

**Statement of  
Max E. McBrayer, Jr.  
Chief Executive Officer  
RaceTrac Petroleum, Inc.  
Atlanta, Georgia**

**Before the  
Hearing of the House Agriculture Committee  
March 11, 2021  
“A Look at Food Insecurity in America”**

## I. Summary of the Testimony

- RaceTrac, together with its franchise-brand RaceWay, operates over 750 convenience stores across 11 southeastern states and employs nearly 10,000 team members. All of RaceTrac's stores, and 98 percent of RaceWay stores are licensed under the Supplemental Nutrition Assistance Program ("SNAP" or the "Program") and accept Electronic Benefit Transfer ("EBT") purchases.
- Our stores, the vast majority of which are open 24 hours a day, seven days a week, contribute to a variety of communities throughout the southeast United States. Almost 20 percent of our stores are in towns of 2,500 to 20,000 people. All of our stores have robust, diverse foodservice operations that are increasingly our biggest customer draw.
- COVID-19 has exacerbated what was already an unacceptable situation with respect to food insecurity in the United States. At RaceTrac, we have seen this impact firsthand. Our stores, which the federal government designated as critical infrastructure, have remained open throughout this pandemic, providing food and fuel to the public.
- Over the past year, our store teams have seen a notable increase in SNAP purchases. In fact, the percent of EBT transactions at our stores has almost doubled over the past year. RaceTrac has seen a 65% increase in EBT dollars used at our stores. RaceWay stores, which tend to be located in more rural communities, have seen a 102% increase.
- RaceTrac's participation in SNAP is critical because it enables beneficiaries to access food without excessive inconvenience or expense. Low-income Americans often work – and shop for food – during unconventional hours. Our stores are often the only easily accessible retail food store located in a particular area, and are consistently open longer than other large-format food retailers and thus provide extended hours during which customers can access food.

## II. Introduction

Chairman Scott, Ranking Member Thompson, and members of the Committee, thank you for the opportunity to testify this morning. My name is Max McBrayer, and I am the Chief Executive Officer for RaceTrac Petroleum, Inc. ("RaceTrac").<sup>1</sup> Today I will share what RaceTrac is doing to combat food insecurity in America. RaceTrac and the entire

---

<sup>1</sup> RaceTrac is a member of the National Association of Convenience Stores (NACS), the National Association of Truckstop Operators (NATSO), and the Society of Independent Gasoline Marketers of America (SIGMA).

convenience store industry places a growing importance on food service relative to even ten or fifteen years ago. Our industry's unique format and business model has been, and should continue to be, a meaningful asset in the federal government's effort to combat food insecurity in the United States. My testimony today will outline our experience as Supplemental Nutrition Assistance Program ("SNAP" or the "Program") retailers, and offer some suggestions for how the federal government can continue to harness companies like ours in its efforts to provide affordable, convenient access to food for America's most vulnerable citizens.

Headquartered in Atlanta, Georgia, RaceTrac is a family-owned business that has been serving guests since 1934. RaceTrac, together with its franchise-brand RaceWay, operates over 750 convenience stores and employs nearly 10,000 team members. Our stores, the vast majority of which are **open 24 hours a day, seven days a week**, contribute to a variety of communities throughout the southeast United States. Almost 20 percent of our stores are in towns of 2,500 to 20,000 people. All of these locations have robust, diverse foodservice operations that are increasingly our biggest customer draw. **All of RaceTrac's stores and 98 percent of RaceWay stores redeem SNAP benefits.**

The past year has been a struggle for Americans and their families, particularly with respect to food insecurity. Our presence in rural, suburban, and urban areas throughout the Southeast gives us a unique vantage point through which to understand the critical role that convenience stores and other small format retailers play in providing food to low-income families through SNAP.

For SNAP beneficiaries, RaceTrac's stores serve as critical locations to access food. Not only do we provide beneficiaries with a variety of competitively priced, SNAP-eligible foods, we provide them access to those foods during extended hours, when other food retailers are closed. For that reason, RaceTrac's participation in the Program benefits many SNAP recipients, who save time and resources by not having to travel inconvenient distances from where they live or work to purchase milk and bread.

**Over the past year, the percent of SNAP transactions at our stores has doubled—and we have seen a 65% increase in EBT dollars used at RaceTrac stores and a 102% increase at RaceWay stores.** No American should go hungry. We hope to remain active partners in SNAP in order to provide essential food access to the thousands of people in our communities who have come to rely on us.

#### **a. About RaceTrac**

RaceTrac is composed of two operating divisions:<sup>2</sup> RaceTrac and RaceWay. RaceTrac operates 549 RaceTrac-branded retail fuel and convenience stores across

---

<sup>2</sup> RaceTrac also has two subsidiaries: Energy Dispatch and Metroplex Energy. Our transportation company, Energy Dispatch, hauls fuel for RaceTrac and RaceWay, and employs more than 230 drivers and operates 88 tractor-trailers out of six states (Alabama, Florida, Georgia, Louisiana, Tennessee, Texas). Energy Dispatch delivers more than 1.2 billion gallons of fuel each year. Our wholesale fuel supplying company, Metroplex Energy, secures bulk fuel to supply RaceTrac and RaceWay stores and

seven southern states: Alabama, Florida, Georgia, Louisiana, Mississippi, Tennessee, and Texas; and owns more than 200 contractor-operated RaceWay-branded stores across 11 states: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.<sup>3</sup> RaceTrac employs nearly 10,000 individuals across its divisions and subsidiaries.

Every day, RaceTrac operates under its mission to “make people’s lives simpler and more enjoyable”—and for that reason, the company has been named a top workplace across many of the states in which it operates, and has been recognized on the Forbes list of largest private companies every year since 1998.

Since 2015, RaceTrac has built an average of 40 new stores annually, investing about \$225 million each year across our footprint. We plan to invest another \$300 million to build 31 new stores in 2021, which will lead to expanded employment opportunities as each of our stores employs approximately 20-22 people. The company has also invested over \$33 million in alternative fuels infrastructure. To further support the communities in which it operates, since 2010 RaceTrac has raised over \$5.6 million for several charities, including the Michael J. Fox Foundation for Parkinson’s research, Camp Sunshine (a retreat for children with life-threatening illnesses), Second Harvest Food Bank of Middle Tennessee, and the Boys & Girls Club Florida Alliance.

#### **b. RaceTrac has proudly been participating in SNAP for a decade**

Our participation in SNAP is critical because it enables SNAP beneficiaries to access food without excessive inconvenience or expense. The Program is designed to make life easier for approximately 43 million low-income Americans, including 18.9 million children,<sup>4</sup> and our stores play a critical role in accomplishing this objective. All of RaceTrac’s 549 stores and 200 RaceWay stores accept SNAP benefits. **RaceTrac’s stores process roughly 3 million EBT transactions per year.**<sup>5</sup> Throughout the Southeast, our stores are convenient places for SNAP beneficiaries to access food. Many low-income Americans often work – and shop for food – during unconventional hours. Not only are our stores often the only easily accessible retail food store located in a particular area, they are consistently open longer than other large-format food retailers and thus provide extended hours during which customers can shop for food.

---

other third-party companies by rail, pipeline, truck, barge and vessel across 13 states (Alabama, Arkansas, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia). Metroplex Energy sells about 4.8 billion gallons of fuel annually.

<sup>3</sup> Of the current group of RaceWay franchise operators, 71% identify as Desi (i.e., a person of Indian, Pakistani, or Bangladeshi descent), 18% identify as Arab (i.e. a person of Middle Eastern or North African descent), and 10% identify as “other”.

<sup>4</sup> See generally, U.S. Dept. of Agriculture, *Characteristics of Supplemental Nutrition Assistance Program Households: FY 2018* (Nov. 2019), <https://fns-prod.azureedge.net/sites/default/files/resource-files/Characteristics2018-Summary.pdf>; U.S. Dept. of Agriculture, *Program Information Report* (Sept. 2020), <https://fns-prod.azureedge.net/sites/default/files/data-files/Keydata-September-2020.pdf>.

<sup>5</sup> This number does not include EBT transactions at RaceWay-branded stores.

Almost all RaceTrac stores and 111 RaceWay stores are open 24 hours per day, 7 days a week;<sup>6</sup> and 93 RaceWay stores are typically open from 5am to 11pm. Our continuous and extended hours ensure that customers are always able to access our stores to purchase the food, including approximately 1,700 SNAP-eligible items, they need at any time. In rural and urban communities, our stores may be the only place for the community to shop conveniently for common food items and the only location where a SNAP beneficiary can make an EBT purchase. Because of our extended hours, our stores may also be the only location for consumers to purchase food with SNAP benefits at the beginning or end of a late work shift. One store team member put it best: “My store is in a low income area where our guests do not have reliable transportation. We are their store for supplies and food. Guests choose us for the accessibility and price.”<sup>7</sup>

### **c. RaceTrac’s Initiatives to Expand Fresh and Healthy Food Offerings**

RaceTrac has been at the vanguard of the convenience store industry when it comes to providing fresh and healthy food selections for our guests. In everything we do and offer, we are driven by consumer demand—and just like all successful retailers, we constantly try to identify and respond to what our customers want.<sup>8</sup>

Over ten years ago, RaceTrac embarked on a journey to provide more fresh and perishable products to our guests. This shift was neither easy nor inexpensive, requiring a significant change to our store format and operating procedures. We redesigned our approximately 5,000 square foot stores, which are nine times smaller than the average supermarket and have limited refrigerated and freezer space, to accommodate an expanded food offering that would appeal to our guests’ changing tastes.

There are many challenges that small format retailers face in providing perishable and fresh foods, generally related to spoilage and food-safety protocols.<sup>9</sup> To address those challenges and secure a consistent and trusted source for our fresh food programs, we had to create our own internal distribution program, RaceTrac Distributing (“RTD”). And because we don’t run our own commissary, we had to institute and manage a commissary relationship in order to develop and oversee a system to assemble and distribute product to our warehouses, stores, and ultimately, consumers. Food safety protocols were embedded in every step of this process. Throughout our entire supply

---

<sup>6</sup> Throughout the COVID-19 pandemic, to ensure the health and safety of our customers and store teams, we now close our stores for one hour each night to perform a deep clean/disinfect of the store.

<sup>7</sup> Another employee noted: “We do have several EBT guests that we consider to be our regular guests. Whether it’s a landscape worker stopping in for lunch or a homeless guest without transportation.”

<sup>8</sup> The entrepreneurial culture of RaceWay and its operators has resulted in store-specific food service offerings that are tailored to meet the tastes of a particular community. For instance, RaceWay operators have put in place chicken, BBQ and Tex-Mex offerings, in addition to stocking staple food items targeted to food preferences of certain ethnic groups in the communities where they operate.

<sup>9</sup> Unlike a grocery store, which may get daily food deliveries, small-format stores like RaceTrac and RaceWay only get deliveries a few times a week—in our case, approximately three times per week.

chain (RTD and wholesale partners), we have a rigorous food supplier vetting process, robust ingredient traceability, and end-to-end tracking and management of our cold chain, all to guarantee the safety of our offerings.

There has been a steady increase in customer demand for healthy staples over the past few years—and RaceTrac has strived to meet that demand. We offer an assortment of fresh whole fruits, cut fruit, and packaged salads; dairy products, including milk, cheeses, and fresh yogurt parfaits; breads, pasta bowls, and cereals; as well as hardboiled egg packs, “protein packs” with fresh nuts, cheeses, fruits, and meats, and fresh sandwiches. RaceTrac now sells over 12,000 pieces of fresh fruit per week—and in 2020, sold almost 800,000 bottles of milk and over 410,000 fresh sandwiches.

#### **d. Our stores are essential for food access**

“To alleviate hunger and malnutrition,” Congress created the Program and strategically designed it to ensure the participation of both large and small format retailers as a means of maximizing beneficiaries’ access to food.<sup>10</sup> Small-format convenience stores and large-format grocery stores serve different beneficial purposes in the Program. Convenience stores tend to *supplement* the traditional grocery store with respect to food access. Many SNAP beneficiaries come to RaceTrac to conveniently purchase items such as bread and milk in between trips to the grocery store. Small-format stores like ours provide convenience – both in terms of location and hours of operation – as well as competitively priced food to all consumers, including SNAP beneficiaries. We constantly endeavor to provide convenience, value, and quality to American consumers on the go. In short, we strive to make the lives of all of our customers, including low-income consumers, simpler and more enjoyable.

Despite our best efforts to provide fresh, competitively-priced food products, COVID-19 has imposed significant challenges. In addition to increased health and safety protocols that were layered on top of existing food-safety protocols, we had to contend with sporadic supply disruptions and food shortages. We were able to overcome these supply disruptions and we continue to work diligently with our suppliers to minimize disruption for our customers, who have come to rely on our stores as an essential component to their monthly food shopping routine.

RaceTrac stores are open 24 hours per day, 7 days per week, rain or shine. They are open during normal times and during emergencies. While COVID-19 has been a historic national emergency, it is not the first time that our stores have kept their doors open during times of national or regional hardship. For over 80 years, our stores have stayed open during national disasters, including hurricanes and other extreme weather events. In the words of one frontline team member, “during disaster times like hurricanes, we are the only thing open. It’s great we can help and provide the needed items to our guests in their time of need.”

---

<sup>10</sup> See e.g., 7 U.S.C. §§2011, 2012(o), 2018 (discussing food access and retailer eligibility).

Throughout national disasters, we do whatever it takes to keep our doors open, providing communities with places to refuel their vehicles and purchase basic necessities. This includes the ability to purchase hot foods when cooking at home is infeasible. During those times, we have seamlessly adjusted our EBT operations to effectuate federal hot food waivers to ensure our most economically vulnerable guests have the ability to eat. (For many of our SNAP guests, there has been confusion as to why hot foods waivers were not granted during the worst of the pandemic shutdown when people were struggling to get by without childcare and other support.)

### III. Food Insecurity and COVID-19 – A Retailer’s Perspective

Regrettably, hunger and food insecurity are a persistent presence in our country. In 2019, before the COVID-19 pandemic, approximately 35.2 million Americans, including 5.3 million children, were food-insecure. This equates to more than one in ten American households.<sup>11</sup> COVID-19 has exacerbated what was already an unacceptable situation; at RaceTrac, we have seen this impact firsthand.

Designated as critical infrastructure by the Department of Homeland Security,<sup>12</sup> RaceTrac’s stores have remained open throughout this pandemic, providing food and fuel to the public. Our frontline team members have shown up, day after day, complying with stringent health and safety protocols to ensure that healthcare workers, first responders, and everyday people can refuel, whether that be with a cup of coffee and a sandwich or with a gallon of gas. This availability and accessibility has been particularly important to the food insecure during the pandemic. As one store team member described: “During COVID, guests could count on us to be there, open, and be in stock.”

For the past year, store team members have seen a notable increase in EBT purchases. According to one of our frontline employees, “many low-income working households shop with us for affordable breakfast, lunch, dinner, or snack items. EBT sales have also increased due to the state offering more assistance and increasing benefits for lower-income households.” Per a different store team member: “unemployment increases and with poverty and the homeless population levels growing, many of them shop with us because of the selection and value.” Another highlighted: “when guests enter the door, they constantly are asking do we take EBT. We have seen

---

<sup>11</sup> Economic Research Service, U.S. Dept. of Agriculture, *Food Security Status of U.S. Households in 2019*, <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/key-statistics-graphics.aspx>.

<sup>12</sup> “Food & Agriculture,” which includes the convenience industry, was classified by the Department of Homeland Security (DHS) as a Critical Infrastructure Sector in its August 18, 2020, Guidance. See Department of Homeland Security, Cybersecurity & Infrastructure Security Agency, “Advisory Memorandum on Ensuring Essential Critical Infrastructure Workers Ability to Work During the COVID-19 Response,” (Aug. 18, 2020) available at [https://www.cisa.gov/sites/default/files/publications/Version\\_4.0\\_CISA\\_Guidance\\_on\\_Essential\\_Critical\\_Infrastructure\\_Workers\\_FINAL%20AUG%2018v3.pdf](https://www.cisa.gov/sites/default/files/publications/Version_4.0_CISA_Guidance_on_Essential_Critical_Infrastructure_Workers_FINAL%20AUG%2018v3.pdf).

an increase with students as well. Kids will use EBT before or after the school day to purchase a snack or lunch.”<sup>13</sup>

RaceTrac’s store teams have seen a two-fold increase in EBT purchases over the past year. They have served customers with large baskets, and have watched as the guest monitors the total on the register as they ring them up, in order to add in as many items as possible under their available benefits. They have also served guests who stop in quickly to make an EBT purchase and then dash out to work. Our data confirms what our store teams have been seeing with their own eyes: before COVID (2019 and early 2020), EBT accounted for around 0.7-1.0% of our total transactions; since March 2020 this has nearly doubled to 1.2%-1.6% of total transactions. Moreover, RaceTrac stores have seen a 65% increase in EBT dollars used and RaceWay stores, which tend to be located in more rural communities, have seen a 102% increase in EBT dollars used. It is clear to all of us at RaceTrac that in 2020 many of our guests have been struggling to make ends meet, and are experiencing food insecurity. Congress’s 15 percent increase of SNAP benefits has been critical to ensuring that our most economically vulnerable citizens have access to the food they need. In addition, P-EBT has been important in ensuring that eligible school children are able to access food via temporary emergency EBT benefits while their schools are closed or operating with reduced hours.

#### **IV. Conclusion**

RaceTrac takes its role in the Program seriously. Small-format stores like ours serve an important role in SNAP: we provide convenient locations for SNAP beneficiaries to access affordable food at any time they wish to, day or night. I hope we can continue to work together to fulfill the Program’s goal to alleviate hunger and food-insecurity across the country.

Thank you for the opportunity to testify, I am happy to answer any questions you may have.

---

<sup>13</sup> These anecdotes are bolstered by the available data regarding the impact of COVID-19 on food insecurity. See FRAC, *Not Enough to Eat: COVID-19 Deepens America’s Hunger Crisis* (Sept. 2020), (finding that “about 1 in 4 adults are estimated to be food insecure during COVID-19”); Urban Institute, *Forty Percent of Black and Hispanic Parents of School-Age Children are Food Insecure* (Dec. 2020), [https://www.urban.org/sites/default/files/publication/103335/forty\\_percent\\_of\\_black\\_and\\_hispanic\\_parents\\_of\\_school\\_age\\_children\\_are\\_food\\_insecure\\_0.pdf](https://www.urban.org/sites/default/files/publication/103335/forty_percent_of_black_and_hispanic_parents_of_school_age_children_are_food_insecure_0.pdf) (finding that “one in four (24.7 percent) families with school-age children reported household food insecurity in September; this rate rose to over one in three (36.9 percent) among families in which someone lost work or work-related income at some point during the pandemic.”).