

II. Glossary of Terms

Agents and brokers are wholesale operators who buy or sell on the account of others for a commission and who usually do not store or physically handle products.

A **chain** is a food retailer or foodservice operation comprising 11 or more stores or outlets.

The **retail sector** is made up of **retail grocers chains** (usually defined as 10 stores or more) and **independents** who are supplied by wholesalers.

Food Service refers to the dispensing of prepared meals and snacks intended for on-premise or immediate consumption. The following products qualify as food service when other foods are not available: candies, popcorn, pretzels, nuts, and drinks. Vended foods qualify as food service only when tables or counters are available in the immediate area and a person with records of food receipts is present at the establishment.

Commercial establishments are public establishments (freestanding or part of a host establishment) that prepare, serve and sell meals and snacks for profit to the public. These establishments can be further categorized as:

- Drinking Places
- Eating Places
- Lodging Places
- Recreation or Entertainment Venues

Foodservice brokers act as independent sales agents for a variety of food processors, whom they refer to as their principals. Brokers receive a commission from the supplier for arranging the sale. Their primary function is to arrange product sales. However, most of their time is spent in measuring and tracking sales and preparing marketing strategies for their product line.

Independent food retailers or foodservice operators own 10 or fewer stores or outlets.

Manufacturers' sales branches and offices are wholesale operations maintained by grocery manufacturers (apart from their manufacturing plants for sales and distribution).

Merchant wholesalers operate firms primarily engaged in buying and selling groceries and grocery products on their own account. There are four types of merchant wholesalers:

- **General line wholesale merchants** - Merchants handling a broad line of dry groceries, health and beauty aids, and household products.

- **Limited line wholesale merchants** - Merchants who handle a narrow range of dry groceries dominated by canned foods, coffee, spices, bread and soft drinks.

- **Specialty wholesale merchants** - Merchants who handle perishables, such as frozen foods, dairy products, poultry, meat, fish, fruit and vegetables.

- **Wholesale clubs** - Hybrid wholesale-retail establishments selling food, appliances, hardware, office supplies and similar products to its individual and small business members at prices slightly above wholesale.

Noncommercial establishments are distinguished as establishments where meals and snacks are prepared and served as an adjunct to the primary purpose of the establishment. These include schools, colleges, hospitals, vending areas and plants and offices.

Retail hosts are foodservice operations that operate in conjunction with or as part of retail establishments, such as department stores, limited-price variety stores, drugstores and miscellaneous retailers.

Wholesalers engage in the purchase, assembly, transportation, storage and distribution of groceries and food products for resale by retailers, institutions, and business, industrial and commercial users.