

## **CLEANUP NEEDED IN THE GROCERY AISLE**

*It's Time to End Dominant Food Retailers' Anti-Competitive Tactics  
Congress Must Investigate & Antitrust Regulators Must Enforce Existing Laws*

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**If you noticed how hard it was to buy paper products, canned food, or cleaning supplies at your local, independent grocer during the pandemic, you're not alone.**

Independent grocers and their wholesalers play a crucial role in American communities. They compete to offer low prices, higher food quality, better service, more accessible and convenient locations, a greater variety of products, and good jobs.

But for years, big box stores have been rigging the rules in their favor, forcing independent grocers to pay higher prices for fewer product offerings. That leaves consumers with worse choices of food and supplies. Like it did for most injustices, the pandemic made this one worse: it further imbalanced the unlevel playing field between big and small businesses, especially hurting urban and rural communities that rely on independent grocers.

Economic discrimination hurts customers and communities – and it's already illegal. The antitrust laws written to prevent this conduct can no longer be ignored and must be enforced to protect local stores, consumers' choices, and Americans' health.

### ***HOW WE GOT INTO THIS MESS***

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- Big box stores rig the rules in their favor, forcing independent grocers to pay higher prices for fewer products. The giants squeeze big discounts for themselves out of suppliers, who are then forced to charge independent grocers more for the same items.
- For example, some big box stores pressure suppliers until they refuse to sell the same products or same package sizes to independent grocers.

- Some local store owners even have to pay a supplier 20 percent more for a product than what it would cost him to buy it at a big retailer.
- COVID-19 has made the harm more visible and the consequences worse. Customers who rely on independent stores for their staples had a significantly harder time getting paper products, canned food, and cleaning supplies as the big box giants amassed supply.

<u>Winners</u>	<u>Losers</u>
↑ <b>Already profitable big box stores and e-commerce giants</b> with free reign to rig the rules in their favor	↓ <b>Customers</b> , who get fewer choices and higher prices ↓ <b>Local, independent store owners</b> , who are often unable to get access to products that consumers want ↓ <b>Rural families</b> , who don't have easy access to healthy foods ↓ <b>Urban families</b> , who don't have easy access to healthy foods ↓ <b>Communities of color</b> , who are more often served by independent stores ↓ <b>People who prefer</b> shopping at a local store or who don't have easy access to transportation ↓ <b>Store employees</b> , whose jobs are disappearing as local and independent stores close down--or never open in the first place ↓ <b>Ranchers, farmers, manufacturers, and suppliers</b> , who have lost control of their businesses ↓ <b>Entrepreneurs</b> , for whom the dream of opening an independent store is increasingly unworkable

### ***HOW WE CLEAN UP THIS MESS***

- Federal laws to prevent this kind of economic discrimination have been on the books for nearly a century – but haven't been enforced against this conduct in a generation.
- We don't even need to start from scratch with new legislation – we just need to update and enforce the existing antitrust laws.
- If Congress and antitrust regulators don't act, stores will consolidate further, leaving customers with fewer choices.
- As Congress considers antitrust enforcement in Big Tech, Americans' food supply should be part of that conversation. What we cook is at least as important as what we click.

**With a level playing field, stores can stay open and customers can choose where to buy their groceries. Families living in rural areas and urban centers can have the reliable access to staples they need in good times and bad. A vibrant marketplace – where small, medium, and big businesses compete to offer better prices, higher quality, diverse product offerings, and more locations – benefits all Americans and is within our reach. *Let's clean up this mess.***