



Foreclosing Food Choices

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Non-Price Effects of Mergers

American Antitrust Institute Symposium
June 15, 2016



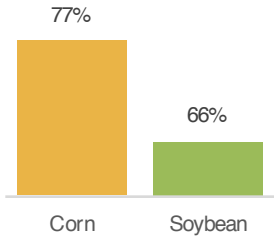
Yanking the Food Chain



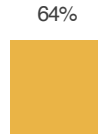


Reverberating Mergers Throughout the Food Chain

Seed CR-2



Post-2014 Flour Mergers CR-4



Post-2015 Cereal Merger CR-4



FTC Blocked Sysco-USFoods merger to monopoly

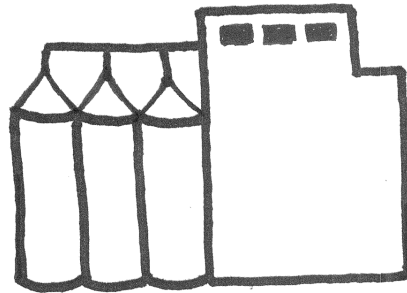
Wave of Supermarket mergers exceeds the late 1990s



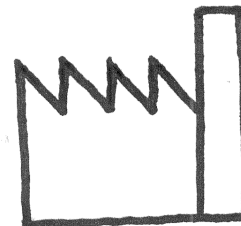
Seeds



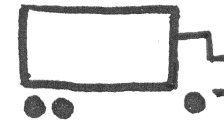
Farms



Flour Mill



Cereal Factory



Distribution



Supermarket



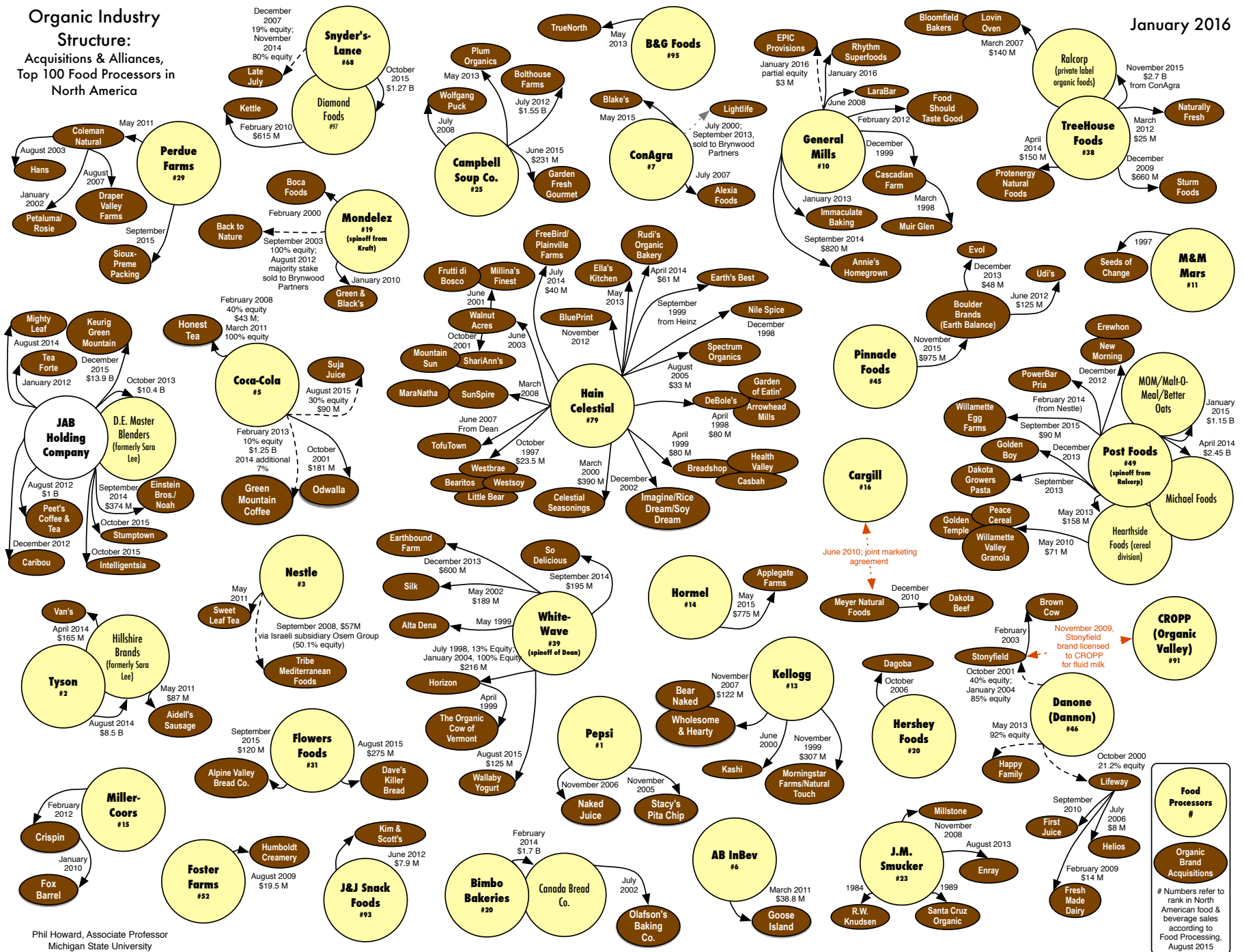
Home



Organic Industry

Structure: Acquisitions & Alliances, Top 100 Food Processors in North America

January 2016



Food Processors #

Organic Brand Acquisitions

Numbers refer to rank in North American food & beverage sales according to Food Processing, August 2015

Concentrating Food Safety Risks

List of Tainted Peanut Butter Items Points to Complexity of Food Production

By KIM SEVERSON

"I don't think we can determine how many more" products will be recalled, Stephen F. Sun-

considered to be a risk, the F.D.A. has said.

Investigators tracked the salmonella outbreak to the Peanut

monella associated with the outbreak, food agency officials said.

The plant, which is closed, packed peanut butter in bulk ranging from 5 to 1,700 pounds,

through the food supply can be challenging, because several companies can be involved in making the final food. For example, one manufacturer might coat

sometimes go without inspection for a decade.

Although no one has figured out how salmonella, which is commonly found in the feces of

Cargill Recalls 36 Million Pounds of Ground Turkey

BY HELENA BOTTEMILLER | AUGUST 4, 2011

Cargill announced Wednesday it is recalling almost 36 million pounds of ground turkey products that may be contaminated with a multi-drug resistant strain of Salmonella Heidelberg, a pathogen that

2011 Turkey Processing
CR-4 = 55%

Filthy conditions found at egg producers

Federal investigators report seeing chickens and rodents crawling up massive manure piles and flies and maggots 'too numerous to count' at two Iowa poultry farms that have recalled 550 million eggs.

August 31, 2010 | By Andrew Zajac and P.J. Huffstutter, Los Angeles Times

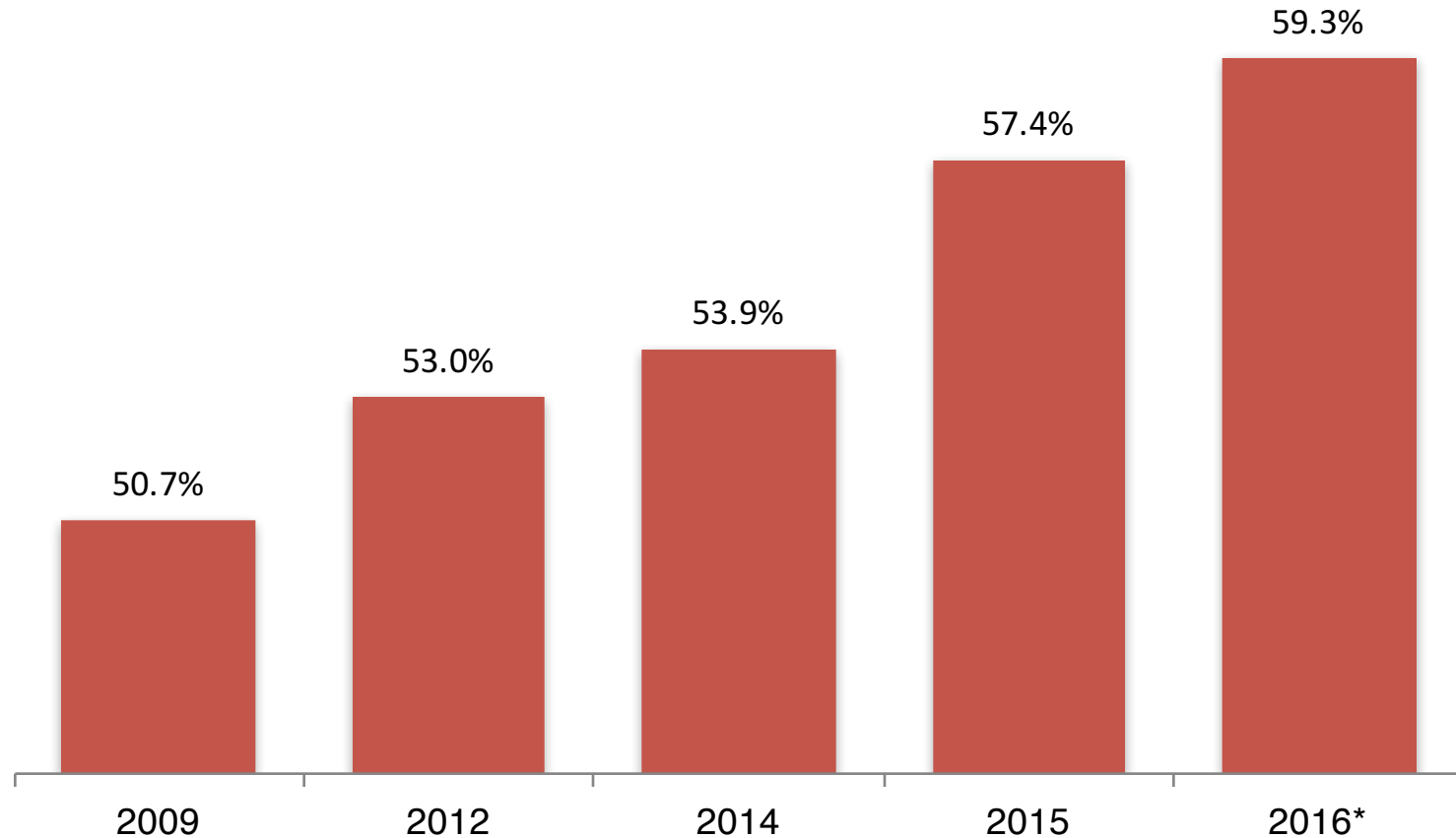
2010 Egg
CR-4 = 34%

Rampaging Retailers



Supersizing the Supermarket

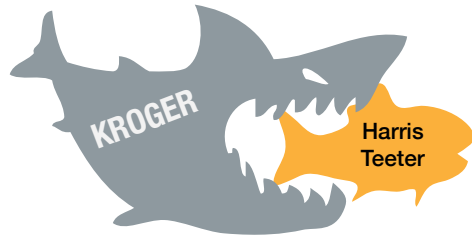
National Market Share of Four Largest Grocery Retailers



Source: Food & Water Watch analysis of Supermarket News/Progressive Grocer, * post Ahold-Delhaize merger estimate.

Supermarket Consolidation

Major Supermarket Mergers 2012-2015



2600 Stores Nationwide

Kroger, Dillon's, Fred Meyer, Harris Teeter, Ralph's, Fry's, Food 4 Less and more



2300 Stores Nationwide

Albertsons, Acme, Jewel-Osco, Supervalu, United Supermarkets, Safeway, Von's, Randall's, Dominick's and more



750 Stores Nationwide

BI-LO, Winn-Dixie, Harveys, Sweetbay, Reid's

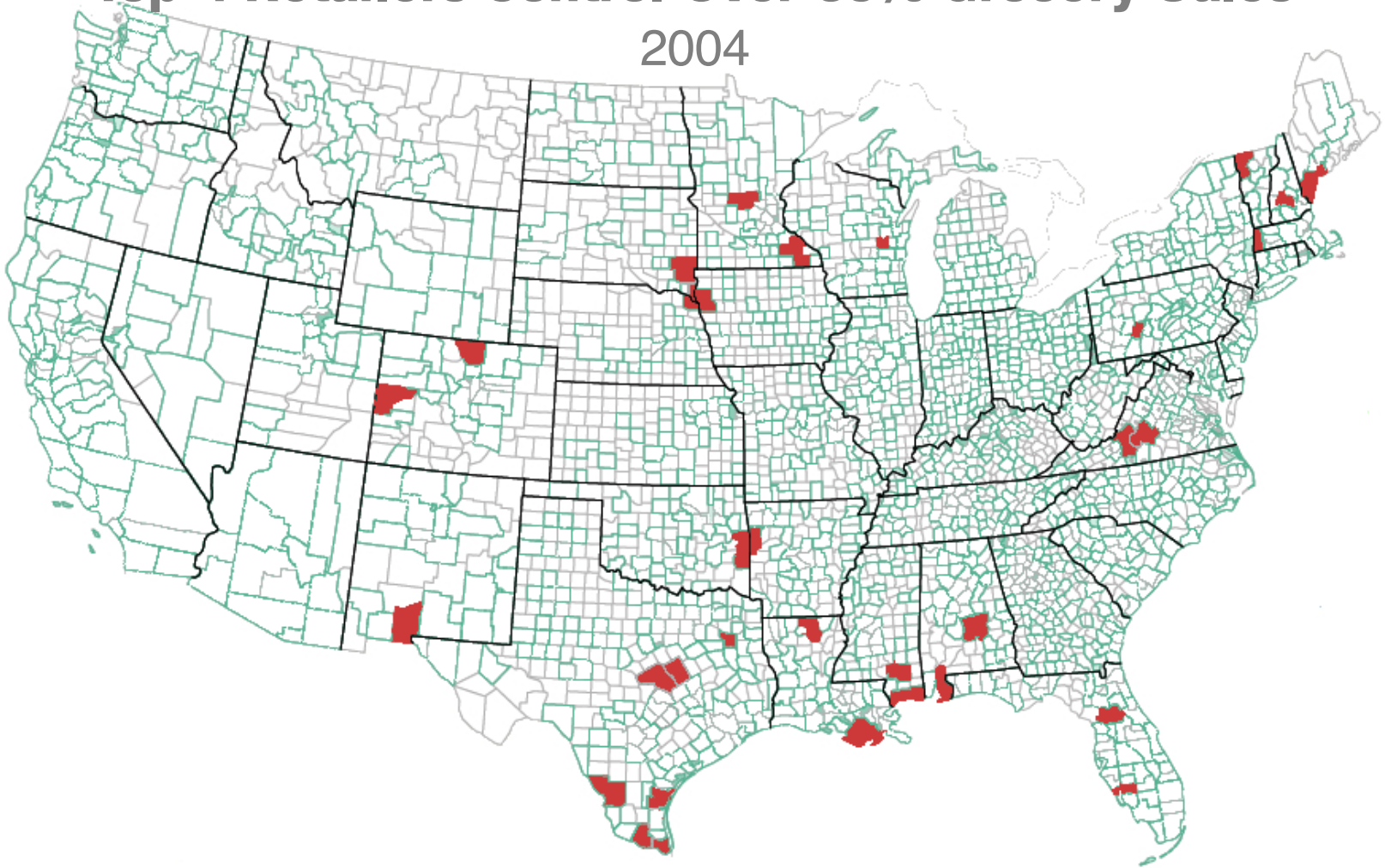


2,000 Stores Nationwide

Giant, Stop & Shop, Food Lion, Hanneford

Top 4 Retailers Control Over 90% Grocery Sales

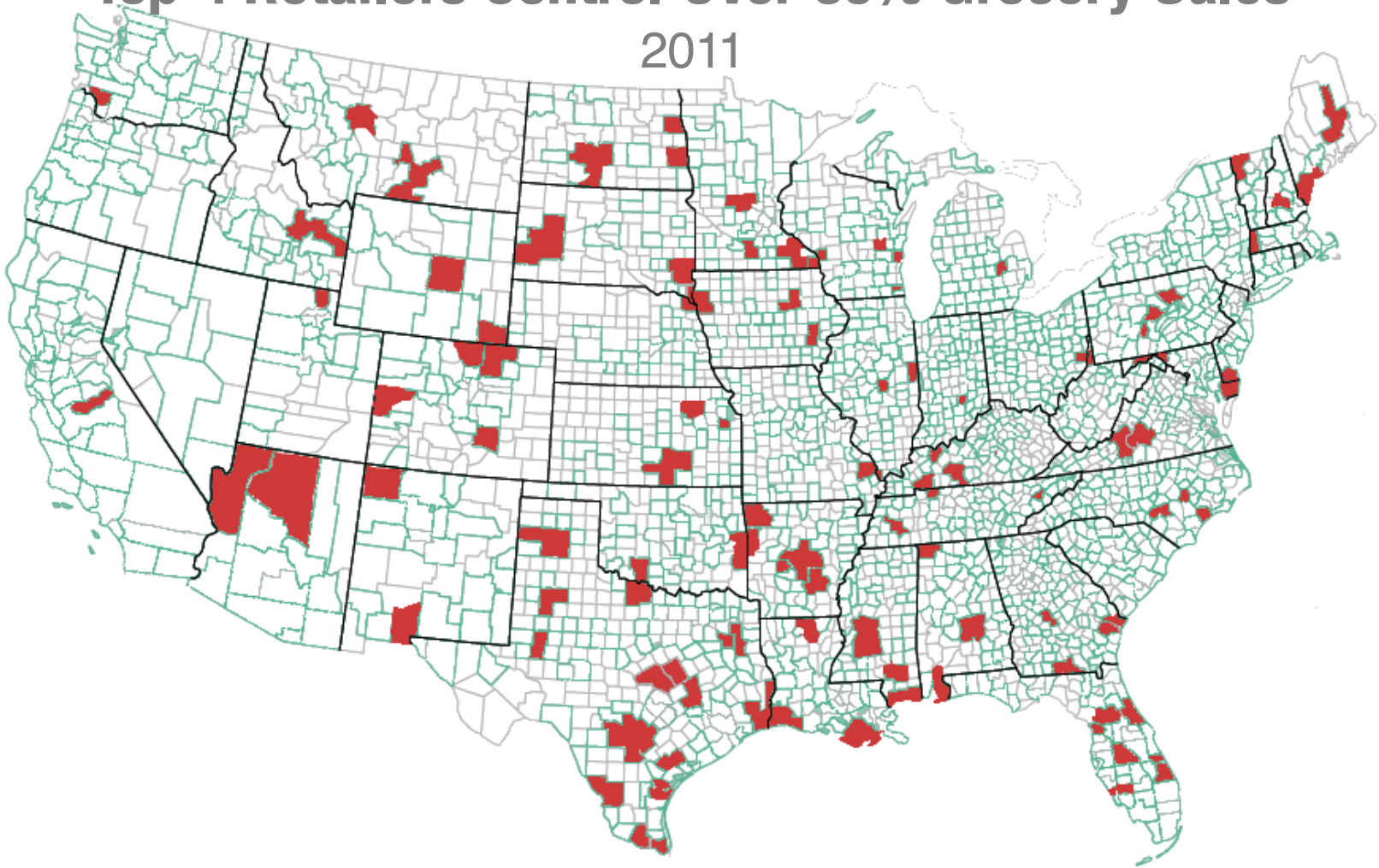
2004



Source: Food & Water Watch analysis of MetroMarket data.

Top 4 Retailers Control Over 90% Grocery Sales

2011

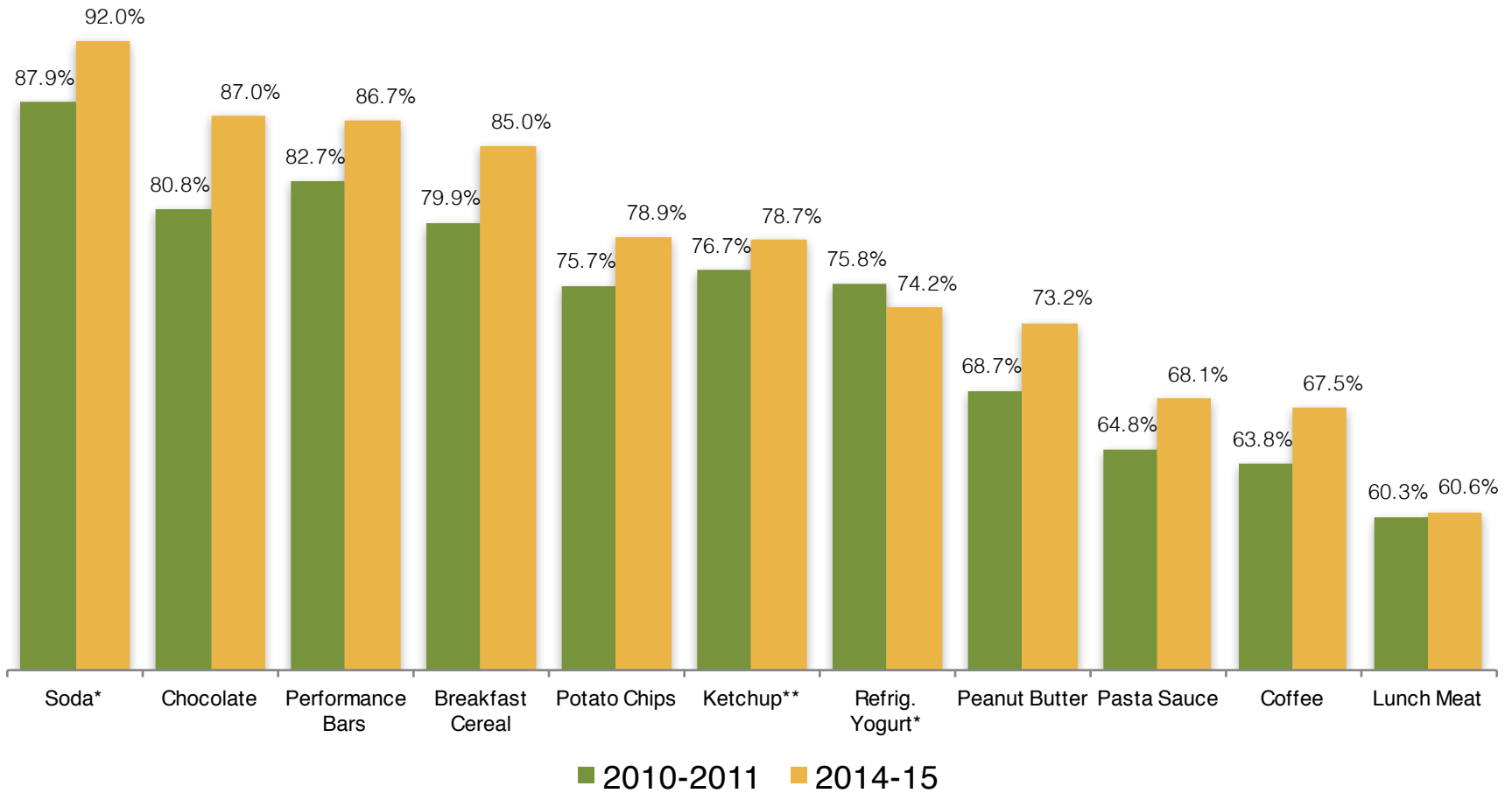


Source: Food & Water Watch analysis of MetroMarket data.

Illusion of Choice

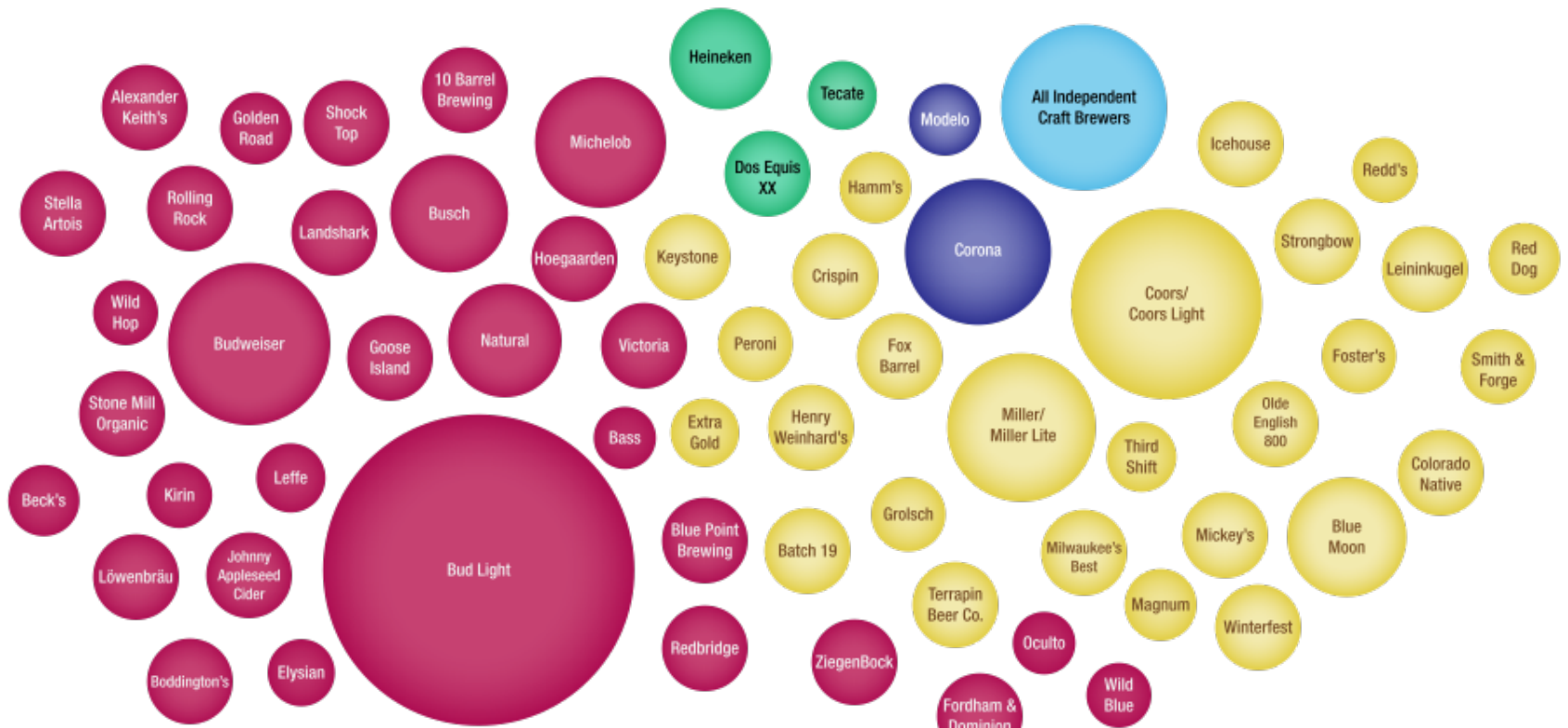


Top Four Market Share by Grocery Category



Source: *Grocery Goliaths* and preliminary update; * only 3 major firms, ** only 2 firms in 2014/5





The Makeup of the U.S. Beer Market

AB InBev
and
SABMiller

together
control



70%

of the U.S.
beer market

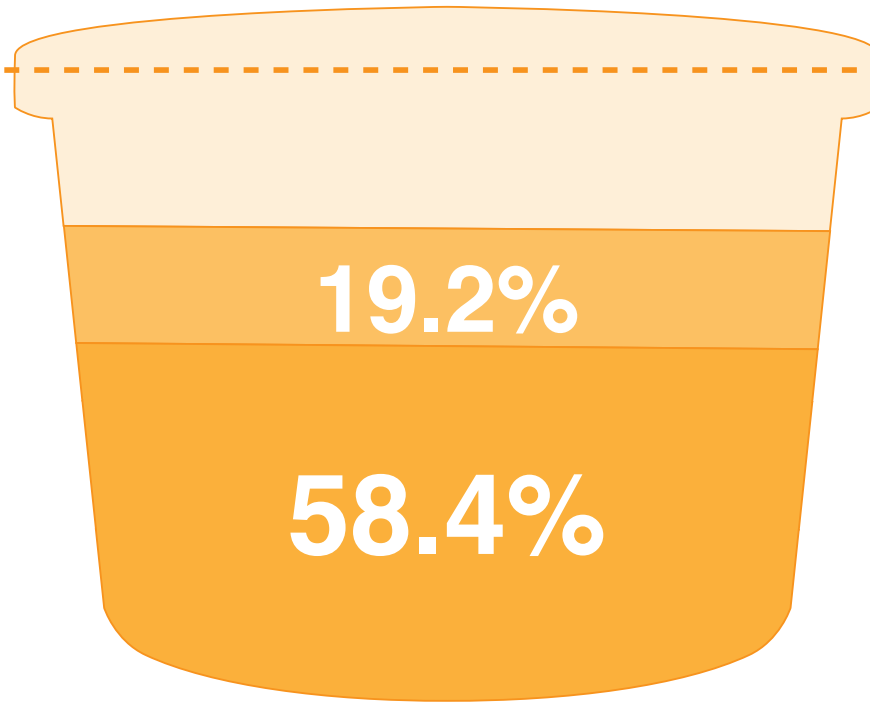
Heineken
Constellation (Owner of U.S. Segment of Grupo Modelo)
Independent Craft Brewers

Margarine

Market Share

Top 4 Companies

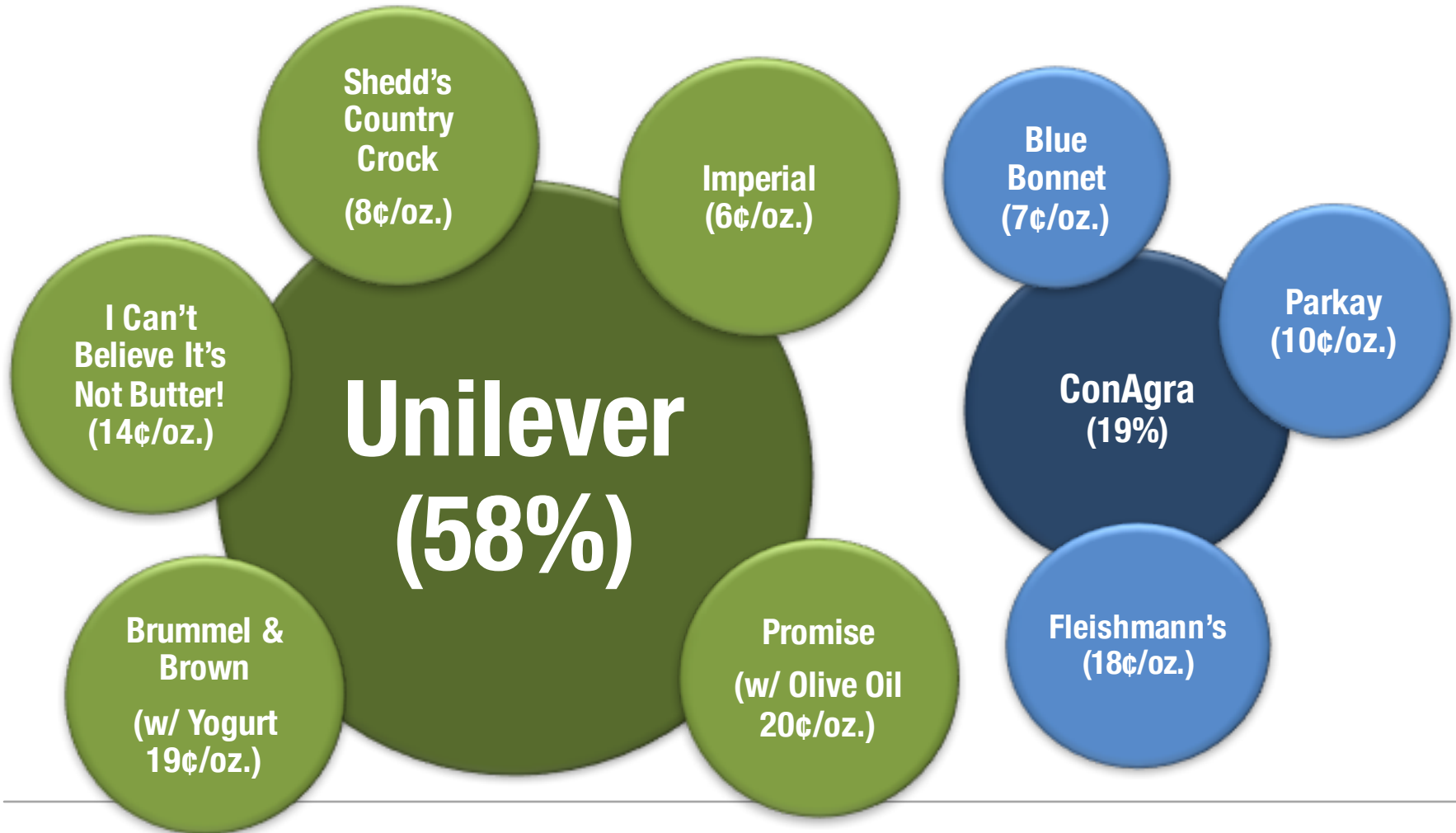
89.2%



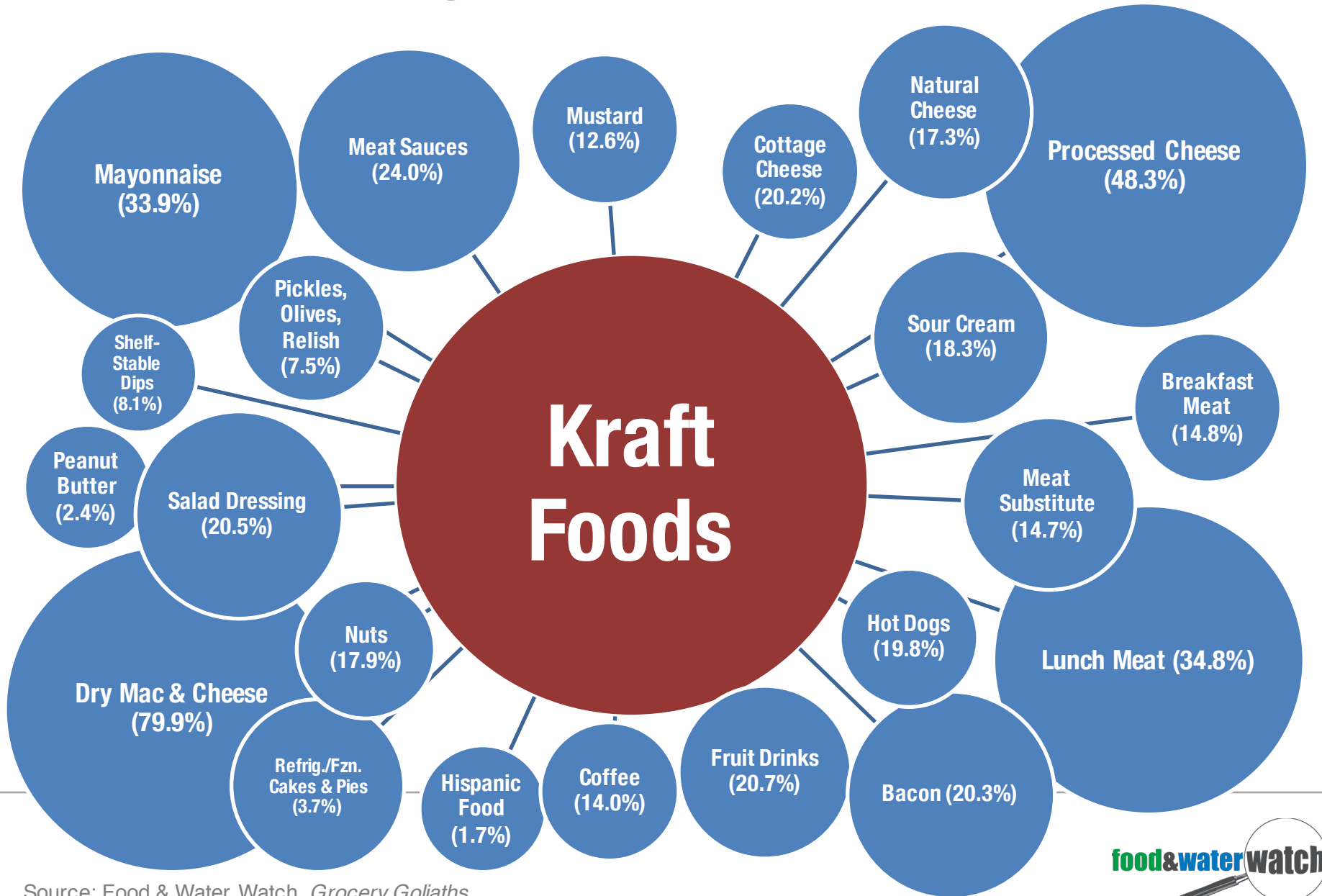
ConAgra Foods
Parkay

Unilever
Promise

Many Brands, Few Manufacturers

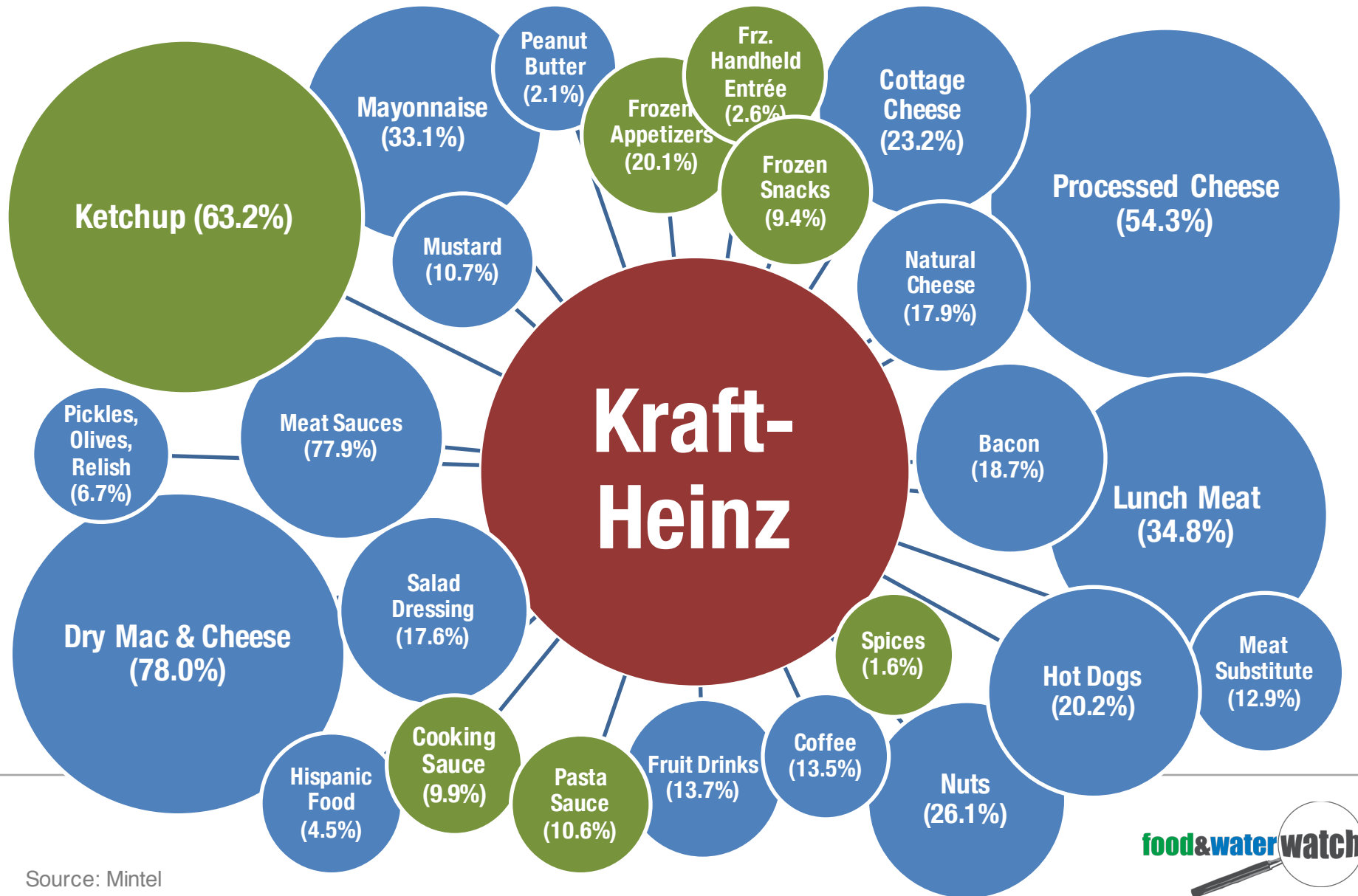


Kraft Conglomerate Octopus 2011



Source: Food & Water Watch, *Grocery Goliaths*

Kraft-Heinz Conglomerate Octopus 2014



Source: Mintel

