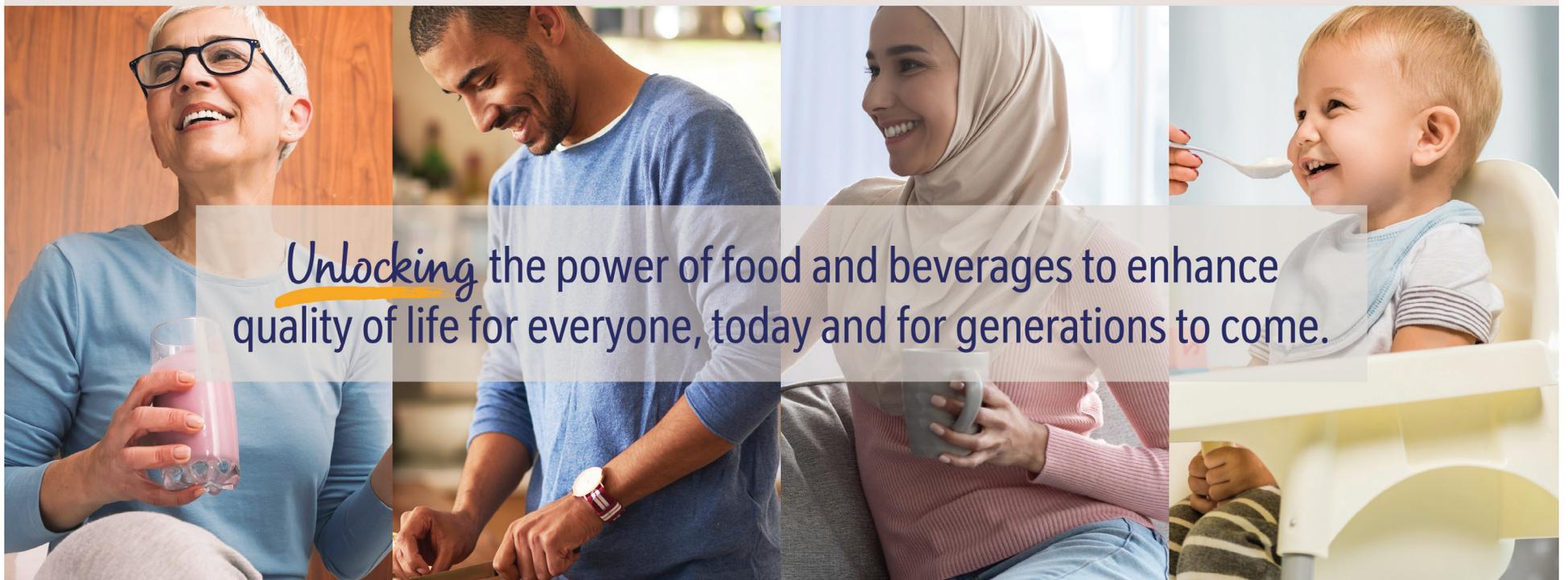
"For the members, you need to change as your base of consumers change," he said. "I think as a retailer, they have to continue to be on top of the consumer changes, and they also have to continue to operate their businesses as efficiently as possible ... and always take care of the customer."

For future board members, his advice is to preserve what works.

"It would be to continue the business model that we have in place, because it works. One hundred years proves that it works," Trahan said. "And it's a matter of the board and its members staying together and operating as one entity."



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AWG100

Wholesaler of the Year



Board Member David Ball Balls Food Stores



David Ball has never known a world without Associated Wholesale Grocers. As chairman of Balls Food Stores and a member of the AWG Board of Directors, he represents the third generation of a family that has been bound to the Kansas City, Kansas-based cooperative since its founding – and he has the memories to prove it.

“We’ve been in business since 1923, and we have been a member of AWG since 1926,” Ball said. “I am a third-generation grocer.”

His grandfather was among the original group of independent retailers who came together nearly a century ago to form what would become AWG. By pooling their buying power and collaborating on best practices, those independents created a structure that allowed them to compete on cost while remaining locally owned.

For Ball, those early days of AWG aren’t abstract history – they’re part of his childhood. Around age 6, he would accompany his mother to the family’s store on weekends, where the arrival of an AWG truck signaled something closer to an adventure than a delivery. He recalled how products didn’t come on pallets; they came in cases on the truck floor that would be unloaded using a roller system.

The annual meetings at the AWG warehouse left equally vivid impressions. Ball remembered then-CEO Lou Fox conducting meetings from a flatbed truck stage, surrounded by motivational signs, with some 500 grocers in attendance.

Rail cars would pull up to the back of the warehouse loaded with potatoes and other goods, and a slow-moving conveyor cart system provided irresistible entertainment for the children present. “It was just kind of a circus atmosphere,

and we had so much fun as they served the members and then passed out their checks,” he said.

That tradition of passing out checks – rather than routing rebates directly to accounts – remained a deliberate strategy.

“One way to get the members to come to the annual meeting was they had to come get their check. And that drove attendance up,” Ball said.

Over the decades, that annual meeting has evolved into the Innovation Showcase, which Ball views as a natural extension of AWG’s core mission.

“It gives a chance for the smaller independent operators, two- or three-store operators, to meet with some of the key leaders and the CEOs of some of the CPG companies that they normally wouldn’t see,” he said.

Wearing two hats

Today, Ball approaches his board service with both pride and discipline.

“Being on the board at AWG is a big responsibility, but it’s a real privilege,” he said.

He emphasizes that effective governance requires balance.

“We all collectively go into a board meeting, and we take off our retailer hat, and we put on our co-op hat. We’re always balancing those two together for the good of the co-op,” Ball said. “[We have] a saying, ‘As AWG’s business goes, so our business goes. As Balls Food Stores’ business goes, so goes AWG’s business.’ So we are hooked at the hip.”

That alignment, he said, is strengthened by the board’s composition.



“One unique thing about the co-op model is that we have a very diverse board of directors,” Ball said. “AWG has done a good job at developing a very diverse board, from a single-store operator to somebody that has 100 stores or 200 stores.”

The result, Ball said, is a governance model rooted in

accountability and collaboration.

“Sometimes it’s not for the best interest of Balls Food Stores, but it’s in the best interest for the co-op ... and that has probably been one of the major strengths of why AWG’s model as a co-op has worked so well.”

To independent retailers considering AWG membership, Ball’s pitch is straightforward.

“As it relates to cost of goods, AWG will always fight for the independent retailer and always ask for their fair share ... 52 weeks out of the year, we’re going to have close to the lowest cost of goods,” he said.

He contrasted that stance with his recollections of conversations at share groups and trade association meetings earlier in his career, when independent retailers with other wholesalers routinely complained of adversarial relationships.

“AWG has always been a wholesaler that has looked at it as collaboration, again, relying on the independent retailer, asking good questions, embracing change and continuing to be at the forefront,” he said.

That culture, Ball said, is not incidental – it is the product of the leadership throughout AWG’s entire 100-year history.

“There’s a common thread from all those leaders over the years, and that ... has always been what is best for the independent retailer,” he said.

His father served as AWG board chairman for about 30 years, mentored by Lou Fox. Ball has watched that leadership lineage continue with CEO Dan Funk’s executive team.

“The current leadership team ... continues to amaze me with how they’ve embraced change,” Ball said.

“They continue to look for new, innovative ways and different strategies for the independent retailer to deliver that value equation to their customers.”

What the next generation needs

For the grocers and board members who will carry AWG into its second century, Ball’s advice is grounded in the habits that have served independent retailers across every era of disruption.

For retailers, he advises, “Get in your stores, engage with your teammates ... learn as much as you can from the industry. The strength of an independent retailer is to make sure you can move fast and be nimble and listen to your customers. They’ll tell you what you need to do.”

Community involvement, he added, is not optional – it is a competitive differentiator.

“Being philanthropic in the communities that we serve is a real strength for the independent operator that the chains don’t seem to quite get,” Ball said.

Board Member Greg Rush Houchens Food Group



For Greg Rush, president of Houchens Food Group and an Associated Wholesale Grocers board member, the cooperative’s 100-year milestone represents more than longevity – it

demonstrates the enduring power of independents working together.

“AWG is owned by and led by its retailers, and I believe the combination of the cooperative model and the retail members – Houchens included – that are on the board and making the decisions about how AWG invests, is what’s going to make AWG stronger in the future,” Rush said.

Houchens Food Group operates about 415 stores, with some 220 supplied by AWG. The remainder includes Save A Lot stores, hardware stores and restaurants.

Rush has watched AWG’s role evolve significantly since HFG joined the cooperative.

“When Houchens first joined, AWG’s role was largely about scale and supply. Today, it’s about survival and strength,” Rush said. “AWG isn’t just helping us buy better – it’s helping Houchens Food Group compete, adapt and stay relevant in a rapidly changing marketplace.”

That evolution reflects the cooperative governance model’s fundamental advantage, according to Rush. Rather than prioritizing short-term profits, AWG’s member-driven structure enables long-term thinking.

“Time and again, I’ve seen decisions made that favored long-term member health over short-term profits,” he said. “Because members have a voice, we invest in solutions that actually work at store level – not just what looks good on a spreadsheet.”

Technology driving growth

Rush pointed to AWG’s technology investments as game-changers for member retailers, particularly its All-In-One Distribution facility in Hernando, Mississippi.

“Because of that technology, they are able to greatly expand the assortment,” Rush said. “The product offerings that we’re able to bring to our customers with AWG support and the strengthening of their supply chain ... that’s one example of how we’re finding new ways to grow.”

The expanded assortment capabilities are helping Houchens meet changing consumer preferences, particularly for international products.

“Whether it’s Hispanic products or Asian products, the consumers’ appetites have changed,” Rush said.

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100 YEARS

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Wholesaler of the Year



Board Member Kim Eskew Harps Food Stores



When Kim Eskew joined the Associated Wholesale Grocers Board of Directors in 2017, he brought decades of experience as CEO and chairman of Harps Food Stores, a company that has grown from 11 stores to 160 locations under his leadership. His perspective on the cooperative model offers insights into why AWG has thrived for a century – and what will keep it strong for the next 100 years.

For Eskew, AWG's core mission hasn't changed fundamentally over the years, even as the industry has evolved.

"Getting us the products that we need at the best possible prices is the primary goal, and secondary to that would probably be helping keep us abreast of the trends and what the future is looking like for our industry, so that we can continue to grow and adapt as necessary to meet the changing consumer," he said.

Eskew points to a pivotal moment in AWG's history that demonstrates the value of the cooperative structure. Years ago, when it considered becoming a publicly owned company, Harps was among the members who adamantly opposed the idea.

"When you're a publicly owned company, then you have

to produce income for the shareholders. You're interested in driving a profit, whereas AWG is simply trying to break even – cover their expenses and future capital needs," Eskew explained. "More or less, we're not trying to make money as an entity. We're trying to enable our members to make money. And that's how we measure our success."

That difference, he added, shapes every decision AWG makes and ultimately benefits the retailers it serves.

Trust as a foundation

When asked what qualities have allowed AWG to thrive for 100 years, Eskew didn't point to technology or efficiency metrics. Instead, he emphasized character and AWG's leadership culture.

"The thing that I like most about AWG is the folks that we deal with are just good, honest, transparent people that I feel like I can trust," Eskew said. "I feel that the leadership at AWG are the kind of people I can trust with my family and that I can trust that they're being honest with me in our business dealings with them. And that's the thing that is the most important to me."

He believes that culture has been intentional.

"It didn't happen by accident. It's happened by planning and by recruiting the right person for your culture, and they've done that."

Harps' relationship with AWG dates back decades. While the company once split its business between AWG and Fleming, Eskew estimates the entire company has been aligned with AWG since around 1981.

That partnership has helped fuel significant growth.

The Arkansas-based company, which operates as an employee stock ownership plan (ESOP), has added stores in Louisiana and Mississippi, with Eskew noting that AWG's expanding distribution network has been crucial to growth.

"We feel like we can add stores anywhere AWG can deliver to them," Eskew said. "And so that's enabled us to broaden our horizon to where we think we're capable of expanding. And over the years, it's really allowed us to increase the size of our company."

Harps has been particularly active in recent years, adding

numerous stores during and after the COVID-19 pandemic.

"You've got a lot of Baby Boomers right now that are exiting the business, so the timing was right," Eskew explained.

Strategic advantages

Looking at the competitive landscape, Eskew sees several factors that position independent retailers for continued success. Geography plays a significant role.

"The independent sector is dominated by retailers and smaller stores, many of them in smaller communities where Kroger and Walmart, most of the time, are not interested," Eskew said. "They're not going to put a 20,000- or 30,000-square-foot store [there]. Independents will do that."

This strategic positioning also provides some insulation from the growth of online grocery shopping. While Walmart has reached about 23 percent of sales online, most independent operators remain under 4 percent, Eskew noted.

In larger markets where independents compete directly with big-box retailers, Eskew believes personalized service provides a competitive advantage. "[It] far exceeds what you're going to get from one of the big-box guys."

Despite the relative insulation from online competition, Harps continues to explore digital options. The company recently partnered with DoorDash, adding to its Instacart relationship, and saw immediate results.

"Nearly overnight, I know at least the first few days, we probably increased our sales 70 percent online of what they were," Eskew said. "DoorDash has got their customers, Instacart has their customers, and the two don't intermingle much."

AWG plays a role in helping members navigate these digital opportunities. "They have expertise, and they can advise independents based on their knowledge and help them get into that business," Eskew noted.

Perspective from boardroom

Eskew also is active in the National Grocers Association, but he sees how AWG brings critical insights to smaller operators who may not attend national events.

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"This expanded assortment that AWG is able to offer now by expanding their supply chain, and specifically investing in technology, is going to allow us to grow our international assortments."

Technology, data and supply chain optimization have enabled Houchens to compete at new levels, Rush said.

"They've helped us operate smarter, serve customers better and compete at a level that simply wouldn't be possible on our own," he said.

Strength in numbers

For independent grocers facing pressure from big-box competitors, Rush emphasizes that the cooperative model offers a crucial advantage.

"I tell them independence doesn't mean going it alone," he said. "The cooperative model gives us strength in numbers while letting us keep our local identity – the very thing big-box stores can't replicate."

That local identity, combined with AWG's support, positions independents for continued growth despite competitive pressures.

"Customers still value trust, community and service – and independents excel at all three," Rush said. "With AWG's support, we're not just holding our ground; we're finding new ways to grow."

Beyond technology and supply chain, Rush highlighted AWG's people and culture as critical success factors. "Every member of the AWG team that we interact with, the first

question is always, how can I help you? What else can we do for you as the retailer? How can we help you improve? I think that, again, is a key to success."

Serving on the AWG board has broadened his industry perspective.

"It's given me a deeper appreciation for how complex this business is – and how powerful collaboration can be," Rush said. "The challenges are real but so is the opportunity when independents work together."

Looking ahead

Rush thinks AWG's commitment to continuous investment is going to continue to strengthen the company for the next 100 years.

He identified the qualities that will matter most going forward: "AWG's cooperative model and its commitment to keeping its members competitive in an ever-changing retail landscape is its key to success. AWG's commitment to adapting to benefit the collective membership will

keep us thriving for the next 100 years."

For the next generation of independent grocers and AWG board members, Rush offered straightforward advice: "Stay curious, stay connected and never forget why independence matters. Lean into the cooperative, listen to your customers and lead with integrity – the rest will follow."



“They bring the same information and make it available to all their members,” he said. “Whether you’re big or small, they can keep someone that’s really passionate about the business abreast of all the changes and everything that’s going on in our industry.”

Serving on the AWG board has given Eskew broader perspective on industry challenges, from the heavily unionized Chicago area served by AWG’s Kenosha, Wisconsin, warehouse to diverse ethnic markets that differ vastly from Harps’ operating area.

When asked what advice he would give to the next generation of independent grocers and AWG board members, Eskew emphasized the importance of discernment.

“Sometimes I think you’re better off to go with your gut,” he said. “Does that make sense to you? Or is this something that, with our limited resources, we’re going to be able to be on the forefront of?”



Board Member **Nikki Carver** Super C Mart



For Nikki Carver, president of Super C Mart in Oklahoma and one of the smallest retailers serving on Associated Wholesale Grocers’ (AWG) board of directors, the cooperative model isn’t just a business structure – it’s the lifeline that allows independent grocers to compete in an increasingly consolidated industry.

“Support and partnerships are the only way that we can combat the huge conglomerates that are in this retail marketplace,” said Carver, the first woman to serve on AWG’s board. “If you get with other retailers in your same boat, in a co-op model, then you feel like you have more people on your side to get some more things done.”

Super C Mart has been an AWG member since 1995, and

Carver is now in her fifth year on the board. In that role, she’s witnessed firsthand how the cooperative model ensures every member – regardless of size – has equal voice and equal vote.

“It’s vital,” Carver said of that one-member, one-vote structure. “It’s not only the vote; it’s how we’re treated every day by the organization – the warehouse and the organization. Treating us all equally, I think, is the only way we can be successful.”

Asked about AWG’s most important role in supporting independent retailers, Carver pointed to the industry’s accelerating pace of change.

“The consumers’ needs are changing so much more quickly, and so is our industry,” she said.

She cited AWG’s recent produce pricing initiative as an example of the cooperative’s responsiveness to market trends.

“This year, we’ve rolled out an everyday low price in our produce lockdowns ... Those kinds of initiatives and paying attention to what the trend is in the marketplace – what consumers are wanting – everyday low price rather than a high-low model – I think is how we continue to be competitive.”

Power of diversity

Carver believes AWG’s longevity stems from its commitment to representing diverse member perspectives at the board level.

“I think having that variety across the membership being represented on the board is crucial in making sure that even the really small people have a voice and speak up for the

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Wholesaler of the Year



Board Member Alan McKeever McKeever Enterprises



For Alan McKeever, Associated Wholesale Grocers isn't just a business partner – it's a relationship that spans generations.

A member of the AWG Board of Directors and owner of McKeever Enterprises, he operates 12 Kansas-based grocery stores – 10 Price Choppers and two McKeever's Markets – and has spent virtually his entire life in the independent grocery business.

McKeever's grandfather had a grocery store in Wamego, Kansas. His father, John McKeever, who was working for the railroad, left that job to help out at the store. He decided he liked retail and stayed.

John McKeever entered the wholesale business when he went to work for Fleming as a troubleshooter before joining AWG in 1962. He rose to director of marketing before leaving in 1974 to open his first store in Paola, Kansas, partnering with Jim Queen. Alan joined him that same year.

The family's retail footprint began to expand in 1978, when then-AWG President Lou Fox encouraged John McKeever to consider purchasing a store in Independence, Missouri. It was the opportunity that formalized the partnership between father and son.

"We got the vim and vigor, you got the money, we need to be in partnership," McKeever recalled telling his father. "He was willing to do that. We became partners in 1979."

Board perspective

Now representing member interests as a board member, McKeever said AWG's most fundamental responsibility remains keeping costs low for its retailers.

"They've got to make sure that they're keeping the warehouse controls in place, to keep the lowest cost of operation," he said. "And that's an important thing for most AWG membership, trying to get the right price at the right time. AWG has done a very good job at that."

Serving on the board, he said, has given him a window into the organization that wouldn't otherwise be possible.

"It just gives me an overall different view of how things work wholesale-wise, the importance of everything working right in wholesale at AWG," McKeever said.

"They have really high transparency on how the company functions ... and they're there to fix things pretty quick."

When asked what qualities have allowed AWG to thrive for a century, McKeever pointed directly to leadership – and the deliberate process the cooperative uses to develop it.

"They take a lot of time and make sure that they have the right leader to run this company," he said.

He praised current CEO Dan Funk in particular. "I think Dan is excellent, because he's done so much stuff from the ground up in his history ... He thinks about what he's doing all the time and tries to make sure he manages the warehouse for the best."

Cooperative advantage

McKeever is direct about why the cooperative model matters for independent retailers like himself. AWG's ability to provide a single source for goods and services – from perishables to IT resources to store design – has been central to McKeever Enterprises' growth over the decades.

"AWG is always there to help their retailer on any level that they're at, whether you're small or big," he said. "Throughout our years of growing with AWG, they help you navigate the landscape of retail, and they tell you what they think the big-box stores are going to do, how to be prepared for it."

Independent retailers, he added, maintain an advantage in flexibility. "It's hard to totally fight a big-box store, but we are very flexible ... We can change for our customer needs.

"Every one of [our stores] has its own little niche. We can do that, where somebody else can't do it."

Next generation

With more than 50 years in the business, McKeever remains optimistic about the future of independent grocers – and he's preparing the next generation of his family to carry things forward.

His son, Aron, oversees operations and personnel, having worked his way through every department in the stores. Daughters Natalie and Amanda manage the floral departments.

"I've raised my family in this business, so they're ready," McKeever said. "One of these days, I'll hand it off."

The advice he gives them reflects the values that have guided his own career.

"I tell them put God first, and then pray over the business," he said. "Pray over employees and keep prayer first so that you can get things right in your business. And do it every day."

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other small retailers," she said.

"Because volume speaks highly in this business. But if the small guys still have a voice and still matter, I think we can all be successful."

Serving on the board has expanded Carver's understanding of the entire supply chain.

"It really opened my eyes up to the warehouse business ... It's been extremely helpful for me to understand the whole food chain, the logistics, vendor negotiations – all of what has to happen in the back of the house for us to be successful at retail," she said.

But the relationships she's built with fellow board members have proven equally valuable.

"The most enjoyable part of serving on the board is getting to spend time with the other retailers ... and form those relationships – not just with them, with their families too," Carver said.

"That's been the most fun part. We've got some great members and great people."

Heart of independents

Despite the mounting pressures from large competitors, Carver remains optimistic about the future of independent grocery retail – and it comes down to something that can't be measured on a balance sheet: their heart.

"I think independent grocers have the want and desire to continue to serve their communities and to leave a legacy for their families for generations to come," she said.

"I think at the end of it, these people in this industry and the grit that they have inside of them give me all the motivation to continue to push harder and survive."

That commitment extends beyond ownership to employees who become part of the extended family.

"You see employees that have been through all three generations of my family, too," Carver said. "They're not just my associates; they're my extended family."

Her advice to the next generation of independent grocers and AWG board members?

"Be ready to learn every day. There's a new challenge coming at you, and the fun part about this business is we're learning every day. You don't have to know it all. You just have to know the right person to ask.

"So pull your boots up and keep on keeping on."

As AWG celebrates a century of service, Carver reflects on what the milestone means to her personally.

"I'm very proud to be a part of it," she said.



Congrats To **AWG** on Celebrating 100 YEARS!



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Wholesaler of the Year

Board Member
Dana Naifeh
 Naifeh's Food Stores



Dana Naifeh knows a thing or two about staying power in the grocery business. As president of Naifeh's Food Stores and an Associated Wholesale Grocers board member, she represents the fourth generation of her family to serve as an independent grocer in Covington, Tennessee.

Her family's stores, located in Covington and Munford, about 12 miles apart, have been AWG members since 2003, when they made the switch from Fleming just before that wholesaler's collapse.

"Moving to AWG was the best thing we ever did," Naifeh said.

Since joining the AWG board in 2023, as only the second female member, Naifeh has gained perspective on how the cooperative model serves independent retailers facing intense competition from big-box stores and national chains.

While cost of goods remains paramount, she said today's independents need more than competitive pricing to survive.

"We need them to get us to the next level," Naifeh said. "We need the technology. We need the advice on marketing ... You've still got to be able to sell basic groceries at a good cost and be loyal to your community, but you've got to have that next level to compete with the big people."

The long view

What distinguishes AWG from her previous wholesaler, Naifeh said, is the cooperative's focus on long-term sustainability.

"That's probably what was Fleming's demise - they were just focused on next quarter results and sales - whereas AWG has a long-term vision and a strategic plan. They want to be here for the next 100 years," she said.

The cooperative structure itself creates a unique dynamic, Naifeh noted. When she first joined the board, she heard about the model but didn't fully appreciate its significance until she watched the transition of board members.

"I realized this co-op model is why it works," she said. "It doesn't matter if you're a two-store operator or if you're a 200-store operator, there are seats at the table, and we all come together. We take our Naifeh's hat off, and we make decisions that are best for the co-op. I think that's why it works."

For Naifeh's stores, AWG's investment in its All-In-One (AIO) Distribution Hub at the Mid-South Division Support Center delivered measurable improvements. Before the facility opened, late deliveries had become a serious problem, with trucks sometimes arriving six hours behind schedule.

"Since they built the AIO, our trucks are on time," Naifeh said. "We have these beautifully stacked pallets, less credits, less damaged goods ... the efficiencies have way outweighed the cost of that investment."

The cooperative model delivers benefits beyond buying power, she added. Member retailers gain access to partnerships with companies like Instacart and AppCard, marketing support and technology resources they couldn't afford independently.

The annual patronage rebate provides another crucial advantage.

"I don't know many independents that would have the wherewithal to save throughout the year as they're making money and have this nest egg," Naifeh said. "When you get this rebate from AWG, it's like a shot in the arm."

Her stores have used rebates to install digital shelf tags and make other improvements "without having to come out of pocket with a lot of capital."

History repeating

Founded in 1910, Naifeh's Food Stores has weathered competitive pressures before. The family's experience offers perspective on today's challenges.

"It's funny, my grandfather-in-law bought out Kroger and the Piggly Wiggly in town when he was active in the business," Naifeh said. "My husband and I have bought out Kroger and the Piggly Wiggly in town. So history has repeated itself."

The key to survival, she said, remains unchanged: "You've just got to remember, in spite of all this new jazzy technology and digital coupons and marketing, you have to take care of the customer. You have to be a familiar face to them and be that community-centered business that they want to support."

Board service has expanded Naifeh's understanding of industry challenges, particularly regulatory issues like the new SNAP requirements.

"It's nice as an independent that AWG is doing major work in the background to help us with lists and implementation and how we're going to handle all that," she said.

One unexpected benefit of board service? Informal conversations.

She successfully adapted a Black Friday gift card promotion from a fellow board member, demonstrating the practical benefits of peer exchange.

"It's nice to share ideas and listen to the hardships as well as the successes, and share those with each other," she said.

With her son now representing the fifth generation in the family business, Naifeh has thought carefully about what it takes to succeed as an independent grocer.

Her advice is straightforward: "Be active in the business ... Be involved. Get out. Talk to your customers. Listen to your customers. Be active in the community."

"What you pour into your customers, in your community, will be poured back into your business 10 times over ... They notice when you're working hard, and they appreciate it."



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Wholesaler of the Year



Doug Pickerill

Executive Director of Distribution



For Doug Pickerill, executive director of distribution at Associated Wholesale Grocers, the path from warehouse selector to leadership exemplifies the cooperative's commitment to developing talent from within.

Pickerill started with AWG in 2008 as a selector at the company's Memphis division – his first job. Nearly two decades later, he oversees all distribution operations in the Kansas City Division Support Center, including receiving, outbound operations, transportation and AWG's private fleet of drivers and trucks.

"Everything that our sales team sells, our members purchase, we help to bring the goods in and ship them out," Pickerill said.

His journey through the ranks – selector, supervisor, corporate router, warehouse manager and now executive director – mirrors a broader company philosophy. In Kansas City, about 85 percent of the management team, including supervisors and shift managers, started on the warehouse floor.

"That's what I think is great with AWG, we're really trying to build our bench strength and groom our talent in-house," Pickerill said. "And, of course, we always need to bring outside [talent] too, just to get a new perspective. But I think it's pretty cool that we're able to develop our team and try to elevate them."

Family legacy

The grocery business runs in the family. Pickerill's father, Bob Pickerill, worked for AWG before retiring in 2016, starting in Kansas City in 1997 and later helping open the company's Southaven, Mississippi, facility following AWG's asset acquisition of Fleming Foods.

"I loved hearing dad talk about work," Pickerill said. "Growing up around the food industry and the grocery business was always very interesting. I was able to see firsthand what a good company AWG was."

That family connection came full circle in 2022, when Pickerill returned to the Memphis market to help launch AWG's new automated distribution center in Hernando, Mississippi – not far from where his father had worked years earlier.

"I remember I drove by my parents' old house, taking pictures of it," he said.

The Hernando project stands as one of Pickerill's career highlights. The facility consolidated AWG's Memphis Division in Southaven full-line grocery operation with its VMC Memphis and specialty food operations, and Fort Scott, Kansas, VMC operations into a single, fully automated distribution center.

"It was awesome," Pickerill said of watching the automation system go live. "Big chills."

The project exemplified what AWG President and CEO Dan Funk and other executives have called the "One Team" approach.

"When I think of 'One Team,' it wasn't just AWG. It was the WITRON team that helped

teach and train the AWG team. At the end of the day, we didn't want our members to see a significant decrease in service," Pickerill said. "And I think we did a good job of collaboration with all the parties there to make sure the retailers saw as much of a seamless transition as possible."

Technology investment continues

As AWG celebrates its centennial, technology investment remains a priority. The Kansas City division support center is piloting a transition to a Manhattan warehouse management system.

"Our WMS that we're on now, it has served its purpose. It's been good," Pickerill said. "So, again, implementing the Manhattan WMS system will be a huge project."

Following the WMS implementation, AWG plans to upgrade its supply chain management platform, which feeds ordering, procurement and billing systems.

Pickerill also sees potential in artificial intelligence tools to help AWG's sales team and retailers better understand customer behavior, including basket size, demographics and shopping patterns across stores.

"AWG's a big proponent for evolving with the technologies," he said.

Strategic growth through acquisition

Pickerill pointed to strategic acquisitions as pivotal moments in AWG's growth, including Fleming Foods' assets and the 2016 acquisition of Affiliated Foods Midwest.

"As we continue to grow, I think those are the pivotal moments as our [executive leadership team] and our board come together and see that opportunity to help make the retailer successful. And if it means acquisitions and strategic planning, that's what we need to do," he said.

The cooperative model itself helps independent retailers compete against larger competitors through collective buying power – a strength particularly evident during the COVID-19 pandemic.

"I was in Kansas City at the time when that happened, seeing the teams come together to help the retailers feed communities," Pickerill said.

With about 20 years remaining in his career, Pickerill appreciates AWG's focus on long-term strategic planning.

"There's been more transparency, I would say, with the AWG strategic plan in the three-year, five-year, 10-year look ahead," he said.

What drives him is the opportunity to develop future leaders – just as mentors like Kevin Addington, Todd Cooper, Richard Kearns and Reade Sievert, his current boss and Kansas City division manager, have challenged and developed him.

"I love leading people. I like seeing the opportunity," Pickerill said. "We have a great team that, if I have just a little piece in their development, that's really what keeps me going."

And perhaps, he added, AWG's family legacy will continue into the next generation: "I might have a kid that works here, too."

Lori Turner

Executive Director of Communications, Board and Member Relations



For Lori Turner, executive director of communications, board and member relations at Associated Wholesale Grocers, the cooperative's 100th anniversary is more than a

milestone – it's a testament to resilience.

"As we're reading through the history of the company, there's so much resilience that the members have, the teammates have, the vendors have ... all stakeholder groups, the communities that we're serving," Turner said. "That's what stands out."

Turner, who co-chairs AWG's 100th anniversary planning team, has had a front-row seat to the cooperative's evolution. She joined AWG in the legal department, left briefly after three years, then returned – drawn back by the culture she couldn't find elsewhere.

"The main driver was I loved who I was working with and the support they gave teammates to succeed, and there was that family aspect," she said. "I love it here."

Turner has been in her current role since 2017 – nine years that have seen her responsibilities grow considerably.

What began as a one-person operation has expanded into a team of four covering communications, events, and board relations, governance and administration. She also chairs the planning team for AWG's Innovation Showcase and annual shareholders meeting, serves as board liaison and was the founding chair of AWG Cares, the company's employee charitable foundation that launched in October 2017.

"Of course, the company was extremely charitable throughout all of our 100 years, but we really formalized it in 2017 through the employee charitable foundation," she said. [See related article on page 69.]

Strategic leadership team

Turner notes that AWG's success is driven by a collaborative culture, supported by a leadership team that was expanded under former CEO David Smith and the continued growth of that team under current CEO Dan Funk, now in his third year.

"When I joined AWG 13 years ago, there was just the top three executives – the CEO, the COO and the CFO," she said. "When David became CEO, he expanded the executive leadership team."

The diversity of perspective within that team, she said, has been a key driver of success – including the addition of an executive leader who previously served as both a retailer and an AWG board member.

Of Funk, Turner said she knew he was strategic before he assumed the role of CEO. Since that time, I've seen an enhanced version of Dan," she said. "Every time that I am in meetings or listening to the conversations, the questions that he asks – he challenges his team and he makes you think deeper... That strategic mindset really stands out for him, and it's a necessity when leading a \$12 billion organization."

Turner said the respect for Funk is evident across the organization. She noted that employee feedback gathered through quarterly town halls, launched two years ago, reflects that sentiment. "The feedback that we hear from employees, they appreciate his realness, too."

Turner also pointed to AWG's board as a distinguishing factor. As board liaison, she attends meetings and has observed firsthand the level of engagement the directors bring to their roles.

"They challenge when they need to challenge, and they stay very involved with their role," she said. "I don't think anybody hesitates to reach out to anyone on the board, and the board doesn't hesitate to reach out to executive teams."

The board's diversity – ranging from members who operate one or two stores to AWG's largest member – brings a breadth of perspective that strengthens decision-making, she said.

Cooperative advantage

As AWG marks its centennial, Turner said the cooperative model itself stands as the organization's greatest achievement.

"There's not too many companies out there that reach 100 years," she said. "For our history, for us to continue on the growth plan, it's hard to dispute the cooperative model."

Central to that, she said, is an unwavering focus on members.

"Our members are our primary focus. They are the foundation of our business – without them, the roles of teammates and vendors wouldn't exist."

That philosophy was put to the test during the COVID-19 pandemic, when Turner witnessed AWG forge partnerships she had never seen in her career at larger corporations.

"When everything shut down, we were working with some foodservice companies – we needed employees," she said. "We looked for ways to collaborate that allowed them to retain their staff while meeting our own operational needs. And so we were able to work together."

The willingness to collaborate, even with those who might traditionally be considered competitors, she said, has been a hallmark of AWG's leadership culture – both under Smith and Funk. Ultimately, decisions come back to a single guiding question.

"Is this good for the members? Is this good for the co-op? I hear that a lot in the decision-making processes," Turner said.

Tom Boydston

Advertising Supervisor/Specialist



When Tom Boydston arrived at Associated Wholesale Grocers as a college intern in the mid-1980s, he had never touched a computer. He had, however, broken his hand in a kickboxing accident – a twist of fate that redirected a music major toward advertising and, ultimately, toward a four-decade career at one of the nation’s largest retailer-owned

cooperatives.

Boydston, now advertising supervisor/specialist at AWG’s Kansas City headquarters, came to the company through a chain of connections rooted in the grocery world where he’d worked since age 15. With a background in illustration and a two-month internship offer in hand, he made a pitch that proved hard to refuse.

“You could have me for two months at minimum wage,” he told AWG. “About an hour later, I got a call back says, ‘Can you start Monday?’”

He’s been there ever since.

Over 40 of AWG’s 100 years, Boydston has watched the grocery industry transform in ways that once seemed unimaginable. When he started, the advertising department shared a single push-button telephone, and ads were built entirely by hand.

“The people that worked in our department had to be very skilled in what we did to build the ads, because we didn’t have a computer at all in our department,” he said.

That changed when an outside vendor arrived with a machine, a stack of instruction books three feet tall and an assignment: pick the software the department would use going forward.

“Even in college, I had never been on a computer before, so I had to ask somebody how to turn it on,” Boydston recalled.

After two weeks of reading and experimenting, he made his choice – one that happened to align with the industry standard. He then built AWG’s first digital ad, a Price Chopper circular, and helped train a department that would eventually bring all ad production in-house.

That expansion grew considerably when AWG acquired its Memphis and Nashville divisions. Boydston was dispatched to sort through stacks of printed ads left behind by a competitor that refused to share any operational information.

“I had to figure it out,” he said. “And it took weeks and weeks.”

He assembled what he believed was the competitor’s full advertising program, sourced printer bids, estimated in-house production costs and presented a plan that was approved. It held.

“I’ve always pulled off everything they’ve given me, and I’m proud of that,” Boydston said.

AWG now operates nine divisions, and all advertising flows through his department – five people managing print and a larger team handling digital, with an integrated system

in development that would bring both channels together. Boydston has lived through enough technological cycles to approach the latest transition with measured perspective. He’s seen handheld ordering systems, computerized check stands, automated warehouses and retail media networks emerge one after another.

“I’ve seen the progression of trying it out. That didn’t work. Trying this out, it kind of works,” he said. “And just keep moving to new systems until they get better and better.”

What hasn’t changed, in his view, is what matters most. Managing 22 graphic artists over the years and watching the industry accelerate around him, Boydston’s advice for the next generation is rooted less in technology than in relationships.

“We’ve got technology growing so fast we can hardly keep up with it,” he said. “Keep up with it the best you can, but don’t give up the personal relationships with retailers. I still think that’s vital, that personal relationship.”

He has spent enough time at AWG to work with three generations of the same retail families. Friends who once teased him for staying in grocery advertising have long since moved on to other fields. He predicted that outcome years ago.

“I made the comment that I would probably still be there when you guys are out trying to find something else,” he said. “And I am, and they’re all doing something different.”

As AWG marks a century in business, Boydston doesn’t frame his tenure in terms of milestones so much as belonging.

“AWG is just like a second home to me,” he said. “The 100th, really, we’ll be here in another 100.”



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Wholesaler of the Year



Kate Favrow

Director of Brands Marketing and Brand Development, AWG Brands



When Kate Favrow joined Associated Wholesale Grocers at age 16 – working summers in the legal department – she had no way of knowing she'd be there more than two decades later, helping shape the private brands portfolio for one of the nation's largest retailer-owned cooperatives.

Today, as director of AWG Brands marketing and brand development, Favrow oversees everything from packaging redesigns and product claims to digital coupons, in-store signage and the data infrastructure behind AWG's growing brand portfolio.

"The brands are still relevant, interesting. We've got the right claims on products. Protein's huge right now, so we're making sure we're competing like we need to on the shelf," she said.

In addition to the company's centennial, AWG's flagship brands have celebrated major anniversaries in recent years.

Always Save marked its 40th anniversary two years ago, and Best Choice followed with its own 40th last year. Superior Selections by Best Choice celebrated its 25th anniversary at the same time.

The longevity of brands such as Always Save and Best Choice has created a foundation of trust with retailers, she said – one that continues to evolve with the addition of elevated and lifestyle tiers.

Excellence in leadership

Favrow has worked under three AWG CEOs – Jerry Garland, David Smith and Dan Funk – and directly for Funk earlier in her career when he oversaw the merchandising area.

"He's always, from the beginning, been a go-getter," she said of Funk. "He believes passionately about what we do and who we serve and how we serve them."

"He definitely has the eye for the details and the eye to drive results, but still in a way that makes you feel at ease and makes you feel incorporated and like he's collaborating with you rather than telling you what to do."

She believes that clarity and balance resonate with AWG's membership.

Funk's ability to synthesize information from across the

cooperative's diverse membership – from small-town independents to larger-market operators – gives retailers confidence in the direction he sets.

"Retailers respect that; they know they're going to get a pretty straight shot when they talk to Dan," she said. "He's not short-sighted in what he does."

Pivotal moments in AWG's evolution

Ask Favrow about the moments that have shaped AWG, and a few stand out immediately. The rollout of the AIO, AWG's All-In-One DC, signaled to the industry that the cooperative wasn't content with the status quo.

"We're taking chances, doing new things," she said. "It's the willingness to take chances and to see, how are we going to push this thing forward?"

COVID-19 also crystallized AWG's core mission in a way few other events could.

"Talk about being adaptable and understanding the core function of our business," Favrow said. "Leadership through that, and evolution through that, and really becoming hyper-focused on the heart of the mission – getting groceries to grocery stores – was very evident."

Earlier in her tenure, she helped launch AWG's Customer Connect Center – an early investment in social listening and digital engagement inspired by major CPG brands.

"Once again, that was like, OK, we're trying to stay relevant," she said. "We do plenty of things that are the way we've done it for 40 years, but we also do a lot that's 'how do we push that forward?'"

Resurgence of private brands

The pandemic accelerated consumer familiarity with private brands in ways that continue to benefit AWG's retail members. Supply chain disruptions put private brands front and center, and financial pressures pushed shoppers to reconsider their brand loyalty.

Paired with younger generations' growing comfort with private brands and the fading stigma around them, retailers and the grocery industry are in a strong position going forward.

AWG's private brand structure is built around distinct tiers: Always Save serves as the opening price point; Best Choice functions as the national brand equivalent; and lifestyle brands introduced last year – including lines focused on pet and baby – round out a portfolio that also includes an elevated tier. That range, Favrow said, gives retailers significant flexibility.

"Having all of that differentiation within private brands that our retailers can participate in is really important," she

said. "If they're more of a cost-plus or value-focused store, they can focus on Always Save. If they're more of a mainstream they can focus on Best Choice and Superior Selections by Best Choice."

For AWG's proprietary brands – Always Save®, Best Choice®, Clearly by Best Choice™, Pure Wonder by Best Choice®, Hello World by Best Choice™ and Superior Selections® by Best Choice® – the cooperative manages supplier relationships directly. A partnership with Topco brings additional brand portfolios to member retailers.

Regional relevance, cooperative spirit

Operating across multiple division support centers, AWG balances centralized brand strategy with regional autonomy.

"Our division support centers have the autonomy to bring in the most relevant products to their area," Favrow said.

At its core, she said, the cooperative's founding values still guide decision-making. She referenced a phrase shared years ago by former leader Jeff Pedersen: "families serving families."

"We all are aware we're in a for-profit business, but we're also aware that we're in family businesses," Favrow said. "Most of these retailers we serve are businesses that were started by them or their parents."

Working within a \$12 billion organization serving more than 1,100 member retailers is both exhilarating and exhausting, Favrow said. Still, she finds energy in the collaboration around her.

"There's so many experts in this building, whether they've been here for a year, 25 years or 50 years, everybody's got their piece to contribute," she said.



AWG President and CEO Dan Funk and Emily Detwiler, AWG VP of AWG Brands



Tye Anthony, AWG chief merchandising and marketing officer, and Emily Detwiler, AWG VP of AWG Brands



AWG Cares' pillars include disaster relief, medical research, hunger/homelessness

AWG Cares was established in 2017 as a 100-percent employee-managed and employee-directed charitable foundation. The organization is governed by an advisory committee made up of AWG employees at the director level or below, with a representative from each division.

The committee is led by a chair and vice chair. The grassroots structure was intentional, ensuring the initiative reflected the interests of everyday employees rather than being driven by company leadership.

The foundation is funded primarily through voluntary employee payroll deductions or one-time donations, with AWG matching contributions up to \$250 per employee annually across both funds. Employees who contribute any amount are eligible to recommend qualifying charitable organizations to receive grants.

The grant review committee meets four times a year to evaluate requests. Grants currently average around \$3,000, with 10-20 grants awarded per quarter. The organization donates approximately \$150,000 to \$200,000 annually to local charitable organizations.

Since its founding, AWG Cares has donated more than \$1.1 million in total, surpassing the \$1 million milestone in 2025.

The organization launched with just 21 employee participants and five grants in its first year, with individual grant amounts starting at \$500 before growing over time.

AWG Cares operates around three core pillars: disaster relief, medical research (including organizations such as the American Cancer Society, Diabetes Foundation and Sickle Cell Anemia research), and hunger and homelessness, with support directed toward food banks and community organizations.

Beyond grants, AWG Cares organizes service projects at least twice a year at each division, where employees and their families volunteer with qualifying organizations. Activities have included building homes, cleaning parks and packaging food at Harvesters and other food banks.

The organization also conducts food drives, and AWG's distribution centers quietly serve as primary suppliers for many food banks in communities where they operate.

When Supplemental Nutrition Assistance Program (SNAP) benefit funding was threatened, AWG Cares mobilized within three days to organize money drives, food drives and volunteer efforts across all company locations.

About four years ago, AWG Cares expanded to include an Employee Relief Fund, administered through a third-party organization called the Emergency Assistance Foundation.

The fund provides tax-free grants to employees experiencing qualifying hardships, including sudden medical emergencies, natural disasters, job loss or financial crisis. Grant amounts are determined by a matrix that takes into account the nature of the hardship and the size of the employee's family.

The fund has helped dozens of employees with situations ranging from house fires and car accident deductibles to funeral expenses and temporary housing. Since its creation, the Employee Relief Fund has provided approximately \$70,000 in aid. The program is described as a bridge to provide support between when a crisis occurs and when other assistance arrives.

AWG Cares also has partnered with vendor partners, including Kellogg's, Kellanova, Hershey's and Mars, on initiatives such as Mission Tiger, which supports underfunded schools, and the Feeding America program, which provides matching grants to food banks in each AWG division community.

Additional seasonal partnerships have provided hams and other food items to communities during holidays.

Employees are encouraged to participate at any level, with organizers noting that even \$1 per paycheck can make a meaningful difference to charitable organizations that rely entirely on donations.

