Sysco's Acquisition of Restaurant Depot Would Eliminate Independent Restaurants' Last Real Point of Leverage

A $29.1 billion acquisition would combine the two dominant channels of food distribution under one company

The Independent Restaurant Coalition surveyed more than 200 independent operators nationwide in April through June 2026. Of those who use both Sysco and Restaurant Depot, 76% reported using one to negotiate against the other. This is not a theoretical market dynamic. It is a documented, weekly practice among independent restaurants, and it depends entirely on Sysco and Restaurant Depot remaining separate, competing companies.

One respondent from a full-service restaurant in San Francisco, California described how this leverage works in practice: *"I worked with Sysco and they sent me poor quality salmon and tried increasing the price after the 2nd delivery. I told my rep I was moving to Restaurant Depot and from then on the quality was good and pricing was lowered to the original quote."*

The price and the quality improved for one reason: a credible alternative existed. Once Sysco owns that alternative, the incentive to respond disappears along with it.

The FTC has confronted this question before. In 2015, the Commission blocked a Sysco acquisition valued at $8.2 billion. This transaction is more than three times that size, and unlike the 2015 deal, it does not simply increase Sysco's scale; it removes the one competitor independent restaurants rely on to hold Sysco accountable on price, quality, and service.

Finding	Share
Operators using Restaurant Depot	**75%**
Operators using both Sysco AND Restaurant Depot simultaneously	**26%**
Among Sysco + Restaurant Depot users: used a competing supplier as leverage in pricing discussions	**76%**
Got a price cut, credit, or service improvement by citing a competing-supplier option	**70%**
Received substandard product and told their rep they'd buy that item from Restaurant Depot or elsewhere	**56%**
Say consolidation has made negotiating “More Challenging”	**92%**
Say consolidation has made things “Easier”	**<1%**
Restaurant Depot users who say walk-in buying has saved them from a supply shortage or last-minute emergency	**98%**
Have experienced reduced leverage with distributors as independent alternatives in their area have been acquired or closed	**84%**

These figures describe a functioning competitive market. Independent operators are not passive price-takers; they are active negotiators who treat Restaurant Depot as a credible outside option, whether or not they ultimately purchase from it. Antitrust economists refer to this as the maverick function: a competitor whose independence disciplines pricing market-wide, including for customers who never use it. This transaction would eliminate that function.

"We would have zero leverage regarding pricing AND service with nowhere to turn for alternatives. US Foods is not able to handle our needs, and Sysco knows that. Having Depot as an option for some regularly purchased products gives us a bit of leverage." Full- Service Restaurant in Louisville, Kentucky

The Financial Cost to Independent Operators

One hundred and seventy operators in the survey estimated their annual savings from splitting purchases between a broadline distributor and a cash-and-carry. Of those, 144 reported measurable savings, and 82 provided a figure specific enough to total:

Metric	Value
Median annual savings per operator (specific dollar estimates)	**$10,000**
Mean annual savings per operator (specific dollar estimates)	**~$23,000**
Operators saving $10,000 or more per year	**61%**
Operators saving $25,000 or more per year	**28%**
Highest reported annual savings	**$400,000**
Savings range reported as a percentage of food cost	**1–50%**

One respondent reported saving $400,000 annually from having a second supplier. Among the operators in this survey who purchase from both Sysco and Restaurant Depot, the median documented savings is $15,000 per year, and nearly three-quarters save $10,000 or more. These are not projections. They are recorded savings, for a sector operating on net margins of 3 to 5%

"Sysco was continuously missing the spec on our brisket, which is about a $30k per-month spend. When we told them we would go to a local supplier they reacted quickly and credited us for hundreds of pounds in brisket. We purchase all of our spices and honey from the restaurant depot, because all of the broadline suppliers are consistently 50% higher cost." Full-Service Restaurant, Bar & Catering in Shakopee, Minnesota

Restaurant Depot serves approximately 725,000 operators nationwide. More than one in four of them report actively using it as leverage against a broadline distributor. The population directly affected by removing that leverage is therefore measured in the hundreds of thousands, in a sector that lost 9,500 restaurant locations in 2025 alone.

Precedent: The US Foods Acquisition of Cash & Carry

When US Foods acquired Cash & Carry and rebranded it CHEF'STORE, respondents reported a consistent pattern: prices increased, product selection narrowed, and the store ceased to function as a meaningful check on US Foods pricing. One reported that lime and lemon juice once priced identically between the two stores are now significantly cheaper at Restaurant Depot than at CHEF'STORE, despite being the same price before the acquisition.

The Sysco acquisition of Restaurant Depot would absorb 167 warehouse locations across 35 states, 725,000 customers, and approximately $15.8 billion in annual revenue into the distribution network those same operators currently use as a check on it.

What Independent Restaurants Would Lose

Beyond price, cash-and-carry access gives independent restaurants four things a broadline distributor structurally cannot replace:

- **No minimums, no contract, no delivery wait:** 98% of Restaurant Depot users in this survey report that walk-in purchasing has resolved a supply shortage or last-minute emergency. Broadline delivery does not operate on demand; cash-and-carry does.
- **Access for new and small operators:** Food trucks, caterers, and new restaurants without an established credit history typically cannot meet broadline minimums. Cash-and-carry is frequently their only viable purchasing channel.
- **Pressure on local and premium sourcing:** When procurement costs rise, independent restaurants reduce discretionary spending first, typically on the locally sourced and premium ingredients that differentiate them from chain competitors. This harm extends upstream to regional farms and producers.
- **Concentration risk in the supply chain:** Combining both dominant distribution channels under a single, highly leveraged entity increases systemic risk to the food supply chain rather than improving its efficiency.

The FTC blocked a substantially smaller Sysco transaction in 2015. The case for action here is stronger: independent restaurants are already closing at an alarming rate, and Restaurant Depot's prices run approximately 20% below broadline distribution, by Sysco's own published figures. The competitive discipline this merger would eliminate is already measurable, and the harm from its removal would begin immediately upon closing.

The Independent Restaurant Coalition urges the FTC to block this transaction in its entirety.