

April 28, 2025

Chairman Andrew Ferguson  
Commissioner Melissa Holyoak  
Commissioner Mark Meador

Federal Trade Commission  
600 Pennsylvania Ave. NW  
Washington, D.C. 20580

Dear Chairman Ferguson, Commissioner Holyoak, and Commissioner Meador:

On behalf of the National Grocers Association (NGA), I write to urge the Federal Trade Commission to closely monitor and respond to the competitive dynamics unfolding in the grocery sector as a result of new and proposed tariffs on imported goods. The pressure from the imposition of tariffs has the potential to cause significant disruption to the food supply chain—through increased costs and product shortages—which may, in turn, exacerbate already concerning imbalances in buyer power.

NGA represents more than 21,500 independent grocery retailers, wholesalers, and suppliers. For over 40 years, NGA has been the voice of the independent supermarket industry, advocating for policies that allow local grocers and wholesalers to grow their businesses, create jobs, and serve at the heart of their communities. Independent grocers account for approximately 33% of total grocery sales, equating to more than \$250 billion in annual sales, 1.1 million jobs, and nearly \$42 billion in wages<sup>1</sup>.

Despite the aggregate size of our membership, our individual members are small and regional operations. These businesses are truly Main Street America and frequently serve rural and underserved urban areas that large national chains ignore. Yet they must compete head-to-head with dominant retail chains in both procurement and pricing—an uneven playing field exacerbated by the misuse of buyer power.

One of the greatest competitive threats to our members is the ability of the largest chains to compel favorable treatment from suppliers. Tariffs may intensify this threat. When costs rise or products become scarce, dominant retailers are in a unique position to extract priority access to inventory and to reject tariff-related price increases, forcing suppliers to push those costs onto smaller competitors. This dynamic also extends beyond store inventory to purchases of imported operational equipment, such as refrigeration cases, store shelving, and point of sale equipment.

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<sup>1</sup> John Dunham & Associates. (2021, June). *Methodology and Documentation: The National Grocers Association Economic Impact Study, Sales Impact Analysis, and SNAP Impact Study*. Prepared for the National Grocers Association.

This is not a hypothetical concern. In response to recent tariff developments, one major chain, Albertsons, reportedly notified its suppliers in writing that it was “not accepting cost increases due to tariffs.”<sup>2</sup> While other retailers may attempt to follow suit, only firms with significant buyer power have the leverage to succeed in these demands.

Suppliers themselves have raised red flags. Campbell Soup’s 2024 10-K warned that “retailers with increased buying power and negotiating strength are seeking more favorable terms, including increased promotional programs and customized products funded by their suppliers.”<sup>3</sup> These demands strain supplier margins and force difficult decisions about where to recover costs—often resulting in higher prices for the very independent grocers that lack negotiating leverage.

This behavior undermines competition and may violate federal antitrust laws, including the Robinson-Patman Act, the Sherman Act, and Section 5 of the FTC Act. It is also not new: the FTC’s 6(b) inquiry into supply chain disruptions during the pandemic documented similar conduct, in which dominant buyers received preferential treatment during times of scarcity while smaller retailers were left behind<sup>4</sup>.

We respectfully urge the Commission to:

- Issue a statement to market participants to remind suppliers of their obligations under the Robinson-Patman Act that prices, promotions, and services must be provided to large and small purchasers on proportionately equal terms;
- Monitor how tariff-related disruptions affect supplier pricing and product allocation across retail channels;
- Investigate whether dominant grocery chains are using their buyer power to extract anticompetitive concessions or impose the cost of tariffs on smaller competitors; and
- Enforce existing antitrust laws, including the Robinson-Patman Act, to prevent the use of buyer power to distort fair competition in the food supply chain.

As President Trump works to rebuild Main Street America by reshoring manufacturing jobs, it’s important for the FTC to ensure that the same communities the President is trying to help are not harmed by unfair and anticompetitive actions of dominant retailers. Tariffs should not become another tool for dominant firms to consolidate power and further marginalize the small businesses that serve as the backbone of food access in rural and disadvantaged

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<sup>2</sup> Albertsons Companies, Inc. (March 2025). *Supplier letter regarding tariff-related cost adjustments*. Obtained by *The American Prospect*.

<sup>3</sup> Campbell Soup Company. (2024). *Annual Report on Form 10-K for the fiscal year ended July 28, 2024*. U.S. Securities and Exchange Commission.

<sup>4</sup> Federal Trade Commission. (2024, March 21). *Feeding America in a Time of Crisis: FTC Staff Report on the United States Grocery Supply Chain and the COVID-19 Pandemic*.

communities. We appreciate the Commission's continued focus on competition in retail and stand ready to assist in any investigation or inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Jones". The signature is fluid and cursive, with the first name "Chris" and last name "Jones" clearly distinguishable.

Chris Jones  
Chief Government Relations Officer & Counsel  
National Grocers Association