



# The Economic Cost of Food Monopolies: The Grocery Cartels

**While the COVID-19 pandemic dealt a blow to many parts of the economy, one sector saw record-breaking profits: the grocery industry. Many major supermarket chains reaped double-digit growth and surging stock values in 2020, as people locked down and ate more meals at home.<sup>1</sup>**

Americans, however, faced rising food costs and widespread shortages of some staples.<sup>2</sup> And while the cost of meat shot up, prices paid to farmers actually declined, spurring a federal investigation. Most atrociously, frontline workers who stocked grocery shelves or worked in meat processing plants sickened and died from COVID-19. Yet many corporations limited hazard pay and instead invested in stock buybacks.<sup>3</sup> The COVID-19 pandemic pulled back the curtain on the idea that the current food system offers abundance, efficiency and resilience.

This first issue brief in our updated series on the *Economic Costs of Food Monopolies* examines the impacts of consolidation within the U.S. grocery industry. We found that:

- Just four companies took in an estimated two-thirds of all grocery sales in 2019, the year before the pandemic hit. Walmart alone gobbles up \$1 out of every \$3 spent at grocery retailers.
- The rise in supercenters and supermarket chains coincides with a steep decline in the actual number of grocery stores — a roughly 30 percent loss from 1994 to 2019. The trend is toward fewer but much larger stores, including a surge in those employing 100 or more employees.
- Food & Water Watch surveyed 55 grocery categories and found that just 8 can be called highly competitive markets. In fact, over a third exceed the “highly concentrated” threshold used by the U.S. Department of Justice (DOJ) in merger reviews.

- Kraft-Heinz’s 2015 merger made the conglomerate a corporate powerhouse. It is among the top companies in one-fifth of all food categories we surveyed. General Mills, Conagra and Campbell Soup Company also topped multiple food categories.

This is not a broken system. It is functioning as it was designed: to funnel wealth from local communities into the hands of corporate shareholders and executives. Fortunately, alternative models exist that invest in their workers and the local economy, while increasing our food system’s resilience to shocks like the pandemic. A combination of antitrust law and enforcement and public incentives to help regional food hubs take root can help turn the tide.

### Agribusiness merger-mania

The modern supermarket was born in the 1930s, forever changing the ways Americans shopped for food. Chains like King Kullen expanded their store sizes and shifted to self-service, while increasingly selling nationally advertised food brands. The post-war boom accelerated this growth, as did new technologies like UPC codes and electronic scanners. By the 1980s, Americans were spending three out of every four food dollars at supermarkets.<sup>4</sup>

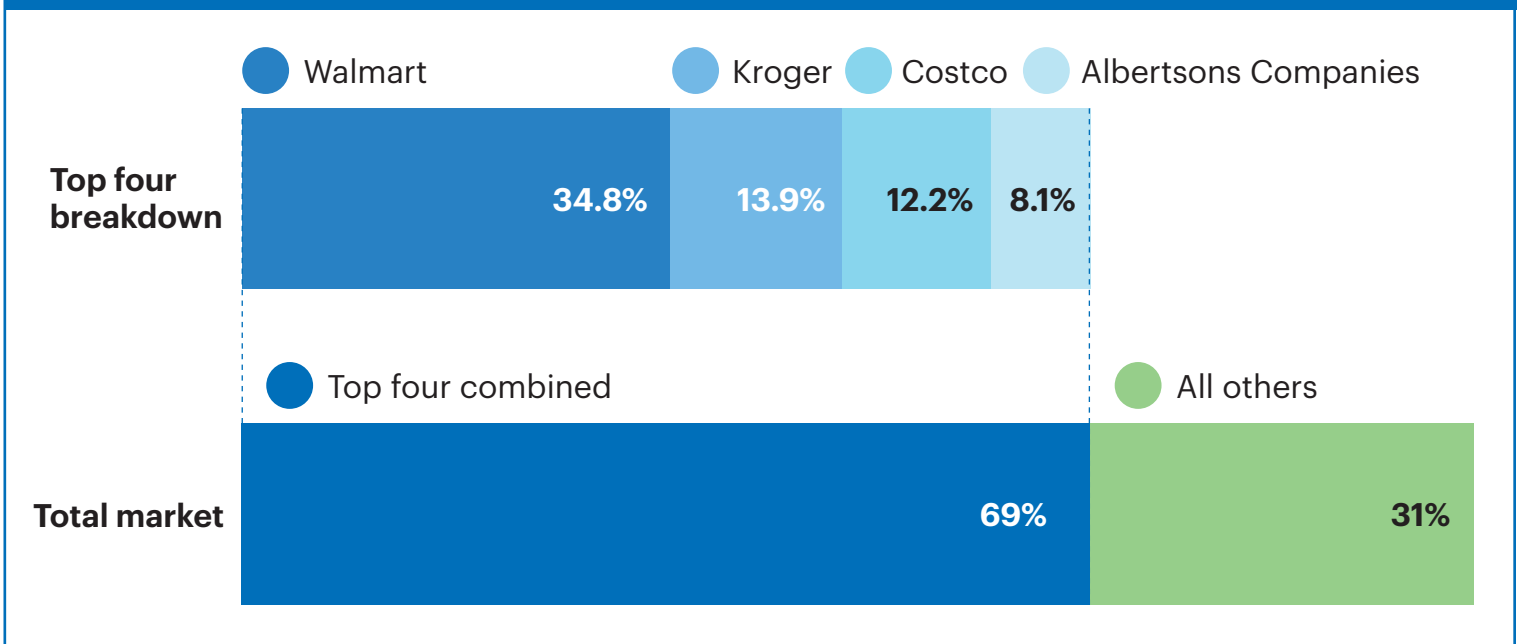
Still, local and regional supermarket chains largely dominated the market, with some independent retailers managing to hang on. However, things were beginning to change.<sup>5</sup> The combined market share of the four largest grocery retailers tripled from 23 percent in 1993 to 69 percent in 2019 (see Figure 1).<sup>6</sup> Today, an ever-shrinking number of companies control what we grow and what we eat. How did we get here?

One significant factor has been the expanded influence of supercenters and warehouse clubs like Walmart and Costco. Walmart grew from opening its first supercenter selling groceries in 1988 to capturing \$1 out of every \$3 spent at grocery retailers<sup>a</sup> today. Walmart’s strategy of race-to-the-bottom prices squeezed out many smaller grocers and other local retailers. Larger supermarket chains responded to Walmart’s threat by expanding their own market presence, primarily through purchasing regional chains while retaining the original store brand.<sup>7</sup>

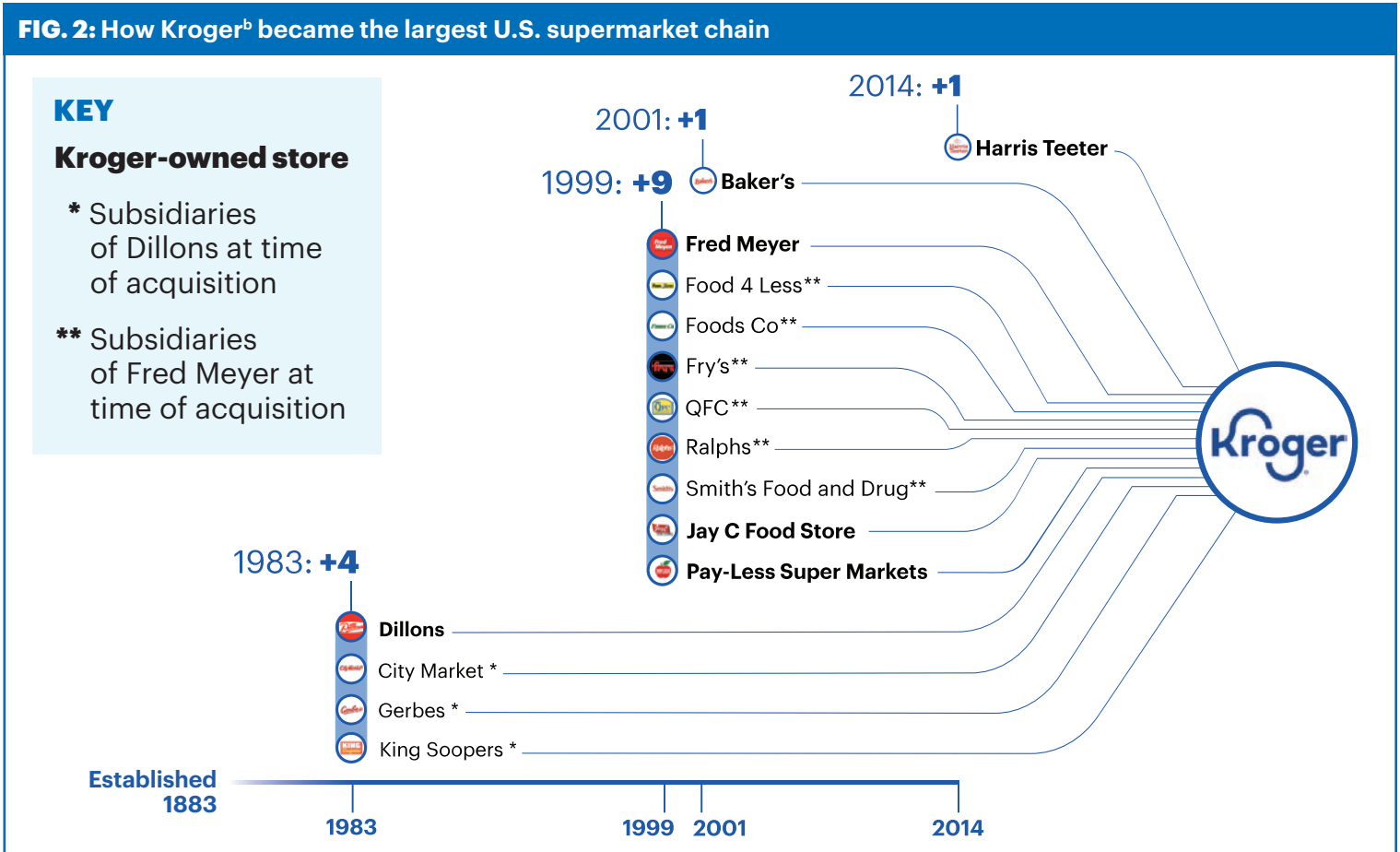
Supermarket and warehouse chains, in turn, exert influence further up the supply chain.<sup>8</sup> Some charge manufacturing companies “slotting fees” for the privilege of stocking their products, making it more difficult for new brands to emerge.<sup>9</sup> Others have vertically integrated their supply chains: Kroger, Albertsons and Walmart own milk-bottling plants, and Costco is building

a Includes consumer expenditures at grocery stores, warehouse clubs and supercenters, and other food stores (excluding convenience stores).

**FIG. 1: Market power of the four largest grocery retailers**



**FIG. 2: How Kroger<sup>b</sup> became the largest U.S. supermarket chain**



<sup>b</sup> Kroger is the second largest retailer of groceries (behind Walmart Supercenters and Sam's Clubs) and the largest supermarket chain.

chicken processing facilities.<sup>10</sup> This frenzy of horizontal and vertical mergers hit virtually every sector of the food system in the 1990s and early 2000s (see Figure 2). Food industry mergers and acquisitions continue today, with over 300 in 2019 alone.<sup>11</sup>

Experts predict that online shopping, which had explosive growth during the pandemic, will be the next big disruption to the grocery market.<sup>12</sup> Major players like Walmart and Instacart are cornering the delivery market by operating at razor-thin or negative margins — and off the backs of gig workers.<sup>13</sup> Smaller chains and independent co-ops simply cannot compete.

### Why should you care about market concentration?

A new supercenter or grocery chain store might bring seemingly greater selection and competitive prices. But these supposed perks conceal the bigger impacts that large grocery retailers have on regional economies.

First, a new big box chain can drive smaller grocers and other local retailers out of business. Walmart, for instance, uses cutthroat techniques — like squeezing costs from its supply chain and price-gouging — to gain an edge against competitors. These practices also prevent new stores from emerging.<sup>14</sup> The growth of national supermarket chains and supercenters coincides with a significant drop in the overall number of U.S. grocery stores<sup>c</sup> — down nearly 30 percent by 2019 compared to 1994.<sup>15</sup>

Smaller, independent businesses have a greater positive impact on local economies than chain retailers.<sup>16</sup> Their loss in the face of big box competition has rippling social and economic effects within a community, and can even lower local wages, as well as those in the retail industry overall.<sup>17</sup> Major big box chains also impact manufacturing wages at firms that rely on these chains as their sole purchaser.<sup>18</sup>

<sup>c</sup> Estimate includes convenience stores, which were not differentiated in the U.S. Census Bureau Economic Surveys until 1998. It does not include warehouse clubs and supercenters. See Methodology for details.

On top of this, many grocery retailers embraced self-checkout aisles and “demand-based” schedules to reduce labor costs (i.e., cutting weekly hours and reducing access to benefits).<sup>19</sup> Wages remain so inadequate that even some full-time grocery workers rely on public assistance such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP). In fact, a recent U.S. Government Accountability Office (GAO) report identified large grocery and general merchandise retailers as among the top industries employing workers enrolled in both programs. Walmart employs more working adults who rely on SNAP than any other company among the states included in the study — 1.5 times as many as the next employer, McDonald’s. Kroger chains also feature prominently in the ranking.<sup>20</sup>

Second, at the local level, reduced grocery options can be more dire than national statistics reveal. Walmart, for instance, captures up to 95 percent of all grocery sales in some U.S. micropolitan regions.<sup>21</sup> This means that many people today have fewer options for groceries near their homes — or none at all. According to the U.S. Department of Agriculture (USDA), 17 percent

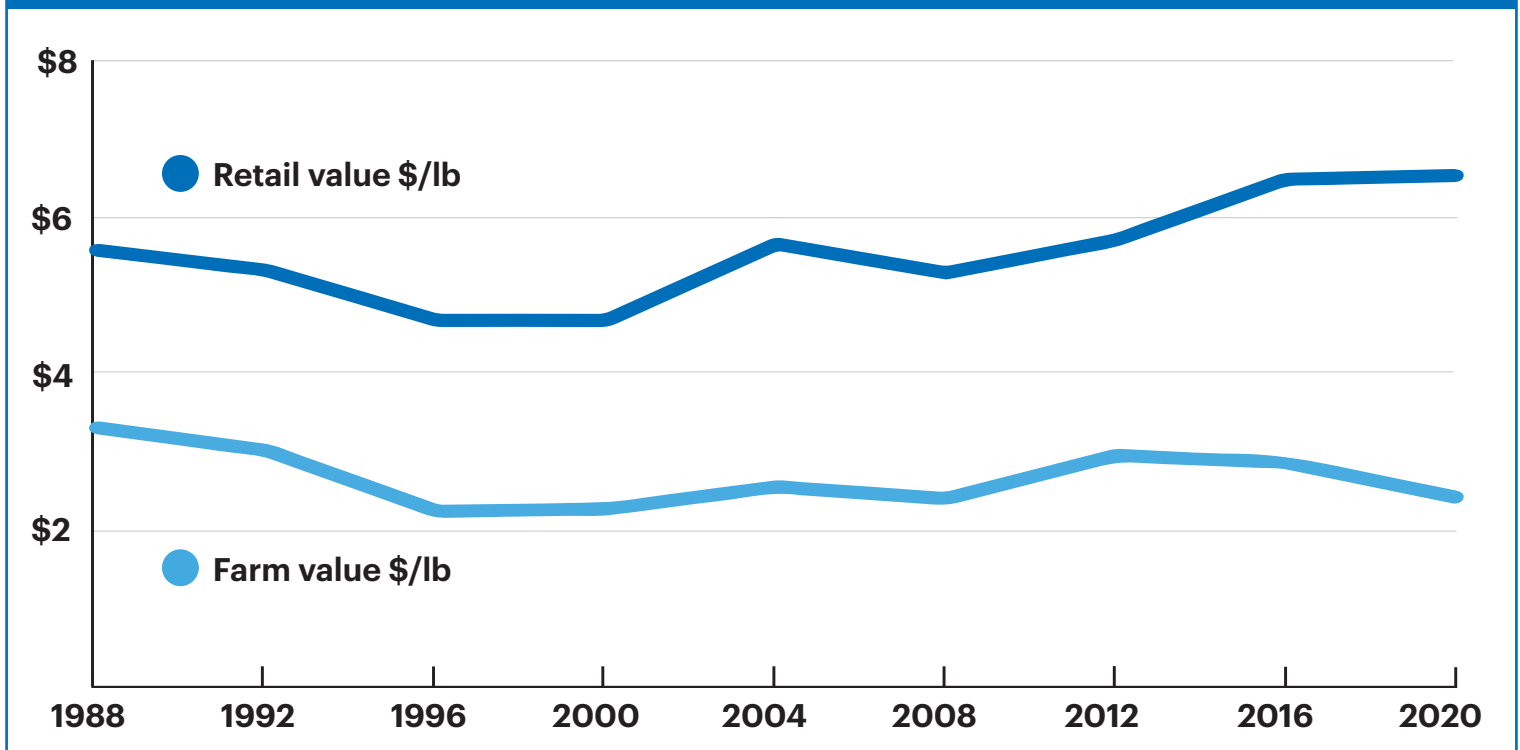
of Americans live in low-income census tracts with reduced food access. This includes urban neighborhoods with low vehicle ownership where residents must travel half a mile or more to the nearest store, and rural communities that travel 10 miles or more.<sup>22</sup>

And what about those low, low prices? They do not necessarily stick around. Walmart has been known to raise food prices once it becomes the dominate grocery retailer in town.<sup>23</sup> Similar trends can occur in food manufacturing: for example, the real cost of beef rose after the meatpacking industry became more tightly consolidated, while the farmers’ share of the profits declined (see Figure 3).<sup>24</sup>

The U.S. Federal Trade Commission (FTC) analyzed grocery mergers and found that growing market concentration usually leads to a rise in food prices.<sup>25</sup> Many academic studies also make this link.<sup>26</sup> Concentration in the broader agribusiness sector can also reduce efficiency and growth while increasing economic inequality.<sup>27</sup> Simply put, market power enables intermediaries like retailers and processors to capture an ever-growing share of food dollars,<sup>28</sup> at the expense of farmers, food chain workers and eaters.

**FIG.3: Corporate concentration raises food prices and guts farm income**

BEEF RETAIL VALUE VS. FARM VALUE IN DOLLARS PER POUND



All values adjusted to January 2020 dollars.

## The illusion of choice

Inside supermarkets themselves, another battle is brewing: the fight to control the processing and marketing of food products.

Food & Water Watch examined the market share of the dominant companies across 55 grocery categories. (See Appendix for full list of grocery items, companies, brands and market shares.) We chose categories that represent the variety of products Americans commonly shop for, from fresh vegetable side dishes to milk and milk alternatives to convenience meals. We calculated the ratio of sales of the top four (or fewer) companies in each food category, compared to those of all other companies. This “CR4 index” is one yardstick for measuring industry concentration, with 0 indicating complete competition and 100 indicating complete monopoly. Markets where the top four companies account for more than 40 percent of sales are generally considered to have reduced competition; those exceeding 60 percent are tight oligopolies<sup>d</sup> or monopolies.<sup>29</sup>

**More than 60 percent of grocery categories analyzed are tight oligopolies/monopolies.** Only eight (15 percent) are considered highly competitive. Markets where just a few companies control a majority of sales can have reduced competition, higher costs for new companies to enter and higher prices for consumers. They also enable collusion and price fixing.<sup>30</sup> Supermarkets might present a façade of variety and choice, but chances are you are choosing between just a handful of companies for each supermarket item.

Take yogurt, a product with enough flavors and brands to fill an entire supermarket showcase. Yet just four companies make up three-quarters of all yogurt sales. These include Danone (maker of Activia and Oikos), General Mills (Yoplait and Mountain High) and Groupe Lactalis (Stonyfield Organic and siggi’s).

The baby formula market is another extreme oligopoly: just three companies capture 85 percent of all liquid formula sales and around 95 percent of powdered<sup>e</sup> formula. Oligopolies enable these companies to engage in anticompetitive behaviors such as price fixing, which is long documented in the formula industry. Formula companies also use their power to aggressively promote their products to new mothers in their efforts to expand the market, especially in developing countries.<sup>31</sup>

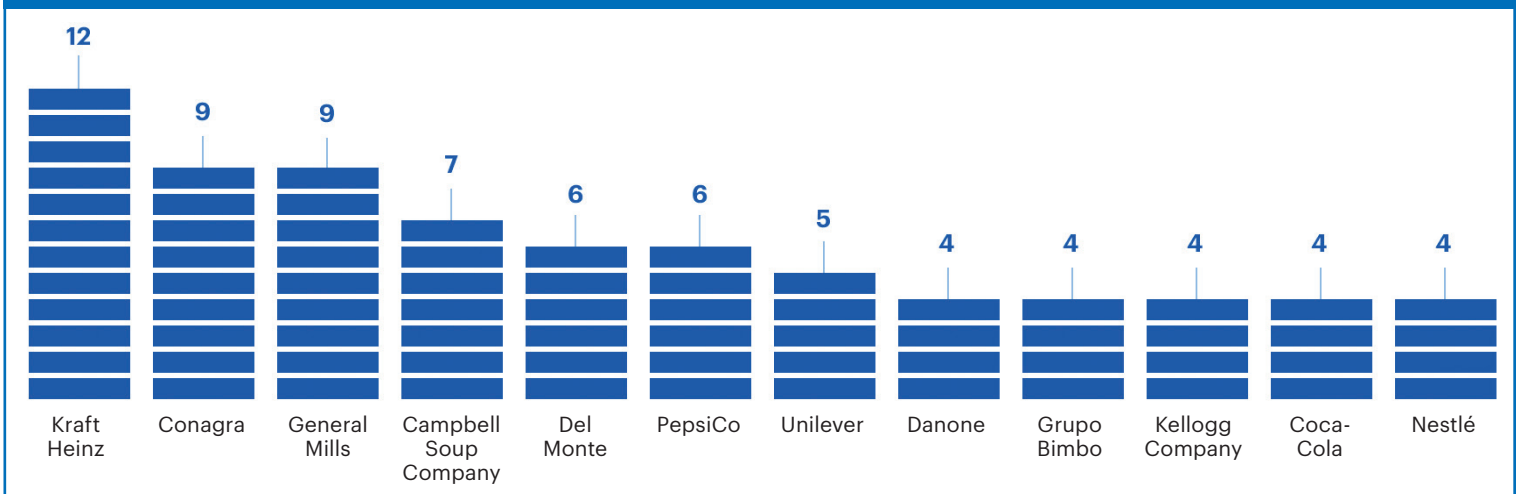
We also found several monopolistic markets. PepsiCo alone captures 88 percent of all dip sales in the United States, largely through brands that do not carry its name (like Fritos, Lay’s and Tostitos). Danone dominates the refrigerated soy milk market with its Silk brand, accounting for 80 percent of all sales. The next leading brand takes in just over 1 percent. And Conagra has monopolies in more than one category, including single-serve prepared pasta dishes (64 percent of sales) and single-serve prepared sloppy joe sauce (92 percent of sales).



<sup>d</sup> An oligopoly is a market dominated by a few firms, compared to monopolies where one firm dominates. See Robinson, William J. and Ashley M. Koley. “Antitrust enforcement against oligopolies.” *Antitrust Law Daily*. October 2019 at 1.

<sup>e</sup> The 2017 *Market Share Reporter*, which we used in our analysis, only included data on U.S. sales of liquid formula. The estimate for powdered formula (which makes up the vast majority of formula sales) comes from a *New York Times* investigation and includes the same top three companies: Mead Johnson (acquired by Reckitt Benckiser in 2017), Abbott Laboratories and Nestlé. See Pomorski, Chris. “The baby-formula crime ring.” May 2, 2018. <https://www.meadjohnson.com/news/press-releases/mead-johnson-nutrition-merger-reckitt-benckiser-completed>.

**FIG. 4: Number of times each company appears in the top four brands per food category**



A handful of companies dominate the supermarket shelves (see Figure 4). General Mills and Conagra are among the top four companies in 9 out of the 55 categories we surveyed. Campbell Soup Company is in seven categories, and PepsiCo and Del Monte are both in six. Kraft Heinz, however, blows them all out of the water at 12 categories (22 percent of the total). It is the lead company in five of those categories, including dry macaroni and cheese mixes and table sauces.

Kraft Heinz is the result of a 2015 merger between two corporate giants in the food industry, Kraft and Heinz.<sup>32</sup> The U.S. DOJ and the FTC are supposed to consider the impacts on market consolidation of proposed mergers. Using these agencies’ very own measurement, over a third of grocery categories we surveyed exceed their “highly concentrated” market threshold.<sup>33</sup> Regardless, the agencies continue to greenlight mergers and acquisitions within these market categories.<sup>34</sup>

Brand variety masks the problem of consolidation. Corporations usually keep the original brand name and marketing of popular items when they acquire competitors. You may be surprised to learn that Dave’s Killer Bread is no longer owned by its namesake,<sup>35</sup> but by Flowers Foods, a corporation that also produces Wonder Bread. And Caribou Coffee, Peet’s Coffee and Gloria Jean’s coffee beans are not from unique companies, but all belong to JAB Holding Company.

This is especially true in the organic and “natural” food market (see Figure 5 on page 7). Multinational

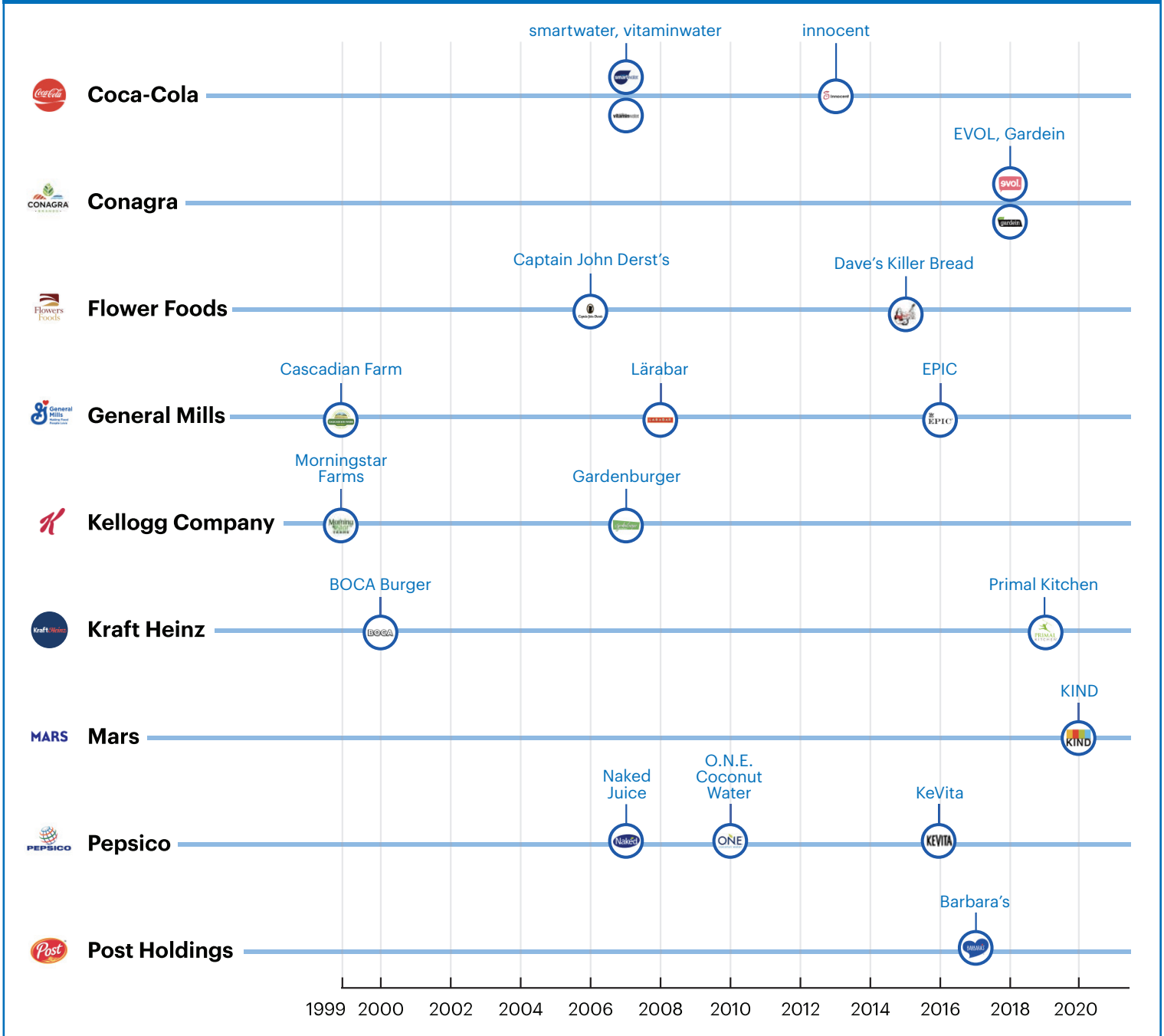
agribusinesses cornered the natural food market by acquiring well-known brands. General Mills owns Lärabar and Cascadian Farm, while Mars purchased the KIND Company. Kellogg Company dominates the frozen meat substitutes market by its acquisition of both Morningstar Farms and Gardenburger. Shoppers might think they are “voting with their dollars” by supporting brands and companies that share their values. In reality, their dollars are going to the same agribusinesses that also peddle sugary cereal and other junk food.

Supermarkets create additional hurdles that keep smaller, independent brands from breaking through these oligopolies. Some supermarkets charge slotting fees to processing companies in exchange for leasing shelf space or even stocking products. Companies willing to pay a premium can achieve more lucrative product placement, such as at eye-level or end-of-aisle displays. This effectively elbows out smaller brands unable to afford the fees. And while technically legal, details on the slotting fee system remain “shrouded in secrecy.” In fact, witnesses from the manufacturing industry shielded their identities when testifying before Congress on the practice, donning black hoods and speaking behind smoked glass, presumably out of fear of retaliation by supermarket corporations.<sup>36</sup>

Supermarkets are also expanding their private label lines in order to compete with both food processors and other retailers. These “store brand” products often cost less than name brand ones, and might

**FIG. 5: Corporate takeover of the health food market**

CORPORATE ACQUISITION OF HEALTH FOOD BRANDS BY YEAR



come from non-name brand manufacturers or even surpluses from brand name ones. Some supermarket chains even own manufacturing facilities that produce their own private label products.<sup>37</sup> Kroger's owns around three dozen manufacturing plants, including bakeries, dairies and meat processors, producing around 40 percent of its private label products. And some stores like Trader Joe's overwhelmingly sell private label products (accounting for approximately 80 percent of its sales).<sup>38</sup>

In three grocery categories, private label products made up at least half of all sales. These include frozen fruit (66 percent of all sales), whole milk (56 percent) and eggs (54 percent). Private labels enable supermarkets to control more of the supply chain and compete with brand name products.<sup>39</sup> As shoppers, we have little way of knowing what companies or facilities are behind the private label products in our carts.



## Market consolidation makes our food system vulnerable

The pandemic showed how our tightly consolidated, just-in-time grocery supply chain is highly susceptible to shocks and disruptions. A COVID-19 outbreak in a single Smithfield hog plant in South Dakota that failed to provide adequate workplace protections took 5 percent of the nation's hog processing capacity offline. Many farmers lacked local capacity for processing their hogs and were left with no choice but to kill their hogs.<sup>40</sup> Meanwhile, processing companies stoked fears of supermarket shortages in efforts to keep their plants open despite the deadly risks — while continuing to export record amounts of meat to foreign markets.<sup>41</sup>

Similarly, farmers dumped a gut-wrenching amount of fresh produce and dairy destined for then-shuttered schools, restaurants and businesses. This happened because the centralized supply chains lacked the flexibility to pivot to new markets before food spoiled.<sup>42</sup> It also was a result of the loss of regional slaughterhouses, dairy plants and other processors that once supported nearby farms and boosted rural economies — until corporate consolidation wiped many of them out.<sup>43</sup>

We must not use the pandemic recovery to prop up this inflexible and exploitive system. Instead, public resources must support the growth of regional food systems that support farmers, boost local economies and invest in workers.

## The current, consolidated grocery system is not inevitable

The aggressive strategies we associate with today's agribusinesses — from vertical integration to waves of acquisitions to market manipulation — are nothing new, but part of the industry playbook dating back a hundred years.<sup>44</sup> What has changed is our federal regulators' oversight of growing corporate power and influence.

In the "trust-busting" era of the early 20<sup>th</sup> century, the U.S. government took action against anticompetitive practices of major meatpackers and other agribusiness giants. Many of our signature antitrust laws date back to this era, including the Packers and Stockyards Act, which prohibited discriminatory practices against farmers by meatpackers.<sup>45</sup> Antitrust oversight was fundamentally "anti-bigness" and prioritized protecting the interests of farmers, suppliers and small businesses. This interpretation continued into the middle of the century with additional legislation and action against powerful agribusinesses. Notably, the DOJ brought suits against major supermarket chains like A&P and Kroger due to their anticompetitive practices against suppliers and other retailers. Courts weighed such factors over any supposed cost savings that might be passed on to consumers.<sup>46</sup>

But antitrust enforcement efforts were limited in their ability to stop new monopolies from forming — or to counter the growing political influence of agribusiness.<sup>47</sup> Additionally, by the latter part of the 20<sup>th</sup> century, antitrust oversight by courts and regulators shifted toward a single-minded focus on "economic efficiency" over concerns about market power or impacts on producers. The DOJ and FTC challenged more than a thousand mergers and acquisitions between 1950 and 1980, but this antitrust enforcement halted after Ronald Reagan was elected. This lenient attitude toward corporate concentration was similarly embraced by subsequent Democratic and Republican administrations alike.<sup>48</sup>

Negligent regulators, asleep at the wheel, allowed a handful of agribusiness behemoths to amass market shares that dwarf those of the trust-busting era. Today — as the Packers & Stockyards Act turns 100 — the



beef packing industry is even more concentrated.<sup>49</sup> Walmart's share of grocery sales is more than twice as high as A&P's was when the DOJ forced its breakup.<sup>50</sup> And the DOJ continues to bless agribusiness mega-mergers, with some of the largest mergers in history occurring in the past decade.<sup>51</sup>

But there is hope for change. Congress is increasingly scrutinizing the tech industry for monopolistic behavior and anticompetitive practices. Now some lawmakers are turning their attention to agribusinesses.<sup>52</sup> We must pressure our elected officials to strengthen our antitrust laws and enforce existing ones. Here are some key steps:

- **Stop consolidation in its tracks.** The COVID-19 pandemic has made pausing mergers all the more urgent, to prevent agribusinesses from purchasing struggling competitors and further entrenching their market power. Sample bills include the Food and Agribusiness Merger Moratorium and Antitrust Review Act.<sup>53</sup> This bill would enact an immediate moratorium on all large agribusiness mergers. It would also create a commission to evaluate the impacts of current consolidation levels on farmers and consumers and make recommendations to strengthen antitrust oversight.
- **Reinstate the Grain Inspection, Packers and Stockyards Administration (GIPSA).** In 2018, the Trump administration eliminated GIPSA, the independent office within the USDA that formally oversaw and enforced the Packers and Stockyards Act (P&SA). Enforcement moved to the Agricultural Marketing Service, an agency tasked with promoting agricultural products (as opposed to advocating for growers), thereby weakening P&SA oversight. The Biden administration must immediately reinstate GIPSA. It must also follow through with its promise of replacing the Trump administration's weak GIPSA rule with ones that make it easier for farmers to bring forth cases of abuses by powerful meat processing corporations.<sup>54</sup>
- **Enforce existing antitrust legislation and break up monopolies/oligopolies.** Lax oversight and enforcement of anticompetitive practices helped create the mess we are in. We must elect leaders who are willing to stand against powerful

corporations and ensure that antitrust laws are appropriately interpreted and enforced. Federal courts must also broaden merger reviews beyond simplified "market efficiencies" to address potential impacts on the larger economy, including on farmers, workers and small businesses.<sup>55</sup>

Antitrust enforcement is only part of the equation. We must also fundamentally reshape the ways in which we produce and market our food. This starts by boosting public funding for the expansion of local and regional food systems. Key infrastructure includes:

- **Grocery cooperatives.** Worker-owned cooperatives enable employees and communities to share profits and shape decisions. Cooperatives have a rich history in Black communities, and contemporary examples like Mandela Grocery in Oakland, California carry on the tradition. Mandela purchases legacy foods from local Black farmers, and it provides employees with the opportunity to share in profits by becoming "worker-owners." It is the first grocery store in its neighborhood in more than five decades, providing much-needed access to fresh, local produce.<sup>56</sup>
- **Food hubs.** Larger institutions like restaurants and grocery stores often prefer to purchase from a single entity rather than from several small farms. A food hub can help bridge this divide. The Hmong American Farmers Association (HAFA) in West St. Paul, Minnesota assists small-scale farmers in marketing to local community supported agriculture (CSA) shares, schools, businesses, groceries and co-ops. The nonprofit also provides its members with additional marketing resources and training.<sup>57</sup>
- **Local food processors.** These include the small-scale canning plants, slaughterhouses and grain mills that were all but wiped out by industrial agriculture. Nonprofits like the Common Grain Alliance are working to rebuild this infrastructure, by bringing together grain farmers, millers, bakers and brewers in the mid-Atlantic region. In fact, members saw a surge in demand for local flour at the onset of the pandemic, when flour disappeared from many supermarket shelves.<sup>58</sup>

Public investment and incentives can help create similar food hubs across the country that are unique to each region’s geography and food culture. Congress should earmark additional funding in the next Farm Bill for existing USDA programs that support local food systems. State and local governments also play a vital role in providing additional resources and incentives. The impacts of regional food systems extend beyond farmers and food

producers, spurring local economic development and increasing food security.<sup>59</sup>

Decentralized, diversified food systems are more resilient and capable of feeding people than the current corporate-controlled system. With political will and public investment, we can rebuild these local food economies — and reform food work from a system of exploitation to one of vocation.

## Appendix: Market Share of 55 Grocery Items

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
BEVERAGES	<b>Beer (2017)</b>	<b>Top Companies</b>	<b>78.6</b>	
		Anheuser-Busch InBev	41.6	Bud Light, Shock Top, Michelob Ultra, LandShark, Devils Backbone, Goose Island
		Molson Coors	24.3	Coors Light, Blue Moon, Miller Lite, Leinenkugel's
		Constellation Brands	8.9	Modelo, Corona, Pacifico
		Heineken N.V.	3.8	Heineken, Red Stripe, Amstel
	<b>Bottled Water (2019)</b>	<b>Top Companies</b>	<b>49.8</b>	
		Nestlé	24.4	Nestlé Pure Life, Perrier, S.Pellegrino
		Coca-Cola	12.0	DASANI, smartwater
		PepsiCo	9.4	Aquafina, LIFEWTR
		Talking Rain Beverage Company	4.0	Sparkling Ice, Talking Rain
		Private Label/Store Brand	30.7	
	<b>Carbonated Soft Drinks (2019)</b>	<b>Top Companies</b>	<b>92.9</b>	
		Coca-Cola	42.4	Coca-Cola, Fanta, Barg's Root Beer
		PepsiCo	27.4	Pepsi, Sierra Mist, Mug Root Beer
		Keurig Dr Pepper	23.1	Dr Pepper, Canada Dry, 7UP, A&W, Crush
		Private Label/Store Brand	3.5	
	<b>Coffee (2019)</b>	<b>Top Companies</b>	<b>68.3</b>	
		The J.M. Smucker Company	25.4	Folgers, Dunkin’
		Starbucks Corporation	16.1	Starbucks, Seattle's Best Coffee
		JAB Holding Company	15.1	Caribou Coffee, Peet's Coffee, Gloria Jean's Coffees
	Kraft Heinz	11.7	Maxwell House	
	Private Label/Store Brand	16.3		
<b>Craft Beer (2017)</b>	<b>Top Companies</b>	<b>32.6</b>		
	Molson Coors	13.1	Blue Moon, Leinenkugel Specialty	
	Boston Beer Company	7.9	Samuel Adams	
	Sierra Nevada	6.4	Sierra Nevada	
	Kirin Holdings Co.	5.2	New Belgium	

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Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
<b>BEVERAGES</b>	<b>Juice (2019)</b>	<b>Top Companies</b>	<b>46.7</b>	
		Coca-Cola	17.6	Minute Maid, Simply Orange, innocent, vitaminwater
		PepsiCo	12.1	Tropicana, Naked, KeVita
		Kraft Heinz	10.1	Capri Sun, Crystal Light, Kool-Aid, Country Time
		Keurig Dr Pepper	6.9	Hawaiian Punch, Mott's, ReaLemon, Clamato
		Private Label/Store Brand	12.9	
	<b>Refrigerated Almond Milk (2020)</b>	<b>Top Companies</b>	<b>80.8</b>	
		Blue Diamond Growers	39.7	Almond Breeze
		Danone	33.5	Silk
		Califia Farms	6.4	Califa Farms
		Coca-Cola	1.2	Simply Almond
		Private Label/Store Brand	18.5	
	<b>Refrigerated Soy Milk (2020)</b>	<b>Top Companies</b>	<b>81.2</b>	
		Danone	79.5	Silk
		Stremicks Heritage Foods	1.3	8th Continent
		HP Hood	0.4	Booth Bros. Dairy
		Prairie Farms	0.1	Hiland
		Private Label/Store Brand	18.6	
	<b>Tea — Bags/Loose (2020)</b>	<b>Top Companies</b>	<b>57.5</b>	
		Unilever	21.2	Lipton, TAZO
		Bigelow Tea Company	16.6	Bigelow, Charleston Tea
		Hain Celestial Group	11.4	Celestial Seasonings
		Associated British Foods	8.3	Twinings
	Private Label/Store Brand	7.6		
<b>Wine Makers (2017)</b>	<b>Top Companies</b>	<b>68.9</b>		
	E&J Gallo Winery	25.1	André, Apothic, Manischewitz, Simply Naked	
	The Wine Group	19.0	Cupcake, Fisheye, Franzia	
	Constellation Brands	17.9	Cooper & Thief, The Dreaming Tree, Woodbridge	
	Trincher Family Estates	6.9	Napa Cellars, Sutter Home, Ménage à Trois	
<b>BREAD</b>	<b>Bagels/Bialys (2020)</b>	<b>Top Companies</b>	<b>77.2</b>	
		Grupo Bimbo	64.2	Thomas', Sara Lee
		Flowers Foods	8.6	Nature's Own, Dave's Killer Bread, Captain John Derst's
		Franz Family Bakeries	2.8	Franz
		Campbell Soup Company	1.7	Pepperidge Farm
		Private Label/Store Brand	16.2	

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Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
BREAD	<b>Biscuits (Cookies &amp; Crackers) (2019)</b>	<b>Top Companies</b>	<b>60.9</b>	
		Mondelēz International	39.8	Ritz, Oreo, Chips Ahoy!, belVita, Honey Maid, Triscuit, Wheat Thins
		Kellogg Company	7.6	Cheez-It, Townhouse, Pringles, Austin
		Campbell Soup Company	6.9	Goldfish, Pepperidge Farm
		McKee Foods	6.6	Fieldstone Bakery
		Private Label/Store Brand	17.0	
	<b>Fresh Bread (2020)</b>	<b>Top Companies</b>	<b>60.8</b>	
		Grupo Bimbo	26.9	Sara Lee, Thomas'
		Flowers Foods	24.6	Wonder, Nature's Own, Dave's Killer Bread
		Campbell Soup Company	7.1	Pepperidge Farm
	Lewis Bakeries	2.1	Cinnabon, Bunny Bread	
	Private Label/Store Brand	17.0		
CONDIMENTS & SAUCES	<b>Dip (2017)</b>	<b>Top Companies</b>	<b>90.7</b>	
		PepsiCo	87.5	Tostitos, Lay's, Fritos
		Utz	1.6	Utz
		Kraft Heinz	0.9	Velveeta
		Campbell Soup Company	0.7	Pace
		Private Label/Store Brand	2.6	
	<b>Mayonnaise (2017)</b>	<b>Top Companies</b>	<b>82.8</b>	
		Unilever	50.7	Hellmann's
		Kraft Heinz	30.4	Miracle Whip
		McCormick & Company	1.7	McCormick
		Private Label/Store Brand	11.1	
	<b>Single-Serve Prepared Sloppy Sauce (2020)</b>	<b>Top Companies</b>	<b>93.9</b>	
		Conagra	91.6	Manwich
		Del Monte	1.1	Del Monte
		Hormel Foods	0.8	Not-So-Sloppy-Joe
		Conagra	0.4	Red Fork Natural Foods
		Private Label/Store Brand	4.8	
<b>Table Sauces (2019)</b>	<b>Top Companies</b>	<b>53.1</b>		
	Kraft Heinz	25.4	A.1., Taco Bell, Athenos, Primal Kitchen	
	Unilever	11.1	Hellmann's, Knorr	
	Ken's Foods	8.3	Sweet Baby Ray's, Sticky Fingers Smokehouse, Ken's	
	Clorox	8.3	Hidden Valley, Soy Vay	
	Private Label/Store Brand	12.2		
DAIRY	<b>Cheese (2019)</b>	<b>Top Companies</b>	<b>36.0</b>	
		Kraft Heinz	25.1	Cracker Barrel, Philadelphia, Athenos, Classico
		Sargento Foods	5.8	Sargento
		Saputo Cheese USA	2.8	Frigo, Montchevre, Nikos
		BEL SA	2.3	The Laughing Cow, Babybel, Boursin
		Private Label/Store Brand	39.1	

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Appendix continued

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
DAIRY	<b>Eggs (2017)</b>	<b>Top Companies</b>	<b>23.3</b>	
		Cal-Maine	18.7	Eggland's Best, Farmhouse
		Pete & Gerry's	3.1	Pete & Gerry's, Nellie's
		Sauder's Eggs	0.7	Sauder's Eggs
		Dutch Farms	0.7	Dutch Farms
		Private Label/Store Brand	54.1	
	<b>Processed/Imitation Cheese Slices (2020)</b>	<b>Top Companies</b>	<b>71.1</b>	
		Kraft Heinz	64.9	Kraft Singles, Velveeta, Polly-O
		Dairy Farmers of America	3.7	Borden, Cache Valley
		Land O'Lakes	1.4	Land O'Lakes, Alpine Lace
		Boar's Head	1.2	Boar's Head
		Private Label/Store Brand	22.2	
	<b>Refrigerated Whole Milk (2020)</b>	<b>Top Companies</b>	<b>22.5</b>	
		Dairy Farmers of America	8.9	DairyPure, Lehigh Valley
		Danone	6.2	Horizon
		HP Hood	4.9	Hood, Lactaid, Simply Smart
		Capital Peak Partners	2.5	Borden
		Private Label/Store Brand	56.4	
	<b>Single-Serve Yogurt/ Yogurt Drinks (2020)</b>	<b>Top Companies</b>	<b>96.7</b>	
		MOM Group	71.9	GoGo squeeZ
		Hain Celestial Group	22.0	Earth Best's Organic, The Greek Gods
		The Ricky Joy Company	1.7	Ricky Joy, Ricky Toy
		OKF Corporation	1.0	Aloe Yogos King
<b>Sour Cream (2017)</b>	<b>Top Companies</b>	<b>63.9</b>		
	Daisy	51.9	Daisy	
	Kraft Heinz	8.3	Breakstone's, Knudsen Hampshire	
	Dairy Farmers of America	2.9	Dean's, Mid-America Farms, Kemps	
	HP Hood	0.8	Hood	
	Private Label/Store Brand	24.9		
<b>Yogurt (2019)</b>	<b>Top Companies</b>	<b>74.5</b>		
	Danone	33.0	Activia, Oikos	
	Chobani Global Holdings	18.4	Chobani Greek Yogurt, Little Chobani Probiotic	
	General Mills	17.3	Yoplait, Annie's, Mountain High	
	Groupe Lactalis	5.8	Stonyfield Organic, siggi's, Green Mountain Creamery	
	Private Label/Store Brand	7.8		
FRUITS & VEGETABLES	<b>Bottled/Canned Green Beans (2017)</b>	<b>Top Companies</b>	<b>55.7</b>	
		Del Monte	36.6	Del Monte, S&W
		Seneca Foods	8.3	Green Valley, Libby's
		B&G Foods	6.9	Green Giant, Le Sueur
		McCall Farms	3.8	Glory Foods, Margaret Holmes, Allens
		Private Label/Store Brand	35.2	

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Appendix continued

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
FRUITS & VEGETABLES	<b>Bottled/Canned Beans (No Green Beans) (2017)</b>	<b>Top Companies</b>	<b>50.7</b>	
		Bush Brothers & Company	23.5	Bush's Best
		Goya Foods	13.9	Goya
		Vilore Foods Company	8.8	S&W, Luck's, Butter Kernel
		Conagra	4.5	Van Camp's, Ranch Style
		Private Label/Store Brand	28.5	
	<b>Canned Corn (2017)</b>	<b>Top Companies</b>	<b>55.1</b>	
		Del Monte	27.7	Del Monte, S&W
		B&G Foods	13.9	Green Giant, Le Sueur
		Seneca Foods	8.5	Green Valley, Libby's
		Juanita's Foods	5.0	Juanita's
		Private Label/Store Brand	35.0	
	<b>Canned Pineapple (2017)</b>	<b>Top Companies</b>	<b>74.6</b>	
		Itochu	62.5	Dole
		Del Monte	8.6	Del Monte
		NTC Marketing Inc.	2.7	Libby's
		Mitsui & Co.	0.7	Empress
		Private Label/Store Brand	24.2	
	<b>Canned Potato/Sweet Potato (2017)</b>	<b>Top Companies</b>	<b>59.0</b>	
		McCall Farms	46.8	Bruce's Yams, Allens, Glory
		Del Monte	12.2	Del Monte, S&W
		Private Label/Store Brand	20.5	
	<b>Canned Tomato (2017)</b>	<b>Top Companies</b>	<b>57.5</b>	
		Conagra	39.5	Hunt's
		Red Gold	8.1	Tuttorosso, Red Gold, Redpack
		Del Monte	6.3	Del Monte, Contadina
		Cento Fine Foods	3.6	Cento
		Private Label/Store Brand	28.2	
	<b>Fresh Cut Salad (2017)</b>	<b>Top Companies</b>	<b>54.2</b>	
		Cultrale-Safra	21.7	Fresh Express, Gourmet Cafe
	Itochu	14.0	Dole	
	Taylor Fresh Foods	11.2	Taylor Farms	
	Bonduelle	7.3	Ready Pac Foods, Bistro Bowl, Ready Snax	
	Private Label/Store Brand	35.8		
<b>Frozen Fruit (2017)</b>	<b>Top Companies</b>	<b>21.5</b>		
	Itochu	11.8	Dole	
	Wyman's	6.3	Wyman's	
	Matosantos Commercial Corporation	1.7	Campoverde	
	Goya Foods	1.6	Goya	
	Private Label/Store Brand	66.2		

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Appendix continued

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
FRUITS & VEGETABLES	<b>Single-Serve Prepared Pasta Dishes (2020)</b>	<b>Top Companies</b>	<b>94.4</b>	
		Conagra	63.7	Healthy Choice, Marie Callender's, EVOL
		Campbell Soup Company	26.2	SpaghettiOs, RavioliOs
		Barilla	3.1	Barilla Ready Pasta
		General Mills	1.4	Annie's
		Private Label/Store Brand	5.2	
	<b>Single-Serve Prepared Salads (2020)</b>	<b>Top Companies</b>	<b>68.1</b>	
		Seneca Foods	33.0	READ
		The Fremont Company	16.1	Paisley Farm
		FCF Fishery Company	14.0	Bumble Bee, Clover Leaf
	Boscoli Foods	5.1	Boscoli	
	Private Label/Store Brand	19.4		
MEAT & FISH	<b>Bacon (2017)</b>	<b>Top Companies</b>	<b>52.0</b>	
		Kraft Heinz	18.8	Oscar Mayer
		WH Group	14.5	Smithfield, Farmland, Farmer John
		Hormel Foods	10.7	Hormel Black Label
		Tyson Foods	8.1	Wright
		Private Label/Store Brand	21.8	
	<b>Canned Tuna (2017)</b>	<b>Top Companies</b>	<b>85.4</b>	
		Dongwon Industries	45.6	StarKist
		FCF Fishery Company	26.4	Bumble Bee
		Thai Union	12.3	Chicken of the Sea, Genova
		Wild Planet	1.0	Wild Planet
		Private Label/Store Brand	11.9	
	<b>Frozen Meat Substitute (2017)</b>	<b>Top Companies</b>	<b>76.1</b>	
		Kellogg Company	54.0	Morningstar Farms, Gardenburger
		Maple Leaf Foods	8.1	Field Roast Grain Meat Co.
		Conagra	7.9	Gardein
		Kraft Heinz	6.1	BOCA Burger
		Private Label/Store Brand	2.1	
	<b>Meat, Beef &amp; Poultry Processing (2021)</b>	<b>Top Companies</b>	<b>48.8</b>	
		JBS SA	18.7	Pilgrim's, Country Pride, Just Bare, thinkpure, Good Nature, Grass Run Farms
	Tyson Foods	15.4	Tyson, Hillshire Farm, Sara Lee, NatureRaised Farms	
	Cargill	9.0	Today's Kitchen, Meadowland Farms, Standard Pride	
	WH Group	5.7	Smithfield, Healthy Ones, Farmland, Nathan's Famous, Pure Farms	
<b>Processed Meat (2019)</b>	<b>Top Companies</b>	<b>39.1</b>		
	Tyson Foods	16.1	Ball Park, Hillshire Farm, Jimmy Dean, Sara Lee	
	Kraft Heinz	9.6	Oscar Mayer, Lunchables	
	Hormel Foods	6.7	Jeannie-O, Columbus Craft Meats, Spam	
	WH Group	6.7	Smithfield, John Morrell, Healthy Ones	
	Private Label/Store Brand	28.8		

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Appendix continued

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
PREPARED MEALS/ MEAL KITS	<b>Baby Food (2019)</b>	<b>Top Companies</b>	<b>81.7</b>	
		Abbott Laboratories	31.4	PediaSure, Similac
		Reckitt Benckiser	26.3	Enfamil, Nutramigen
		Nestlé	24.0	Gerber, NaturNes
		Private Label/Store Brand	6.8	
	<b>Dry Dinner Mixes with Meat (2020)</b>	<b>Top Companies</b>	<b>98.4</b>	
		Conagra	59.3	Banquet
		General Mills	28.2	Helper
		Vigo Importing	9.4	Vigo, Alessi
		Brooklyn Bottling Co	1.5	Iberia
		Private Label/Store Brand	0.9	
	<b>Dry Mac &amp; Cheese Mixes (2020)</b>	<b>Top Companies</b>	<b>86.7</b>	
		Kraft Heinz	72.6	Kraft, Velveeta
		General Mills	12.2	Annie's, Helper
		Otsuka Pharmaceutical	1.0	Daiya
		PepsiCo	0.8	Cheetos
		Private Label/Store Brand	12.4	
	<b>Frozen Pizza (2017)</b>	<b>Top Companies</b>	<b>66.2</b>	
		Nestlé	40.2	DiGiorno, Tombstone, California Pizza Kitchen
		CJ CheilJedang	18.4	Schwan's Company, Freschetta, Tony's Pizza
	General Mills	7.6	Totino's Party Pizza	
	Private Label/Store Brand	12.1		
<b>Hard/Soft Tortillas/ Taco Kits (2017)</b>	<b>Top Companies</b>	<b>71.6</b>		
	Gruma, S.A.B. de C.V.	48.1	Mission	
	General Mills	11.5	Old El Paso	
	Olé Mexican Foods	9.9	Olé	
	B&G Foods	2.1	Ortega	
	Private Label/Store Brand	8.4		
<b>Prepared Soup (2019)</b>	<b>Top Companies</b>	<b>69.7</b>		
	Campbell Soup Company	38.6	Campbell's, Pacific Foods	
	General Mills	14.4	Progresso, Annie's	
	Toyo Suisan Kaisha, Ltd.	11.0	Maruchan Ramen Noodle Soup	
	Unilever	5.7	Knorr	
	Private Label/Store Brand	10.2		
SNACKS	<b>Popcorn, Microwave (2017)</b>	<b>Top Companies</b>	<b>86.5</b>	
		Conagra	43.6	Orville Redenbacher's, Angie's BOOM-CHICKAPOP
		Campbell Soup Company	27.0	Pop Secret
		Weaver Popcorn Company	10.0	Pop Weaver
		American Pop Corn Company	5.9	JOLLY TIME
	Private Label/Store Brand	9.9		

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Appendix continued

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
SNACKS	<b>Snack Bars (2019)</b>	<b>Top Companies</b>	<b>66.4</b>	
		General Mills	26.7	Nature Valley, Lärabar, Cascadian Farm, EPIC
		Kellogg Company	17.2	Nutri-Grain, Special K
		Simply Good Foods	12.0	Atkins, Quest
		Mars	10.5	KIND
	Private Label/Store Brand	5.5		
STAPLES & OTHER	<b>Baby Formula (Liquid Concentrate) (2017)</b>	<b>Top Companies</b>	<b>84.6</b>	
		Reckitt Benckiser	36.2	Enfamil Premium
		Abbott Laboratories	36.0	Similac Advance, Similac Isomil
		Nestlé	12.4	Gerber Good Start Gentle
	<b>Breakfast Cereals (2019)</b>	<b>Top Companies</b>	<b>72.8</b>	
		General Mills	27.9	Cheerios, Cascadian Farm, Fiber One, Total
		Kellogg Company	26.8	Special K, Froot Loops, Rice Krispies, Corn Flakes
		Post Holdings	18.1	Honey Bunches of Oats, Raisin Bran, Weetabix, Malt-o-Meal, Barbara's
		Private Label/Store Brand	8.8	
	<b>Pasta (Dry Plain) (2019)</b>	<b>Top Companies</b>	<b>78.5</b>	
		Barilla	33.2	Barilla, Tolerant Organic
		Ebro Foods	28.2	Ronzoni
		TreeHouse Foods	17.1	San Giorgio, Ronco, Creamette, Anthony's
		Private Label/Store Brand	6.4	
	<b>Rice (2019)</b>	<b>Top Companies</b>	<b>52.2</b>	
		Ebro Foods	22.6	Minute, Mahatma, Blue Ribbon
		Mars	15.9	Ben's Original, Tasty Bite
		Unilever	7.9	Knorr
		PepsiCo	5.8	Rice-A-Roni, Near East
		Private Label/Store Brand	15.9	
	<b>Sugar Processors (2017)</b>	<b>Top Companies</b>	<b>28.9</b>	
	American Crystal Sugar Company	11.0	Crystal Sugar	
	Snake River Sugar Company	9.8	White Satin	
	Louis Dreyfus Company	4.5	Dixie Crystals, Imperial Sugar	
	Western Sugar Cooperative	3.6	GW	
SWEETS & CANDY	<b>Chocolate Confectionary (2019)</b>	<b>Top Companies</b>	<b>80.3</b>	
		Hershey Company	41.5	Kit Kat, Brookside, Cadbury, Skor
		Mars	27.4	M&M's, Dove, Milky Way
		Lindt & Spüngli AG	11.4	Lindt, Ghirardelli, Russell Stover
		Private Label/Store Brand	2.0	
	<b>Doughnuts (2020)</b>	<b>Top Companies</b>	<b>61.5</b>	
		Hostess Brands	20.6	Donettes
		Grupo Bimbo	18.1	Entenmann's, Sara Lee
		JAB Holding Company	11.6	Krispy Kreme
	McKee Foods	11.2	Drake's, Little Debbie	
	Private Label/Store Brand	24.1		

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Appendix continued

Grocery Type	Grocery Item (Data Year)	Parent Company	Market Share (%)	Leading Brands
SWEETS & CANDY	Sweet Bakery (2019)	Top Companies	31.8	
		McKee Foods	13.5	Little Debbie, Drake's, Fieldstone Bakery
		Hostess Brands	8.3	Twinkies, Ding Dongs
		Conagra	5.0	Maire Callender's, Duncan Hines
		Grupo Bimbo	5.0	Sara Lee, Entenmann's
		Private Label/Store Brand	38.2	

## Methodology

Food & Water Watch, in collaboration with *The Guardian*, analyzed the market share of top companies in 55 common grocery food and beverage categories, chosen to reflect a variety of food groups and products. We primarily relied on data compiled by the market research firm IRI. Data obtained directly from IRI cover the majority of 2020; we also used IRI data published by Mintel Group reports (covering 2019) and the Market Share Reporter (covering 2017). For the meat, beef and poultry processing category, we used IBISWorld’s estimate of total revenue in 2021.<sup>60</sup>

For each category, we calculated the market share of the top four (or fewer) companies to determine the “four-firm concentration ratio” (CR4) index. The CR4 index is a common measurement for market consolidation; it is particularly useful when you do not have data on the market shares of all firms within an industry. Markets where the top four companies account for more than 40 percent of sales are generally considered to have reduced competition; those exceeding 60 percent are tight oligopolies or monopolies.<sup>61</sup>

In eight grocery categories, concentration is so high that the data sources only listed three companies. One category (canned potato / sweet potato) only listed two companies. Additionally, 48 of the 55 categories included shares for private label products (also called store brand). We excluded private label data from CR4 index measurements since these products can be sourced from multiple manufacturers, including surpluses from brand name companies. It is worth noting, however, that private label shares rivaled or exceeded top companies across several grocery categories.

**Adjusting for parent companies/mergers.** Some Market Share Reporter publications listed market share by brand (instead of by company); for these, we aggregated brand data by individual companies. For subsidiary companies, we used the names of the parent companies, aggregating data from multiple subsidiaries when necessary. We did the same for companies that have since merged or been acquired by another company. We did not, however, make these adjustments for proposed mergers/acquisitions that had not yet been finalized as of June 2021.

**The Herfindahl-Hirschman Index (HHI).** The DOJ and FTC now favor a different metric for measuring market concentration. The HHI squares the market share of each firm within a market and sums these totals, with higher scores indicating greater levels of concentration.<sup>62</sup> In this report, we primarily use the CR4 index to measure market concentration, given that we do not have data on all firms operating within the included grocery categories. However, the DOJ and FTC acknowledge that firms with small market shares do not significantly impact HHI scores. As such, we calculated the HHI index using the top four (or fewer) companies within each grocery category. More than a third of categories still exceeded the DOJ / FTC threshold for “highly concentrated” markets.

**Supermarket concentration.** We used the USDA’s estimate of total U.S. food-at-home sales for 2019 from grocery stores, supercenters and warehouse clubs, and other food stores (excluding convenience).<sup>63</sup> We identified leading food retailers from both USDA and industry sources, and used U.S. Securities and Exchange Commission (SEC) 10-K filings for fiscal year 2019 to determine net food sales for each of these corporations.<sup>64</sup> For Walmart, we included food sales for both its supercenters and its Sam’s Club warehouses.

We used the U.S. Census Bureau’s County Business Patterns to estimate the loss of grocery retailers over the years (SIC 541 for 1994, and NAICS 4451 for 2019). NAICS 4451 includes supermarkets and other grocery retailers, as well as convenience stores, which were not differentiated in the County Business Patterns until 1998. NAICS 4451 does not include warehouse clubs and supercenters.

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