

Sherrod Brown supported a corporate merger that could cause mass layoffs for union workers, cause the price of everyday goods to skyrocket, and kill family-owned stores and businesses.

Sherrod Brown has expressed his support for the Kroger-Albertsons grocery merger, which could cause massive layoffs for union workers.

- HEADLINE, Huffington Post: “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious”

Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious

Sen. Sherrod Brown (D-Ohio), an economic populist, says he is looking out for organized labor.



By Daniel Marans

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(Daniel Marans, “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious,” [Huffington Post](#), 3/11/24)

- **Sherrod Brown “endorsed” Cincinnati-based Kroger’s acquisition of Albertsons.** “But Brown, who is up for reelection in a race that will be critical to Democrats retaining control of the Senate, broke from that reputation when he endorsed Cincinnati-based Kroger’s acquisition of Albertsons – a merger that progressive groups have lined up against and the Federal Trade Commission is challenging.” (Daniel Marans, “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious,” [Huffington Post](#), 3/11/24)
- **Brown’s endorsement of the merger puts him at odds with progressives.** “But Brown, who is up for reelection in a race that will be critical to Democrats retaining control of the Senate, broke from that reputation when he endorsed Cincinnati-based Kroger’s acquisition of Albertsons – a merger that progressive groups have lined up against and the Federal Trade Commission is challenging.” (Daniel Marans, “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious,” [Huffington Post](#), 3/11/24)
- **Unions are also against the deal, expecting the merger to cause layoffs.** “Brown’s support for the merger also puts him at odds with the influential labor unions involved, who oppose the deal because of expected layoffs.” (Daniel Marans, “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious,” [Huffington Post](#), 3/11/24)
 - **Brown argues that the deal is necessary as it would help the stores compete with “non-union big box stores.”** “Brown has insisted the merger is necessary to help the two unionized chains compete with non-union big-box stores, and sees removing Albertsons from the control of private equity – which has a long history

of disassembling companies and displacing their workers — as a positive.” (Daniel Marans, “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious,” [Huffington Post](#), 3/11/24)

- **A spokesperson for Brown said that the merger was “in the interest of both grocery shoppers and workers.”** “Senator Brown knows that a union card means higher wages, better benefits and working conditions, and more control over your schedule,’ Brown spokesperson Kevin Donohoe told HuffPost. ‘He’s focused on fighting for workers and ensuring that food is affordable for Ohioans. ‘The Senator believes that if this merger is done correctly, and Kroger ensures that workers have a seat at the table, the company has the potential to become one of the largest union companies in an industry that is increasingly dominated by nonunion corporate giants,’ Donohoe added. ‘It’s in the interest of both grocery shoppers and workers for unionized grocery chains to stay out of the hands of private equity and be able to compete with megastores like Walmart, Amazon and Target.’” (Daniel Marans, “Why This Red-State Democrat Is Backing A Corporate Merger That Has Unions Furious,” [Huffington Post](#), 3/11/24)

The merger could raise the prices of everyday goods.

- **A lawsuit from the FTC determined that the Kroger-Albertsons merger could result in higher prices for “millions of American consumers.”** “The Federal Trade Commission on Monday sued to block a proposed merger between grocery giants Kroger and Albertsons, saying the \$24.6 billion deal could result in higher prices for millions of American consumers.” (Associated Press, “FTC sues to block Kroger-Albertsons merger, saying it could push grocery prices higher,” [CBS News](#), 2/26/24)
- **The FTC said the merger is an anticompetitive deal, and “could harm shoppers by boosting prices for groceries and other essential household items.”** “The FTC filed a lawsuit in U.S. District Court in Oregon, alleging that the deal is anticompetitive and could harm shoppers by boosting prices for groceries and other essential household items. The merger could also result in lower quality products and services, as well as limit shoppers' options for where to buy groceries, the agency alleged.” (Associated Press, “FTC sues to block Kroger-Albertsons merger, saying it could push grocery prices higher,” [CBS News](#), 2/26/24)
 - **If the merger goes through, Kroger and Albertsons would control approximately 13% of the U.S. grocery industry.** “The companies said a merger would help them better compete with Walmart, Amazon, Costco and other large rivals. Together, Kroger and Albertsons would control around 13% of the U.S. grocery market; Walmart controls 22%, according to J.P. Morgan analyst Ken Goldman.” (Associated Press, “FTC sues to block Kroger-Albertsons merger, saying it could push grocery prices higher,” [CBS News](#), 2/26/24)

- **“If completed, Kroger-Albertsons would be the second-largest grocery retail chain in the country, right behind Walmart.”** (Amy McCarthy and Jaya Saxena, “A Kroger-Albertsons Merger Would Be Bad for Almost Everyone,” [Eater](#), 2/27/24)
- **Experts have determined that the merger “could lead to less product variety, lower product quality, higher grocery prices and an overall worse shopping experience.”** “Several antitrust experts, including academics, public policy researchers and financial analysts, told NerdWallet that a merged Kroger and Albertsons could lead to less product variety, lower product quality, higher grocery prices and an overall worse shopping experience, with stores having fewer employees available for customer service.” (Cara Smith, What a Kroger-Albertsons Merger Could Mean for Grocery Shoppers,” [NerdWallet](#), 3/27/24)

A successful merger between Kroger and Albertsons could hurt small and family-owned businesses, causing them to close their doors.

- **The merger could hurt independent grocers.** “The result could hurt independent grocers that disproportionately serve rural small towns, and low-income communities, as well as Black and Latino neighborhoods, Mitchell said.” (Katie Smith, “Some fear grocery merger could negatively impact communities,” [NewsNation](#), 10/14/22)
- **“As grocery brands consolidate and no longer face competitive pressures to provide better services at convenient locations, they often close stores.”** (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
 - **Store closures mean layoffs and harms food suppliers, farmers, and ranchers.** “Store closures mean layoffs, food deserts, and more negotiating power in the hands of the few national chains, harming consumers, food suppliers, farmers and ranchers, independent grocery stores, and the grocery workers that remain.” (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
- **“Today, the U.S. has one-third fewer stores than it did 25 years ago, so every major grocery merger leads to an even more concentrated market. The Kroger-Albertsons deal is the latest dangerous culmination of this trend.”** (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
- **At least one family-owned chain was forced to close a local distribution center as a result of being bought out by Albertsons in the past.** “Not new to a large grocery merger, Albertsons acquired Buttrey Food and Drug, a Montana family-owned chain in 1998. But in this case, all that will happen is the new Kroger-Albertsons group will keep the newest and better-performing stores and sell the underperforming stores. A setback for anyone who wishes to compete with Kroger-Albertsons, there are also jobs lost locally when a

merger happens. Albertsons closed a Buttrey distribution center, so those warehouse and trucking jobs were lost.” (Bruce Schultz, “Kroger Albertsons Merger Will Hurt Farmers,” [Competition Policy International](#), 12/4/22)

- **The American Economic Liberties Project contends that consolidated grocers, like Kroger and Albertsons, have more bargaining power with suppliers, to the disadvantage of smaller competitors.** “The consolidated buying power of large supermarket chains like Kroger and Albertsons gives them the bargaining position over suppliers to unfairly disadvantage their smaller competitors, and it also creates pressures for further consolidation up the supply chain.” (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
 - **In a white paper report, the National Grocers Association said that “dominant retailers” can “exploit their market power over suppliers,” leaving independent grocers to pay more for inventory and necessitate higher prices.** “In 2021, the National Grocers Association (NGA), representing independent grocers around the country, released a white paper highlighting how dominant retailers exploit their market power over suppliers and disadvantage smaller grocers.[30] In a letter to Congress, the NGA pointed out that with their buyer power, the large supermarket chains can demand lower prices and more favorable terms from suppliers, leaving independent grocers to pay more for inventory and often forced to charge higher prices to consumers.” (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
 - **“A Kroger-Albertsons merger would shrink the number of suppliers even more so.”** (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
 - **Rural and low-income areas could be the hardest hit by a Kroger Albertsons merger, who would find themselves without a grocery store.** “In 2021 alone, Kroger closed half a dozen stores throughout towns in rural Arkansas, including in Searcy, Brinkley, England, DeWitt, and Morrilton, with a final closure across state lines in McComb, Mississippi. Kroger can do this because it has such a large geographic footprint, so maintaining a presence in one area over another becomes less important. If Kroger and Albertsons merge, the combined geographic footprint will be even greater, allowing the merged company to consider further removal from areas that require investment for store upkeep or that become “too costly” to keep store shelves filled. As is highlighted in Kroger’s Arkansas closures, rural and low-income areas are almost always the hardest hit.” (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)

- **In 2021, the CEO of Kroger said that “inflation is always good for our business.”** “The biggest grocers, like Kroger and Albertsons, have raised prices far beyond the increased costs, with Albertsons’ profit margin up more than 600% in 2021. That same year, Kroger’s CEO spoke on CNN, sharing that ‘a little bit of inflation is always good for our business.’” (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
- **The Kroger Albertsons merger would likely lead to “pharmacy deserts.”** “In addition to food deserts, this merger will likely also create pharmacy deserts. Not all grocery stores have pharmacies, but big national chains, like those owned by Kroger and Albertsons, often do—2,254 Kroger-owned stores have pharmacies, while 1,700 Albertsons supermarkets have pharmacies. That means more than 80% of both Kroger and Albertsons storefronts operate pharmacies. In communities served by these pharmacies, the risk of losing a grocery store expands to also losing a pharmacy.” (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)
 - **“Pharmacy deserts are a growing concern due to the trend of pharmacy retail chains closing in rural and low-income areas, where alternatives are already sparse.”** (Krista Brown, “Supermarket Squeeze: The Real Costs of the Kroger-Albertsons Deal,” [American Economic Liberties Project](#), 11/14/23)