



**GROCERY**

**GOLIATHS**

**HOW FOOD MONOPOLIES IMPACT CONSUMERS**

## About Food & Water Watch

Food & Water Watch works to ensure the food, water and fish we consume is safe, accessible and sustainable. So we can all enjoy and trust in what we eat and drink, we help people take charge of where their food comes from, keep clean, affordable, public tap water flowing freely to our homes, protect the environmental quality of oceans, force government to do its job protecting citizens, and educate about the importance of keeping shared resources under public control.

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## HOW FOOD MONOPOLIES IMPACT CONSUMERS

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## Executive Summary

Groceries are big business, with Americans spending \$603 billion on grocery products in 2012.<sup>1</sup> Big-box food retailers like Walmart and national grocery store chains now dominate the grocery industry. These mega-retailers are the biggest buyers of grocery products, and they exert tremendous power over food companies and ultimately farmers. This has led to a handful of food companies producing the majority of the products in the supermarket.

This growing consolidation of the food supply is severe at every step of the food chain, from farm to fork. And it impacts not only farmers and food manufacturers, but also consumers in the form of reduced consumer choices and higher grocery prices. Since the Great Recession started, grocery food prices rose more quickly than inflation and wages — twice as fast between 2010 and 2012.<sup>2</sup> At the same time, the largest food, beverage and grocery retail companies pocketed \$77 billion in profits in 2012.<sup>3</sup>

Nationally, the growing size and market power of the top grocery retailers has had tremendous ripple effects across the food chain. Food & Water Watch examined 100 types of grocery products and found that the top few companies dominated the sales of each grocery item in recent years.

### Key Findings:

- In 2012, more than half of the money that Americans spent on groceries (53.6 percent) went to the four largest retailers: Walmart, Kroger, Target and

Safeway.<sup>4</sup> Walmart alone sold nearly a third (28.8 percent) of all groceries in 2012.<sup>5</sup>

- The top companies controlled an average of 63.3 percent of the sales of 100 types of groceries (known as categories in industry jargon). In 32 of the grocery categories, four or fewer companies controlled at least 75 percent of the sales. In six categories, the top companies had more than 90 percent of the sales, including baby formula and microwave dinners.
- Many firms sell multiple brands of the same product, which leads consumers to believe that they are choosing among competitors when they are actually just choosing among products made by the same firm that may have been made at the same factory. This is true across the board, including organic and healthful brands typically seen as independent, but which are being bought up by large food companies unbeknownst to consumers.
- Supermarkets engage in a host of strategies to manipulate the shopping experience, encouraging consumers to make impulse and more expensive purchases that are unknown to consumers.
- Regulators have largely left mega-retailers to operate unchecked as they invented new ways to extract value from consumers and even large food processors. It is time for regulators to step in to protect consumers and restore some semblance of competition for consumers in grocery stores, providing a chance for innovative, small or local food companies to get on store shelves.



## Introduction

Bright lights, muzak, colorful displays and endless ways to spend your money before you can reach the exit. No, this is not a casino — it's a typical supermarket. When consumers shop for groceries every week, they run a gauntlet of marketing and advertising ploys just to put food on their families' tables.

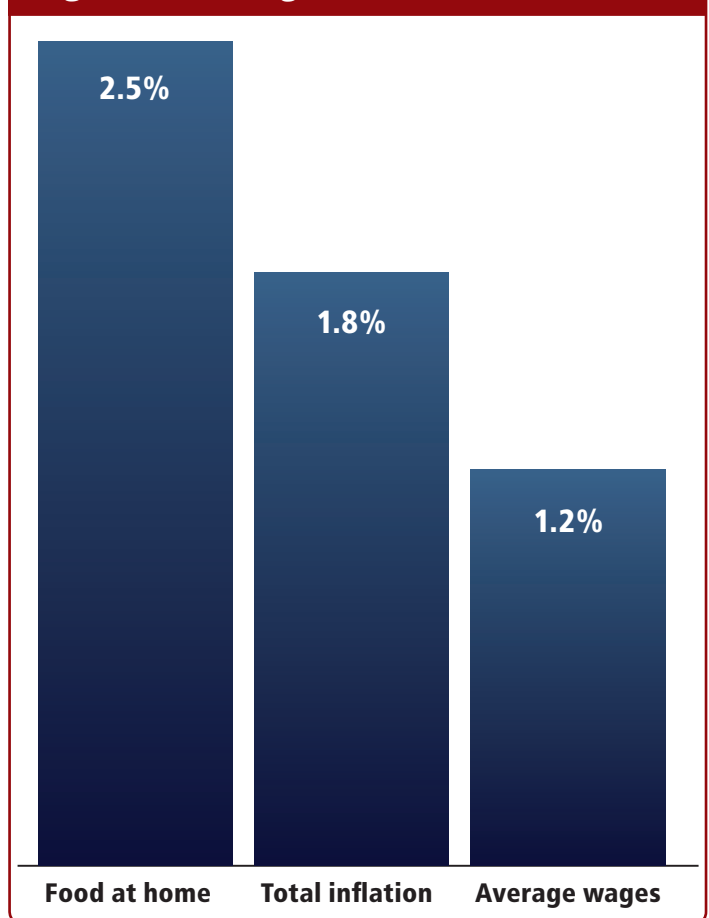
Groceries are big business. Americans spent \$603 billion on grocery products in 2012.<sup>6</sup> Supermarkets have gotten bigger and more complicated to capture these sales. More than half (55 percent) of consumers' purchases are made on impulse,<sup>7</sup> making them vulnerable to grocery store marketing hijinks. Shoppers know that the products in the checkout aisle are there to encourage impulse purchases, but every little detail of the supermarket's landscape — layout, atmosphere and product placement — is designed to alter a shopper's decisions.

Big-box food retailers like Walmart and sprawling grocery store chains now dominate the grocery industry. Supermarkets pack their shelves with a cornucopia of grocery products and brands, but consumers have very few choices that matter when it comes to which company made the food or whether it is a smart choice in terms of price or quality. A handful of food companies makes almost all the products in the supermarket. These manufacturers heavily market the highly processed sugar- and salt-laden convenience foods in the middle of the store as opposed to more nutritious options, because the less-healthy items are bigger moneymakers.

Big agribusiness and food companies have a stranglehold on every link in the food chain, from farm to fork. Only a few firms sell seeds, tractors and fertilizer, and a few others buy corn, cattle and carrots. For years, this consolidation has meant that farmers receive a shrinking percentage of the dollars that consumers spend on food. But this growing consolidation of the food supply impacts consumers, too — whether or not they realize it — in the form of reduced consumer choices and higher grocery prices.

Shoppers have certainly faced high and rising grocery prices over the past five years. The industry trade magazine *Progressive Grocer* reported in 2013 that, "Prices for grocery items remain high" and "have risen every month over the past two-and-a-half years."<sup>8</sup> Since the Great Recession started, grocery food prices rose more quickly than inflation and wages, and over the three years between 2010 and 2012 grocery food prices rose twice as quickly as average wages.<sup>9</sup> At the same time, the largest

**Figure 1. Average Inflation, 2010-2012**



**SOURCE:** U.S. BUREAU OF LABOR STATISTICS, FOOD AT HOME, ALL ITEMS INFLATION, AVERAGE HOURLY EARNINGS OF PRODUCTION/NON-SUPERVISORY WORKERS

food, beverage and grocery retail companies pocketed an estimated \$77 billion in profits in 2012.<sup>10</sup>

## Supersizing the Supermarket

Today, consumers buy groceries from a small number of large, powerful supermarket chains and supercenters. On the local level, shoppers have a diminishing choice of grocery stores as the biggest firms snap up local chains and drive others out of business.<sup>11</sup> Nationally, the growing size and market power of the top grocery retailers has had tremendous ripple effects across the food chain. The grocery giants' bulk purchases drive food manufacturing companies to merge and get bigger, which reduces the number of food processors filling supermarket shelves, further eroding consumer choice and raising prices.

Until recently, most consumers shopped at regional and local supermarket chains. In 1997, Americans bought about one-fifth of their groceries (20.8 percent) at the four largest grocery retailers.<sup>12</sup> But the rise of the big-box

food retailers like Walmart precipitated a wave of supermarket mergers starting in the 1990s that created a network of national supermarket chains.<sup>13</sup> Chains like the second largest grocery retailer Kroger still display the old regional store names like Dillons, Smith’s, Fred Meyer, King Soopers and others.<sup>14</sup> Many shoppers may not even realize that their supermarket is owned by a national or even foreign grocery store chain. (See Table 1.)

At the same time, supercenters and warehouse club stores have emerged as new grocery powerhouses, further shifting the food retail market toward the largest players. In 2012, more than half of the money that Americans spent on groceries (53.6 percent) went to the four largest retailers: Walmart, Kroger, Target and Safeway.<sup>20</sup> Walmart alone sold nearly a third (28.8 percent) of all groceries in 2012.<sup>21</sup> On the local level, the consolidation can be much higher. In 231 metropolitan areas, just four big retailers made more than 80 percent of grocery sales in 2011, and Walmart made up half of all grocery sales in 35 cities.<sup>22</sup>

The grocery industry justifies the growing size of big-box and merging grocery chains as a way to increase efficiency, lower costs and pass savings on to consumers.<sup>23</sup> But most supermarkets just pocket any savings in the

form of higher profits, while consumers rarely benefit.<sup>24</sup> The dominant supermarkets can charge consumers considerably more than it costs to put groceries on store shelves, and they have little incentive to pass price discounts on to consumers if they have few or no competitors in a local market.<sup>25</sup>

Instead, higher levels of grocery store consolidation lead to higher food prices. The link between grocery consolidation and retail grocery prices has been studied extensively, and the vast majority of studies have found that food prices rise when retail concentration increases.<sup>26</sup> A U.S. Department of Agriculture research economist concluded that “the overwhelming consensus is that prices rise — and, in general, supermarkets set prices less competitively — as concentration increases.”<sup>27</sup>

Higher levels of concentration among local retailers allow competitors to coordinate pricing strategies.<sup>28</sup> Local supermarkets mimic each other’s pricing strategies, which makes it nearly impossible for consumers to comparison shop for grocery savings when a small number of grocery retailers all price their foods at about the same level.<sup>29</sup>

## The Rise of Monolithic Food Manufacturers

The largest supermarket chains and big-box stores limit consumer choices not only on where to shop, but also what to buy. These mega-retailers are the biggest buyers of grocery products, and they exert tremendous power over food companies and ultimately farmers.

Retailers exert leverage by picking and choosing their suppliers, but suppliers rely on a few retailers for the bulk of their sales.<sup>30</sup> The large quantities of products required by the biggest grocery retailers favors the biggest companies. Large food manufacturers can supply large volumes and varieties of grocery products all at lower prices. Smaller, innovative food companies have difficulty getting onto supermarket shelves because they cannot meet the contract terms or afford to accept the low, often unfair prices from retailers. Of the new food companies that survive, many end up being bought out by the largest manufacturers, which reinforces the entrenched food companies.<sup>31</sup>

Supermarket buyer power has encouraged many food manufacturers to pursue their own mergers, further consolidating much of the food processing industry. Between 1997 and 2002, most segments of the food processing industry became more consolidated, and the increased concentration

**Table 1. Store Names of Selected Leading Supermarket Chains**

Corporate Name	Chain Rank 2012 <sup>15</sup>	Store Names
Kroger Co. (Cincinnati, Ohio) <sup>16</sup>	2	Kroger, Ralphs, Food 4 Less, FoodsCo, Jay C, Owen’s, Pay Less Super Markets, Scott’s, Ruler Foods, City Market, King Soopers, Fry’s Food & Drug, Smith’s, Fred Meyer, QFC, Dillon’s Food Stores, Baker’s
Safeway Inc. (Pleasanton, Calif.) <sup>17</sup>	4	Safeway, Vons, Pavilions, Randalls, Tom Thumb, Dominick’s, Carrs, Pak ‘N Save
Ahold USA Inc. (Quincy, Mass./Netherlands) <sup>18</sup>	6	Stop & Shop, Giant, Peapod
Delhaize America (Salisbury, N.C./Belgium) <sup>19</sup>	9	Food Lion, Hannaford, Bottom Dollar Food, Harveys, Sweetbay

led to significant consumer price increases for most foods.<sup>32</sup> Bigger food companies aim to be among the top three sellers of key grocery items, and they actively target smaller and local brands as well as the lesser brands of their competitors for acquisitions or mergers.<sup>33</sup>

The Great Recession dampened the pace of food mergers, but as the economy improved for businesses (if not everyone else), merger-mania returned. Food companies continued to consolidate after 2008, and the number of mergers soon could hit the pre-recession clip of 100 annually.<sup>36</sup> Since 2012, there have been numerous notable food company mergers and acquisitions. (See Table 2.)

Food & Water Watch examined 100 types of grocery products and found that the top few companies dominated the sales of each grocery item in recent years. Most parts of the supermarket were extremely consolidated, consumer choices were limited by the dominance of the major food companies and a few companies had penetrated nearly every aisle of the store. (See Appendix A for full list of grocery items, companies, brands and market shares.) Food & Water Watch analyzed the most recent data available for the top four companies in each of the 100 common food items. (See Methodology on page 29.)



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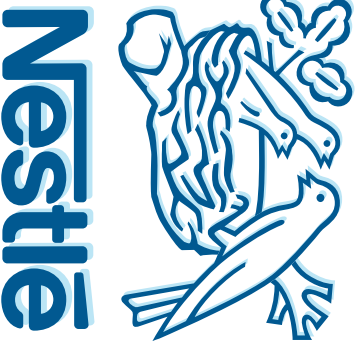
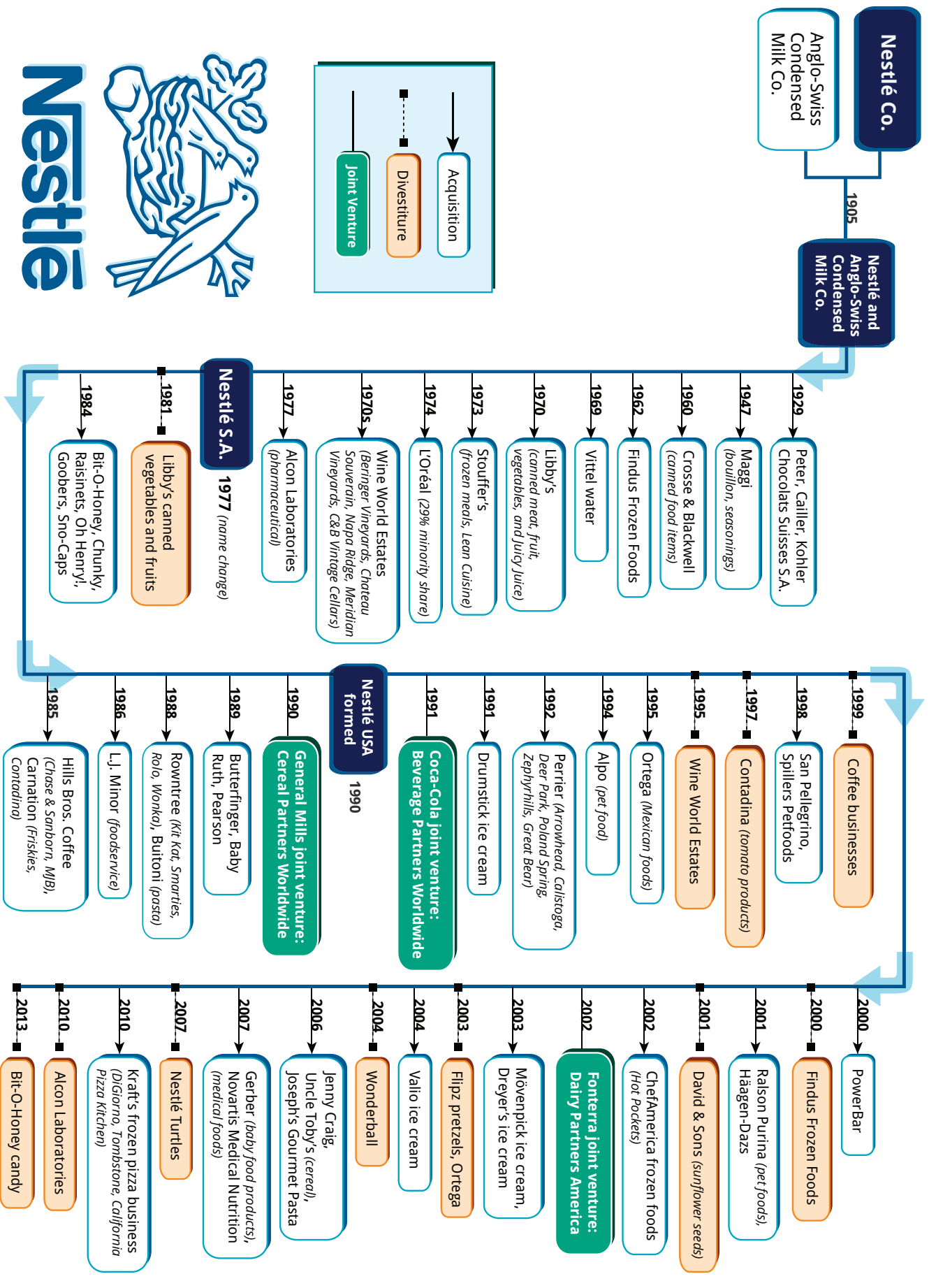
## The Rise of Food Monopoly

The biggest food processing companies didn't start out that way — they spent decades buying out their competitors and growing into multinational powerhouses. Take Nestlé, for example. What began as a small family milk company in 1909 slowly acquired chocolate, coffee, prepared food, water, ice cream and many other food companies over a century to become one of the largest food companies in the world.<sup>34</sup> (See the Nestlé timeline on page 6 for more.) Kraft Foods, now a processed-foods industry leader, began as a family cheese business in 1909 that gradually became a massive food conglomerate through mergers and acquisitions (both acquiring smaller companies and being acquired by larger ones, such as National Dairy Products Corporation and Philip Morris Companies). It now produces products such as processed cheese, coffee, pickles, hot dogs, mustard, Kool-Aid, Lunchables and more.<sup>35</sup>

**Table 2. Selected Food Company Mergers and Acquisitions, 2012–2013**

Type of Grocery	Buyer	Target
Beer	Anheuser-Busch InBev	Grupo Modelo (Corona, Modelo) for non-U.S. market, U.S. Modelo brands to sold to winery company Constellation Brands, Inc. <sup>37</sup>
Salad Dressing	Pinnacle Foods	Purchased Wish-Bone salad dressing brand from Unilever. <sup>38</sup>
Frozen Dinners	ConAgra	Purchased Bertolli and PF Chang frozen meals from Unilever. <sup>39</sup>
Supermarket Brands for Peanut Butter, Cereal, Crackers, Cookies and more	ConAgra	Purchased major supermarket brand manufacturer, Ralcorp. <sup>40</sup>
Potato Chips	Kellogg	Purchased Pringles potato chips from Proctor & Gamble. <sup>41</sup>
Dairy/Non-dairy Products	Saputo, Inc.	Purchased Morningstar brands from Dean Foods. <sup>42</sup>
Bread	Flowers Foods, Grupo Bimbo	Flowers Foods purchased Wonder Bread, Nature's Pride, Home Pride, Butternut and Merita brands from Hostess Foods bankruptcy. Grupo Bimbo purchased Beefsteak bread business from Hostess. <sup>43</sup>
Snack Cakes	Mckee Foods, Apollo Global Management	McKee Foods purchased Drake's Ring Dings, Yodels and Devil Dogs from Hostess; the investment fund Apollo Global Management bought the Twinkies and Dolly Madison snack lines. <sup>44</sup>
Peanut Butter	Hormel	Purchased Skippy peanut butter from Unilever. <sup>45</sup>
Fresh Packaged Salads	White Wave Foods	Earthbound Farms (acquisition pending as of December 15, 2013) <sup>46</sup>

# Timeline: Nestlé Acquisitions, Divestitures and Joint Ventures (1905-2013)





## Intense consolidation throughout the supermarket

Food & Water Watch found that the top companies controlled an average of 63.3 percent of the sales of 100 types of groceries (known as categories in industry jargon). In a third (32) of the grocery categories, four or fewer companies controlled at least 75 percent of the sales. In six categories, the top companies sold more than 90 percent of the category sales, including baby formula and microwave dinners. (See Table 3.)

In most cases, there were four companies that dominated the majority of the sales of each grocery item, but in 23 categories only three companies sold most of the units, and there were only one or two major rivals in 15 categories. Mondelez International (formerly part of Kraft Foods) alone sold 60.9 percent of all cream cheese sales under its Philadelphia brand, and the majority of the rest of the market was store-brand cream cheese. Two little-known manufacturers (Grupo Bimbo and Flowers Foods) sold 73.7 percent of the bagels and English muffins, primarily Bimbo's Thomas' brand.

## Consumer choice limited

Many firms sell multiple brands of the same product, which leads consumers to believe that they are choosing among competitors when they are actually just choosing among products made by the same firm that may have been manufactured at the same factory. Pinnacle Foods sells both Mrs. Paul's and Van de Kamps frozen fish products. Two firms that sell a host of brands dominate margarine. Unilever sells I Can't Believe It's Not Butter!, Shedd's Country Crock, Imperial, Promise and Brummel & Brown, and ConAgra Foods sells Blue Bonnet, Parkay and Fleishmann's.

This is true across the board, including organic and healthful brands typically seen as independent, but that are being bought up by large food companies unbeknownst to consumers. And consumers won't figure it out by reading the labels, which often do not reflect the corporate ownership. For example, Kashi and Bear Naked are both Kellogg brands, but Kellogg's ownership is concealed from consumers — the Kashi and Bear Naked labels and consumer websites make them seem independent, even though Kellogg's government filings reveal that the company owns the brands.<sup>47</sup>

Kellogg Co., General Mills, PepsiCo and Post Foods control 79.9 percent of cereal sales, making shoppers hard pressed to find a box of cereal that wasn't owned by

**Table 3. Largest Food Companies' Market Share of Most-Consolidated Grocery Items**

Grocery Item	# of Companies	Market Share
Sports Drinks	2	98.9%
Mediterranean Food	2	96.8%
Baby Formula	3	96.3%
Carbonated Soft Drinks (Diet)	4	95.3%
Microwaveable Packaged Dinners	3	94.6%
Baked Beans	4	91.0%
Canned and Bottled Tea	4	89.9%
Carbonated Soft Drinks	4	89.2%
Baby Food and Snacks	3	88.8%
Indian Food	3	87.0%
Beer	4	86.1%
Dry Mac & Cheese	2	84.8%
Wellness/Granola Bars	3	84.6%
Sugar	4	84.0%
Athletic Bars	3	82.8%
Chili and Sloppy Joe Sauce	4	82.6%
Tortilla Chips	4	82.5%
Frozen Meals	4	82.0%
Pet Food	4	81.9%
Chocolate	4	80.8%
Gum and Mints	3	80.6%
Shelf-Stable Dips	4	80.6%
Granola Bars	3	80.5%
Breakfast Cereal	4	79.9%
Mayonnaise	2	79.4%
Cereal/Snack Bars	4	79.1%
Meat Substitute	4	78.3%
Pizza, Frozen	4	78.2%
Ketchup	3	76.7%
Crackers	3	76.5%
Refrigerated Yogurt	3	75.8%
Potato Chips	4	75.7%

**SOURCE:** FOOD & WATER WATCH ANALYSIS OF MARKET SHARE DATA, SEE METHODOLOGY ON PAGE 29.

one of the big national manufacturers. The “choice” that consumers have in the cereal aisle comes largely from which variation (frosted or chocolate-flavored) of the big companies’ brands they select. In the cracker aisle, the well-known brands like Ritz, Keebler, Wheat Thins and Triscuits are owned by Mondelēz International (formerly Kraft) and Kellogg, but even seemingly independent and healthful options such as Kashi are also owned by Kellogg.<sup>48</sup> (See Table 4.) These two firms control 61.1 percent of cracker sales, making it more difficult for shoppers to find a name-brand box of crackers that wasn’t produced by one of the big national manufacturers.

Big food companies offer a proliferating number of brands and varieties to increase sales, and this may also be a strategy to prevent new firms from getting onto store shelves.<sup>49</sup> In the late 1980s, Frito-Lay (a PepsiCo subsidiary) stopped worrying about developing new snack products and instead just expanded on the lines of products they already had — Lay’s potato chips got a handful

of new flavors, and Cheetos gained 21 new varieties — to expand sales of the existing brands.<sup>50</sup>

### Storewide domination by a few firms

Several processed food companies have their fingers in many pies in the supermarket, sometimes literally (see Appendix B). Five major manufacturers (Kraft Foods, PepsiCo, Nestlé, ConAgra Foods and General Mills) have a presence — often a major market share — in more than one-sixth of the grocery products that Food & Water Watch examined. Kraft Foods is a major manufacturer in 22 items and dominates macaroni and cheese, processed cheese, lunchmeat and mayonnaise (79.0 percent of sales, 48.3 percent, 34.8 percent and 33.9 percent, respectively). But Kraft also sells coffee, condiments (mustard, salad dressings and pickles), other dairy products (natural cheese and sour cream), frozen cakes and pies, and snack nuts. These major companies can be found in almost every aisle of the supermarket.

**Table 4. Brand Proliferation by Top Companies in Selected Grocery Items**

Grocery Item	# of Top Firms	Company/ Market Share	Top Brands
Breakfast Cereal	Top 4 Firms 79.9%	Kellogg Co. 30.3%	Frosted Flakes, Froot Loops, Raisin Bran, Raisin Bran Crunch, Special K Vanilla Almond, Special K Red Berries, Apple Jacks, Corn Pops, Rice Krispies, Kashi Go Lean, Crispix, All-Bran, Frosted Mini Wheats, Corn Flakes
		General Mills 27.8%	Honey Nut Cheerios, Multi Grain Cheerios, Chocolate Cheerios, Cinnamon Chex, Corn Chex, Wheat Chex, Banana Nut Cheerios, Cinnamon Toast Crunch, Lucky Charms, Reese's Puffs, Cocoa Puffs, Trix, Golden Grahams, Cookie Crisp, Cheerios, Fiber One, Rice Chex, Kix, Wheaties, Basic 4, Fiber One Honey Clusters, Yogurt Burst Cheerios
		PepsiCo 11.8%	Quaker, Cap'n Crunch, Life, Cinnamon Life, Oatmeal Squares
		Post Foods 10.0%	Honey Bunches of Oats, Selects Banana Nut Crunch, Selects Blueberry Morning, Grape Nuts, Shredded Wheat, Spoon Size Shredded Wheat, Fruity Pebbles, Cocoa Pebbles, Post Raisin Bran, Honeycomb, Selects Great Grains
Cookies and Cookie Bars	Top 4 Firms 62.5%	Mondelēz Intl. (formerly Kraft) 37.0%	Newtons, SnackWell's, Teddy Grahams, Barnum's Animals, Lorna Doone, LU Le Petit Ecolier, Chips Ahoy, Oreo, Nilla, Nutter Butter
		Kellogg Co. 13.3%	Keebler, Chips Deluxe, Fudge Shoppe, Sandies Pecan, Vienna Fingers, Mother's, Kashi, Murray
		Campbell Soup Co. 6.7%	Pepperidge Farm
		Mckee Foods 5.5%	Little Debbie, Nutty Bar, Fudge Rounds, Choc-O-Jel, Star Crunch
Crackers	Top 3 Firms 76.5%	Mondelēz Intl. (formerly Kraft) 33.3%	Ritz, Wheat Thins, Triscuits, Premium, Handi-Snacks, Honey Maid
		Kellogg Co. 27.8%	Cheeze-It, Keebler Club, Keebler Townhouse, Keebler Toasteds, Keebler Zesta, Carrs, Austin, Sunshine Krispy, Keebler Grahams
		Campbell Soup Co. 15.4%	Goldfish

SOURCE: FOOD & WATER WATCH ANALYSIS OF MARKET SHARE DATA, SEE METHODOLOGY ON PAGE 29.

## Supermarket Strategies to Manipulate Shoppers

Most consumers are at least aware that food manufacturers are competing for their dollars, with an almost constant stream of television, print and social media marketing campaigns designed to drive demand for their largely processed food products. But the marketing doesn't stop once you get to the store. Supermarkets are designed with one end goal in mind: to sell as much as possible. Every single aspect of the store, from lighting to layout, music to aromas, is manipulated in a way to encourage shoppers to buy more.

In a report subtitled “Capturing a shopper’s mind, heart and wallet,” the Grocery Manufacturers Association admitted that “Retailers and manufacturers realize the store’s potential as a strong marketing medium and are now targeting shoppers in an effort called shopper marketing.”<sup>51</sup> More than half (55 percent) of sales in a grocery store are unplanned impulse purchases.<sup>52</sup> Retailers and manufacturers use every tool they can to make sure that they can control those purchases.

And that doesn't include the food industry's overwhelming television, print and social media marketing and advertising campaigns designed to shape consumer demands for processed foods.



### Self-Defense at the Supermarket

While supermarkets and food manufacturers spend huge amounts of time and money getting you to spend your hard-earned dollars, there are some things you can do to defend yourself from their pervasive marketing.

**Shop the perimeter of the store** — In the layout used in most grocery stores, avoiding the middle of the store will not only let you avoid the splashy packaging and marketing for heavily processed food, but also let you focus on more healthful options like fresh produce, meat and dairy.

**Shop whole foods** — Buying ingredients for a meal is usually more cost effective than buying a pre-packaged meal kit, with less sodium and sugars added. And the more steps that food goes through before it reaches you, the more of your dollar goes to the processor, not farmers. This applies to produce, too — pre-cut produce is usually more expensive than buying it whole and cutting it yourself.

**Don't shop on an empty stomach** — When you're hungry, you'll be more vulnerable to stores' marketing strategies, such as using bakery aromas, sample stations and products placed in end-of-aisle displays and in checkout lines to get you to spend more.

**Compare unit cost, not price** — Stores can make a particular item stand out with special signs or end-of-aisle displays, but it may still be more expensive than a similar item or a different-size package of the same product. There should be a “unit cost” listed in very fine print on price labels on the shelf — compare these to see which deal is truly better by comparing price per amount of product (per pound or some other measurement).

**Take time to look high and low** — With the most expensive shelf space at eye level, you could find cost-effective alternatives on shelves higher up or lower down.

**Beware the end-of-aisle display** — Supermarkets and manufacturers design fancy displays in the aisle or at the end of the aisle to promote their products, but that doesn't mean that these items are necessarily a good bargain or discounted in any way. Don't assume that products in these special locations are the best deal without comparing them to products in the normal location.

**If you're shopping with kids, give them a distraction** — Products marketed specifically to kids, like sugared cereal, will be at their eye level, making sure they'll ask for them. Bring a snack or a toy your child will enjoy instead.

**Make a list. And stick to it!** — Food manufacturers and retailers count on impulse purchases and devote much of their marketing to enticing you to buy things that you didn't plan to get on that trip. The more you plan ahead of time, the less likely you will fall prey to impulse buys.

## Sensory manipulation

Shoppers are assaulted with sensory cues designed to entice purchases from the moment they enter the store. Wall colors, pleasing aromas and brighter lighting are designed to increase sales.<sup>53</sup> Supermarkets know that music with slower tempos tends to decrease the flow of store traffic and increase sales volumes. Louder and faster music encourages customers to shop more quickly and purchase less.<sup>54</sup> The style of music also has significant impact. One study found that wine shoppers who heard classical music tended to select more expensive wines and spend more overall than those listening to Top 40 hits.<sup>55</sup> Retailers are attuned to these variables and make sure that their chosen music is appropriate for their store and customer base to manipulate the shopping experience.

Many stores arrange fresh produce and floral displays at the front of the store to immediately emphasize the freshness and wholesomeness of their products to shoppers.<sup>56</sup> Fresh fruit and vegetable sales typically account for about 11 percent of a grocery store's revenue,<sup>57</sup> but it makes a tremendous impression on shoppers. The bakery department pumps aromas of freshly baked bread to get consumers' stomachs involved in the shopping deci-



sions, even though most in-store bakeries use prepared foods and frozen dough.<sup>58</sup> There are even companies that specialize in creating these sensory experiences to encourage customers to buy certain products: they have developed a fresh laundry scent to introduce in the laundry aisle, a coconut aroma to use in travel agency offices to evoke memories of sunny vacations and a citrus scent that can be infused into clothing to evoke a sense of fresh fabrics.<sup>59</sup>

## Product placement

The industry has thoroughly studied the placement of every product to drive shoppers to make more purchases. Supermarkets and manufacturers allocate shelf space, position more expensive products and brands, and place products carefully in relation to one another to maximize sales.<sup>60</sup> Key products are placed at eye level, which is a lower shelf for products targeting children.<sup>61</sup> The most expensive name-brand products will be found in these spots, and smaller independent brands and private-label products will be found at the top and bottom shelves.

The industry knows every detail of how average shoppers navigate the store and select products: shoppers steer their carts counter-clockwise into the store, circle from the back of the store to the front and typically select items from shelves on their left side.<sup>62</sup> These studies help retailers and food companies know where the most lucrative end-aisle displays should be placed, and where in the store to put products relative to one another.

Most consumers know that the magazines, candy and personal care products at the checkout aisle are designed to drive impulse purchases. It certainly works. Products displayed at the cash register capitalize on customers' restlessness and boredom and have much higher sales. One study found that placing an ointment at the cash register instead of on the shelves increased sales by as much as five-fold.<sup>63</sup>

Shoppers may be unaware that the ends of the aisle displays are not actually a place to highlight special offers, but are highly valued supermarket real estate that also encourages impulse purchases. More than one-sixth of grocery purchases are tied to brand display advertisements.<sup>64</sup> End-of-aisle displays may look like featured sales or discounts, but they're typically some of the most expensive items — retailers know that singling out their higher priced and popular items makes it harder for shoppers to compare with other products, and leaves consumers thinking they're getting a deal.<sup>65</sup> In fact,

they rarely are. Food companies rent these high-traffic display areas to give their products an edge, and it pays off — 45 percent of all soda sales come from end-of-aisle displays.<sup>66</sup>

Grocery stores often sell some basic staple foods like milk and bread at below their cost to try to signal to shoppers that all of their groceries are good values.<sup>67</sup> The big grocery chains can offer these popular grocery items at steeper discounts than smaller competitors to lure consumers into the store and then recapture profits by charging more for other products.<sup>68</sup> These bargains (known as “loss leaders”) are frequently placed in the back of the store, forcing shoppers to pass more expensive processed foods — where the stores’ atmospheric and pricing tricks can strongly encourage impulse purchases of these items.<sup>69</sup>

### **Slotting fees and category captains**

Some retailers charge food companies a fee (known as slotting fees, slotting allowances or promotional allowances) to shelve their products in the most profitable locations.<sup>70</sup> These fees are especially prevalent for the introduction of new grocery products and can run over \$2 million for each new variety or brand.<sup>71</sup> In 2000, these fees were estimated to cost companies \$16 billion, the most recent figure available.<sup>72</sup> But between 2010 and 2012, Kroger alone charged companies fees that reduced Kroger’s merchandise costs by about \$6 billion annually.<sup>73</sup> The largest companies have the easiest time paying these considerable fees, which effectively keep smaller food companies off store shelves.<sup>74</sup> In a Federal Trade Commission (FTC) report on slotting fees, smaller suppliers reported that they were “being squeezed off shelves” and that larger producers “will pay large amounts of money to keep everyone else out.”<sup>75</sup>

Some stores have given control of their shelves to key manufacturers known as “category captains.”<sup>76</sup> The category captain is typically a leader in the particular grocery aisle or item (like one of the soda companies for beverages) and the supermarket grants the company the ability to choose what items are available, the placement of brands and varieties, the prices, and promotions that support the products. Many retailers rely on this arrangement with manufacturers as the primary tool to manage supermarket shelf space.<sup>77</sup>

For obvious reasons, category captains have little incentive to allow new competitors on supermarket shelves, and they can limit consumers’ choices and increase



prices.<sup>78</sup> In 2013, a small competitor sued Nestlé for allegedly using its category captain position to exclude other ice cream rivals from shelf space, relegating all smaller manufacturers outside of giant companies like Nestlé (including Häagen-Dazs and Dreyer’s) and Unilever (owner of Ben & Jerry’s, Breyers and Klondike) to a tiny portion of the ice cream aisle.<sup>79</sup>

### **Advertising and promotions**

The food industry relentlessly markets, advertises and promotes its products to shape consumer tastes and capture consumers’ grocery dollars. In 2011, food, beverage and candy companies spent \$8.4 billion dollars on advertising and media buys, and the four largest grocery retailers, Walmart, Target, Kroger and Safeway, spent a combined \$4.4 billion.<sup>80</sup>

The problem may be even more severe for foods marketed to children. The *Journal of the American Dietetic Association* reported that considerable research has shown that the foods that are most heavily advertised on Saturday morning children’s television programs are in direct contrast to dietary guidelines, and these foods tend to have high levels of fat, sugars and salt.<sup>81</sup> It concluded that 91 percent of these advertised foods were high in fat, added sugars or salt or low in nutrients, based on federal nutritional standards.<sup>82</sup> One FTC staff report found that 85 percent of cereal advertisements directed at children were for highly sugared cereals.<sup>83</sup> A diet composed of foods commonly marketed to children would consist mainly of cereal and snacks eaten outside of regular mealtime.

Lower-income families are often special targets of the promotional onslaught. Food manufacturers like Unilever, ConAgra Foods and Hormel Foods track sales according to the “paycheck cycle.”<sup>84</sup> Even safety net programs like

food stamps can fatten the bottom line of food manufacturers. One industry publication encouraged supermarkets to ensure that processed meals (prepared pasta, dry dinner mixes and frozen dinners) be “available and merchandised at the right time of the month” for food stamp recipients.<sup>85</sup> About 85 percent of all food stamp dollars are spent at supermarkets and supercenters, and grocery stores adjust their product offerings, hours and prices to capture the monthly infusion of food stamp benefits.<sup>86</sup>

## Conclusion and Recommendations

Consumers have little chance to make informed decisions and comparison shop in a grocery industry that is dominated by big supermarket retailers and food manufacturers. The FTC is responsible for ensuring that the largest grocery manufacturers and retailers do not use their tremendous size to disadvantage competitors and take advantage of consumers.

Yet the FTC has done little to stop the aggressive consolidation of the grocery sector or the tactics used by grocery retailers to manipulate shopping environments and decrease competition that might lower prices for consumers. And mergers in the grocery retail and manufacturing sector have been allowed to proceed virtually unchecked.

It is time for regulators to step in to protect consumers and level the playing field to make sure that there is some semblance of competition and a chance for innovative, small or local food companies to get on store shelves. These steps include:

- **Congress or the FTC should enact a national moratorium on grocery chain mergers**, including the host of deals already pending, such as the proposed merger between Kroger and Harris Teeter.
- **The FTC should reject mergers or sales of food companies or brands that add to consolidation inside the supermarket.** The FTC has approved food company mergers unless the firms are rival manufacturers of specific grocery items, which has allowed food conglomerates to control the overall variety of goods sold in grocery stores.
- **The FTC should investigate and document the level of consolidation in grocery retailing** nationwide and in metropolitan areas and its impact on consumer choices and prices. Grocery inflation has now significantly outstripped overall inflation and wage growth; the federal government must assess the role of both manufacturing and retail grocery consolidation on prices and choices.
- **Congress must grant the FTC sufficient authority to effectively regulate food marketing**, especially to children. Today, Congress has limited the FTC’s authority to restrict food marketing. Congress should provide the FTC with the full authority to regulate food and beverage marketing and give the FTC the authority to create mandatory nutrition standards for food and beverages marketed to youth.
- **The FTC must investigate and document the coordinated practices used by grocery retailers and food manufacturers** that act to block new, local and innovative companies from getting onto supermarket shelves. Common practices that are justified as increasing efficiency (such as shared in-store marketing costs, slotting fees or category captains) only have served to cement the dominance of the largest companies at the expense of the innovation and local food companies that consumers want to see in the grocery store.



## Market Share of 100 Grocery Items

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Beverages	Bagged and Loose Tea (2011)	<b>Top Companies</b>	<b>56.6%</b>	
		Unilever	24.1%	Lipton, PG Tips
		RC Bigalow Inc.	14.0%	Bigelow
		Hain Celestial Group	11.4%	Celestial Seasonings
		Twinings North America	7.1%	Twinings
	Beer (2010)	<b>Top Companies</b>	<b>86.1%</b>	
		AB InBev (formerly Anheuser-Busch)	47.9%	Budweiser, Stella, Beck's, Hoegaarden, Leffe, Bass, Busch, Rolling Rock, Goose Island, Michelob, Natural Ice, Presidente, Modelo, O'Doul's, Shock Top
		MillerCoors	28.9%	Miller, Coors, Peroni, Grolsch, Blue Moon, Killian's Irish Red, Henry Weinhard's, Leinenkugel's, Hamm's, Icehouse, Keystone, Magnum, Mickey's, Milwaukee's Best, Olde English, Red Dog, Steel Reserve, Foster's, Molson, Redd's, Sparks, Third Shift, Batch 19, Lech, Cristal, Aguila
		Constellation Brands, Inc.	5.3%	Corona, Negra Modelo, Modelo, Tsingtao, Pacifico, Somersby, Victoria
		Heineken USA	4.0%	Heineken, Amstel, Birra Moretti, Bulmers, Cruzcampo, Dos Equis, Kingfisher, Newcastle, Ochota, Primus, Sagres, Sol, Star, Strongbow, Tecate, Tiger, Zywiec
	Bottled Water, Single Serve (2012)	<b>Top Companies</b>	<b>63.3%</b>	
		Nestlé	25.7%	Poland Spring, Nestlé Pure Life, Deer Park, Arrowhead, Ice Mountain, Ozarka, Zephyrhills
		Coca-Cola	22.0%	Dasani, vitaminwater, smartwater
		PepsiCo	15.6%	Aquafina, Propel, SoBe Lifewater, Aquafina Flavorsplash
		<i>Supermarket Brand</i>	22.9%	
	Sparkling and Mineral Water (2012)	<b>Top Companies</b>	<b>60.1%</b>	
		Nestlé	41.0%	San Pellegrino, Perrier, Poland Spring, Arrowhead
		National Beverage Corp.	10.2%	La Croix, Faygo, Cascadia
		Talking Rain	8.9%	Sparkling ICE, Talking Rain
		<i>Supermarket Brand</i>	24.2%	
Canned and Bottled Tea (2011)	<b>Top Companies</b>	<b>89.9%</b>		
	Ferolito Vultaggio & Sons	30.8%	Arizona	
	Pepsi Lipton Tea Partnership (Pepsi-Unilever)	29.9%	Lipton, Tazo	
	Dr Pepper Snapple Group	17.2%	Snapple	
	Coca-Cola	12.0%	Gold Peak, Honest Tea Co, Nestea, Fuze	

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
<b>Beverages</b> <i>(continued)</i>	<b>Carbonated Soft Drinks (2011)</b>	<b>Top Companies</b>	<b>89.2%</b>	
		Coca-Cola	34.4%	Coke, Sprite, Cherry Coke, Vanilla Coke Fresca, Barq's, Fanta, Mello Yello, Caffeine Free Coke
		PepsiCo	30.9%	Pepsi, Mountain Dew, Sierra Mist, Mug, Wild Cherry Pepsi, Caffeine Free Pepsi, Pepsi Throwback, Mountain Dew Code Red, Mountain Dew Voltage, Mountain Dew Throwback, Mountain Dew White Out
		Dr Pepper Snapple Group	22.6%	Dr Pepper, Canada Dry, 7Up, A&W, Crush, Sunkist, Schweppes, Squirt, RC, Sun Drop, IBC, Welch's, Vernors, Cherry 7Up
		National Beverage Corp.	1.3%	Faygo, Shasta
	<b>Diet Carbonated Soft Drinks (2011)</b>	<b>Top Companies</b>	<b>95.3%</b>	
		Coca-Cola	45.9%	Diet Coke, Coke Zero, Caffeine Free Diet Coke, Sprite Zero, Fresca Low Calorie, Coke Cherry, Diet Barq's, Diet Coke with Lime, Diet Cherry Coke
		PepsiCo	30.9%	Diet Pepsi, Diet Mountain Dew, Caffeine Free Diet Pepsi, Pepsi Max, Diet Wild Cherry Pepsi, Diet Sierra Mist, Diet Mug, Pepsi One, Diet Mountain Dew Caffeine Free
		Dr Pepper Snapple Group	18.2%	Diet Dr Pepper, Diet 7Up, A&W Low Calorie, Diet Sunkist, Canada Dry Low Calorie, Caffeine Free Diet Dr Pepper, Diet Rite, Diet Squirt, Diet Sun Drop, Crush Low Calorie
		National Beverage Corp.	0.3%	Faygo Low Calorie, Shasta Low Calorie
	<b>Coffee (2012)</b>	<b>Top Companies</b>	<b>63.8%</b>	
		JM Smucker Co.	28.5%	Folgers, Dunkin' Donuts, Millstone
		Kraft Foods	14.0%	Maxwell House, Yuban, Tassimo
		Starbucks Coffee Company	11.4%	Starbucks, Seattle's Best
		Green Mountain Coffee Roasters	9.9%	Green Mountain, Keurig Caribou Coffee, Tully's, Donut House, Newman's Own, Coffee People
	<b>Fruit Drinks (2011)</b>	<b>Top Companies</b>	<b>56.8%</b>	
		Kraft Foods	20.7%	Capri Sun, Crystal Light, Kool-Aid, MiO, Country Time, Kraft
		Coca-Cola	16.4%	Simply, Minute Maid, Hi-C, Odwalla, Fuze, Coca-Cola, Honest Tea
		Ocean Spray	11.2%	Ocean Spray
		PepsiCo	8.5%	Trop50, SoBe, Naked, Tropicana, PepsiCo, Dole Sensation



## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Beverages (continued)	Fruit Juice 100% (2011)	<b>Top Companies</b>	<b>50.1%</b>	
		Coca-Cola	20.0%	Simply, Minute Maid, Odwalla
		PepsiCo	18.3%	Trop50, Tropicana, SoBe, Naked, Dole, Izze
		Citrus World Inc.	6.8%	Florida's Natural, Citrus World
		Nestlé	5.0%	Juicy Juice
		<i>Supermarket Brand</i>	17.6%	
	Seltzer/Tonic/ Club Soda (2011)	<b>Top Companies</b>	<b>57.6%</b>	
		Dr Pepper Snapple Group	35.2%	Canada Dry, Schweppes, Diet Schweppes
		Polar Beverages	13.0%	Polar
		Cott Corporation	9.4%	Vintage
		<i>Supermarket Brand</i>	34.0%	
	Sports Drinks (2012)	<b>Top Companies</b>	<b>98.9%</b>	
		PepsiCo	75.3%	Gatorade, Propel
		Coca-Cola	23.6%	Powerade
	Wine (2010)	<b>Top Companies</b>	<b>56.4%</b>	
		E&J Gallo Winery	22.8%	Carlo Rossi, Barefoot, Twin Valley, Peter Vella, Livingston, Boone's Farm, Turning Leaf, Redwood Creek
		The Wine Group, LLC	15.9%	Franzia, Inglenook, Corbett Canyon, Foxhorn, Fish Eye, Glen Ellen
		Constellation Brands, Inc.	12.8%	Woodbridge, Black Box, Robert Mondavi, Cook's, Blackstone, Arbor Mist, Vendange, Ravenswood, Clos du Bois
		Trinchero Family Estates	4.9%	Sutter Home
Bread	Bagels/ English Muffins (2012)	<b>Top Companies</b>	<b>73.7%</b>	
		Grupo Bimbo	72.7%	Thomas', Oroweat
		Flowers Foods	1.0%	Nature's Own, European Bakers, Captain John Derst's
		<i>Supermarket Brand</i>	13.6%	
	Fresh Loaf Bread (2012)	<b>Top Companies</b>	<b>55.3%</b>	
		Grupo Bimbo	26.8%	Oroweat, Arnold, Freihofer, Mrs. Baird's, Stroehmann Dutch Country, Bimbo, Sara Lee, Beefsteak
		Flowers Foods	19.6%	Nature's Own, Sunbeam, Wonder, Home Pride, Merita, Sara Lee (some markets)
		Campbell Soup Co.	7.2%	Pepperidge Farm
		La Brea Bakery	1.7%	La Brea Bakery
		<i>Supermarket Brand</i>	25.3%	
	Refrigerated and Frozen Bread/Bagels/ English Muffins (2012)	<b>Top Companies</b>	<b>54.0%</b>	
		Lancaster Colony Corp.	27.9%	New York Brand, Sister Schubert's, Mamma Bella, Marshall's
		Campbell Soup Co.	12.6%	Pepperidge Farm
		Cole's Quality Foods, Inc.	7.2%	Cole's
		Pinnacle Foods	6.3%	Lender's
<i>Supermarket Brand</i>		20.5%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Bread (continued)	Rolls/Buns/ Croissants (2012)	<b>Top Companies</b>	<b>46.6%</b>	
		Grupo Bimbo	22.4%	Arnold, Oroweat, Francisco, Ball Park, Sara Lee
		Flowers Foods	12.8%	Nature's Own, Sunbeam, Cobblestone Mill, Sara Lee, Wonder, Merita
		Martin's Famous Pastry Shop	6.0%	Martin's
		King's Hawaiian	5.4%	King's Hawaiian
		<i>Supermarket Brand</i>	33.1%	
	Tortillas (2012)	<b>Top Companies</b>	<b>54.9%</b>	
		Gruma SA	38.6%	Gruma, Mission, Guerrero
		General Mills	10.0%	Old El Paso
		Olé Mexican Foods	6.3%	La Banderita
Breakfast	Breakfast Cereal (2011)	<b>Top Companies</b>	<b>79.9%</b>	
		Kellogg Co.	30.3%	Frosted Flakes, Froot Loops, Raisin Bran, Raisin Bran Crunch, Special K Vanilla Almond, Special K Red Berries, Apple Jacks, Corn Pops, Rice Krispies, Kashi Go Lean, Crispix, All-Bran, Frosted Mini Wheats, Corn Flakes
		General Mills	27.8%	Honey Nut Cheerios, Multi Grain Cheerios, Chocolate Cheerios, Cinnamon Chex, Corn Chex, Wheat Chex, Banana Nut Cheerios, Cinnamon Toast Crunch, Lucky Charms, Reese's Puffs, Cocoa Puffs, Trix, Golden Grahams, Cookie Crisp, Cheerios, Fiber One, Rice Chex, Kix, Wheaties, Basic 4, Fiber One Honey Clusters, Yogurt Burst Cheerios
		PepsiCo	11.8%	Quaker, Cap'n Crunch, Life, Cinnamon Life, Oatmeal Squares
		Post Foods	10.0%	Honey Bunches of Oats, Selects Banana Nut Crunch, Selects Blueberry Morning, Grape Nuts, Shredded Wheat, Spoon Size Shredded Wheat, Fruity Pebbles, Cocoa Pebbles, Post Raisin Bran, Honeycomb, Selects Great Grains
	<i>Supermarket Brand</i>	12.2%		
	Frozen Breakfast Entrees (2012)	<b>Top Companies</b>	<b>72.2%</b>	
		Hillshire Farm/ Sara Lee	32.5%	Jimmy Dean
		Pinnacle Foods	18.1%	Aunt Jemima
		Kellogg Co.	16.0%	Eggo, Morningstar
	Hot Cereal/ Oatmeal (2011)	<b>Top Companies</b>	<b>61.2%</b>	
		PepsiCo	54.2%	Quaker
		B&G Foods, Inc.	7.0%	Cream of Wheat
		<i>Supermarket Brand</i>	26.7%	
	Waffles/Pancakes (2012)	<b>Top Companies</b>	<b>69.9%</b>	
		Kellogg Co.	64.4%	Pop-Tarts, Eggo
		PepsiCo	5.5%	Aunt Jemima
		<i>Supermarket Brand</i>	14.0%	

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Condiments and Sauces	Chili and Sloppy Joe Sauce (2010)	<b>Top Companies</b>	<b>82.6%</b>	
		Hormel Foods	37.3%	Hormel, Stagg
		ConAgra Foods	33.3%	Hunt's Manwich, Wolf, Dennison's
		Pinnacle Foods	7.7%	Nalley, Armour
		Campbell Soup Co.	4.3%	Campbell's Chunky Chili
	Ketchup (2012)	<b>Top Companies</b>	<b>76.7%</b>	
		H.J. Heinz Co.	59.3%	Heinz
		ConAgra Foods	14.6%	Hunt's
		Del Monte Foods	2.8%	Del Monte
		<i>Supermarket Brand</i>	22.0%	
	Mayonnaise (2012)	<b>Top Companies</b>	<b>79.4%</b>	
		Unilever	45.5%	Hellman's, Best Foods
		Kraft Foods	33.9%	Kraft, Miracle Whip
		<i>Supermarket Brand</i>	10.6%	
	Meat Sauces (2012)	<b>Top Companies</b>	<b>54.2%</b>	
		Kraft Foods	24.0%	A1 Steak Sauce, Kraft, Bull's-Eye BBQ
		Sweet Baby Ray's	13.9%	Sweet Baby Ray's
		H.J. Heinz Co.	10.6%	Lea & Perrins Worcestershire, Heinz 57 Steak Sauce, Jack Daniel's BBQ Sauce
		McCormick & Co.	5.7%	Lawry's Meat Sauce
	Mustard (2012)	<b>Top Companies</b>	<b>53.4%</b>	
		Reckitt Benckiser	35.5%	French's
		Kraft Foods	12.6%	Grey Poupon
		ConAgra Foods	2.7%	Guldens
		Plochman Inc.	2.6%	Plochman's, Kosciusko
	Olive Oil (2011)	<b>Top Companies</b>	<b>45.1%</b>	
		Salov SPA	17.8%	Fillippo Berio, Sagra
		Deoleo (prev. Grupo SOS)	14.3%	Carbonell, Bertolli, Carapelli, Koipe, Sasso
		Pompeian	7.8%	Pompeian
		Star Fine Foods	5.2%	STAR
		<i>Supermarket Brand</i>	22.6%	
	Pasta Sauces (2012)	<b>Top Companies</b>	<b>69.0%</b>	
		Unilever	34.5%	Ragu, Bertolli
		Campbell Soup Co.	17.6%	Prego
H.J. Heinz Co.		11.2%	Classico	
ConAgra Foods		5.7%	Hunt's	
Peanut Butter (2012)	<b>Top Companies</b>	<b>71.6%</b>		
	JM Smucker Co.	43.6%	Jif, Smucker's	
	Hormel Foods	15.6%	Skippy	
	ConAgra Foods	10.0%	Peter Pan	
	Kraft Foods	2.4%	Planter's	
	<i>Supermarket Brand</i>	19.3%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Condiments and Sauces (continued)	Pickles/Olives/ Relish (2012)	<b>Top Companies</b>	<b>33.0%</b>	
		Pinnacle Foods	10.8%	Vlasic, Milwaukee's Pickles
		Mt. Olive Pickle Co.	9.5%	Mt. Olive
		Kraft Foods	7.5%	Claussen
		GL Mezzetta Inc	5.2%	Mezzetta
		<i>Supermarket Brand</i>	28.3%	
	Salad Dressing (2012)	<b>Top Companies</b>	<b>66.0%</b>	
		Clorox Co.	22.1%	Hidden Valley Ranch
		Kraft Foods	20.5%	Kraft
		Pinnacle Foods	13.0%	Wish-Bone
		Ken's	10.4%	Ken's Steak House
	Shelf-Stable Dips (2010)	<b>Top Companies</b>	<b>80.6%</b>	
		PepsiCo	64.1%	Fritos, Tostitos, Lays
		Kraft Foods	8.1%	Cheese Whiz
		Clorox Co.	6.7%	Hidden Valley Ranch
Gruma SA		1.6%	Mission	
Dairy and Eggs	Butter/Margarine (2011)	<b>Top Companies</b>	<b>55.8%</b>	
		Unilever	23.8%	I Can't Believe It's Not Butter, Shedd's Spread/ Country Crock, Imperial, Brummel & Brown, Promise
		Land O'Lakes	18.5%	Land O'Lakes
		Boulder Brands, Inc.	6.8%	Smart Balance
		ConAgra Foods	6.7%	Blue Bonnett, Parkay, Fleischmann's
		<i>Supermarket Brand</i>	30.8%	
	Cottage Cheese (2010)	<b>Top Companies</b>	<b>40.0%</b>	
		Kraft Foods	20.2%	Breakstone's, Knudsen
		Dean Foods	8.6%	Dean's, Land O'Lakes, Country Fresh
		HP Hood	6.9%	Hood, Crowley, Axelrod
		Prairie Farms Dairy	4.3%	Prairie Farms, Hiland, Roberts
		<i>Supermarket Brand</i>	41.2%	
	Cream Cheese (2012)	<b>Top Companies</b>	<b>63.1%</b>	
		Mondelēz Intl. (formerly Kraft)	60.9%	Philadelphia
		<i>Supermarket Brand</i>	30.9%	
	Cream/Creamers (2011)	<b>Top Companies</b>	<b>64.5%</b>	
		Nestlé	42.5%	Coffee-Mate, Nestlé
		WhiteWave (formerly Dean)	18.7%	International Delight, Silk, Horizon Organic
		Dean Foods	3.2%	Garelick Farms, Dean's
		<i>Supermarket Brand</i>	25.5%	
	Eggs (2012)	<b>Top Companies</b>	<b>26.1%</b>	
CCF Brands, Inc.		8.3%	Great Day, Farmers Market, Huevos de Calidad	
Cal-Maine Foods, Inc.		8.1%	Farmhouse, 4-Grain, Egg-Land's Best	
Land O'Lakes		7.3%	Egg-Land's Best, Land O'Lakes	
Sunny Farms Corp.		2.4%	Sunny Farms	
<i>Supermarket Brand</i>		53.8%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Dairy and Eggs <i>(continued)</i>	Flavored Milk (2012)	<b>Top Companies</b>	<b>42.9%</b>	
		Dean Foods	23.2%	Dean's, Land O'Lakes, Garelick Farms
		HP Hood	7.9%	Hood, Southern Comfort, Lactaid
		Prairie Farms Dairy	6.7%	Prairie Farms Dairy, Hiland Dairy
		Nestlé	5.1%	Nestlé Nesquik
		<i>Supermarket Brand</i>	33.4%	
	Natural Cheese (2012)	<b>Top Companies</b>	<b>32.4%</b>	
		Kraft Foods	17.3%	Kraft, Cracker Barrel, Athenos, Polly-O, Philadelphia, Big Slice, Snackables, Deli Fresh
		Sargento Foods, Inc.	8.3%	Sargento
		Lactalis USA	3.8%	Sorrento, Galbani, President
		Michael Foods Inc.	3.0%	Crystal Farms
		<i>Supermarket Brand</i>	44.4%	
	Processed Cheese (2012)	<b>Top Companies</b>	<b>58.2%</b>	
		Kraft Foods	48.3%	Kraft, Velveeta, Easy Cheese
		Bel Brands USA	9.9%	Laughing Cow, Kaukauna, Boursin, Price's
		<i>Supermarket Brand</i>	23.2%	
	Refrigerated Yogurt (2012)	<b>Top Companies</b>	<b>75.8%</b>	
		Danone	29.9%	Dannon, Stonyfield Organic, Activia, Oikos
		General Mills	29.2%	Yoplait, Go-Gurt
		Chobani Inc.	16.7%	Chobani
	Skim/ Low-Fat Milk (2012)	<b>Top Companies</b>	<b>20.9%</b>	
		Dean Foods	11.2%	Land O'Lakes, Fieldcrest, Garelick Farms
		HP Hood	6.5%	Hood Lactaid, Hood, Hood Simply Smart
		WhiteWave (formerly Dean)	3.2%	Horizon Organic, The Organic Cow
		<i>Supermarket Brand</i>	63.4%	
	Sour Cream (2010)	<b>Top Companies</b>	<b>52.6%</b>	
		Daisy Brand, LLC	31.1%	Daisy
		Kraft Foods	18.3%	Breakstone's, Knudsen
HP Hood		1.7%	Hood	
Dean Foods		1.5%	Friendship	
<i>Supermarket Brand</i>		29.4%		
Whole Milk (2012)	<b>Top Companies</b>	<b>16.5%</b>		
	Dean Foods	12.9%	Dean's, Land O'Lakes, Fieldcrest, Oak Farms, Lehigh Valley, Tuscan Dairy Farms, Garelick Farms, Swiss Dairy	
	WhiteWave (formerly Dean)	3.6%	Horizon Organic, The Organic Cow	
	<i>Supermarket Brand</i>	63.2%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Fruit and Vegetables; Vegetarian Alternatives	<b>Baked Beans (2011)</b>	<b>Top Companies</b>	<b>91.0%</b>	
		Bush Bros. & Co.	68.2%	Bush's
		ConAgra Foods	14.3%	Van Camp's
		B&G Foods	4.9%	B&M
		Campbell Soup Co.	3.6%	Campbell's
	<b>Canned and Jarred Fruit (2011)</b>	<b>Top Companies</b>	<b>33.2%</b>	
		Del Monte Foods	20.0%	Del Monte, Carb Clever, Orchard Select, Fruit & Gel To-Go, Fruit Naturals, Sun Fresh
		Dole Food Co.	13.2%	Dole
		<i>Supermarket Brand</i>	27.7%	
	<b>Canned and Jarred Vegetables (2011)</b>	<b>Top Companies</b>	<b>38.4%</b>	
		Del Monte Foods	21.5%	Del Monte, Contadina
		ConAgra Foods	9.2%	Hunts, Rotel
		General Mills	7.7%	Green Giant, Le Sueur, Muir Glen Organic
		<i>Supermarket Brand</i>	37.0%	
	<b>Canned Green Beans (2012)</b>	<b>Top Companies</b>	<b>57.3%</b>	
		Del Monte Foods	38.2%	Del Monte
		General Mills	8.4%	Green Giant
		Seneca Foods	5.7%	Libby's
		Allens Inc.	5.0%	Allens
	<i>Supermarket Brand</i>	35.5%		
	<b>Dried Fruit (2011)</b>	<b>Top Companies</b>	<b>58.0%</b>	
		SunMaid Growers	24.6%	Sun-Maid
		Sunsweet Growers	14.4%	Sunsweet
		Ocean Spray	13.6%	Ocean Spray Craisins
		Mariani Packing Co.	5.4%	Mariani
		<i>Supermarket Brand</i>	21.2%	
	<b>Fresh Packaged Salads (2011)</b>	<b>Top Companies</b>	<b>61.0%</b>	
		Chiquita Brands Intl. Inc.	32.7%	Fresh Express
		Dole Food Co.	23.2%	Dole
		White Wave Foods	5.1%	Earthbound Farm (acquisition by White Wave Foods pending as of Dec. 15, 2013)
	<i>Supermarket Brand</i>	26.3%		
	<b>Frozen Fruit (2011)</b>	<b>Top Companies</b>	<b>11.9%</b>	
Dole Food Co.		8.9%	Dole, Chef-Ready Cuts	
Jasper Wymans & Sons		3.0%	Wymans	
<i>Supermarket Brand</i>		75.3%		
<b>Vegetarian/ Egg Substitute (2011)</b>	<b>Top Companies</b>	<b>70.2%</b>		
	ConAgra Foods	47.6%	Egg Beaters	
	Michael Foods Inc.	22.6%	Papetti Foods AllWhites, Papetti Foods Better 'N Eggs	
	<i>Supermarket Brand</i>	27.1%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
<b>Fruit and Vegetables; Vegetarian Alternatives</b> <i>(continued)</i>	<b>Vegetarian/ Meat Substitute (2011)</b>	<b>Top Companies</b>	<b>78.3%</b>	
		Kellogg Co.	58.4%	Morningstar Farms, Gardenburger
		Kraft Foods	14.7%	Boca
		ConAgra Foods	3.3%	Lightlife Smart Dogs
		Turtle Island Foods	2.0%	Tofurkey
	<b>Vegetarian/ Non-Dairy Milk (2012)</b>	<b>Top Companies</b>	<b>66.6%</b>	
		WhiteWave (formerly Dean)	52.7%	Silk, Horizon Organic
		Blue Diamond Growers	13.9%	Almond Breeze
<b>Meat and Fish</b>	<b>Bacon (2012)</b>	<b>Top Companies</b>	<b>51.7%</b>	
		Kraft Foods	20.3%	Oscar Mayer
		Hormel Foods	12.2%	Hormel
		Smithfield Foods	12.1%	Farmland, Smithfield, Gwaltney
		Tyson Foods	7.1%	Wright
		<i>Supermarket Brand</i>	20.5%	
	<b>Breakfast Meat (2012)</b>	<b>Top Companies</b>	<b>46.5%</b>	
		Kraft Foods	14.8%	Oscar Mayer
		Smithfield Foods	13.1%	Farmland, Smithfield, Gwaltney, John Morrell
		Hormel Foods	10.1%	Hormel, Farmer John
		Hillshire Farm/ Sara Lee	8.5%	Jimmy Dean
		<i>Supermarket Brand</i>	19.8%	
	<b>Fish, Canned (2012)</b>	<b>Top Companies</b>	<b>73.3%</b>	
		Lion Capital	30.8%	Bumble Bee, Snow's Clams, King Oscar
		Dongwon Industries	26.6%	Starkist
		Chicken of the Sea	15.9%	Chicken of the Sea, Tonno Genova
		<i>Supermarket Brand</i>	11.7%	
	<b>Fish/Seafood, Frozen (2012)</b>	<b>Top Companies</b>	<b>21.4%</b>	
		Nippon Suisan Kaisha	10.5%	Gorton's
		Pinnacle Foods	4.7%	Van de Kamp's, Mrs. Paul's
		Great American Seafood Imports Co.	3.2%	Great American
		Beaver Street Fisheries	3.0%	Sea Best
		<i>Supermarket Brand</i>	44.5%	
	<b>Fish/Seafood, Refrigerated (2012)</b>	<b>Top Companies</b>	<b>29.4%</b>	
		Trans-Ocean Products Inc.	9.2%	Trans-Ocean
Vita Foods Products Inc.		8.0%	Vita	
Ocean Beauty Seafoods Inc.		7.4%	Echo Falls, Lascco, Nathan's	
Trident Seafoods Corp.		4.8%	Louis Kemp	
<i>Supermarket Brand</i>		18.6%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Meat and Fish (continued)	Lunch Meat (2012)	<b>Top Companies</b>	<b>60.3%</b>	
		Kraft Foods	34.8%	Oscar Mayer
		Hillshire Farm/ Sara Lee	12.7%	Kahn's, Hillshire Farm, Sara Lee, Bryan
		Smithfield Foods	6.6%	John Morrell, Armour, Kretschmar, Eckrich, Healthy Ones, Farmland, Smithfield, Gwaltney Great Bologna
		Land O'Frost Inc.	6.2%	Land O'Frost
		<i>Supermarket Brand</i>	16.6%	
	Packaged Red Meat/ Hot Dogs (2012)	<b>Top Companies</b>	<b>41.7%</b>	
		Kraft Foods	15.1%	Oscar Mayer
		Hillshire Farm/ Sara Lee	11.4%	Ball Park, Hillshire Farm, Jimmy Dean
		Smithfield Foods	7.9%	Farmland, Smithfield, Eckrich, Gwaltney, Armour
		Hormel Foods	7.3%	Hormel
	Poultry (2010)	<b>Top Companies</b>	<b>46.0%</b>	
		Tyson Foods	30.1%	Tyson
		Perdue Farms	9.9%	Perdue
		Hormel Foods	6.0%	Jennie-O
<i>Supermarket Brand</i>		21.8%		
Prepared Meals	Frozen Appetizers (2011)	<b>Top Companies</b>	<b>59.5%</b>	
		General Mills	25.5%	Totino's, Pillsbury
		H.J. Heinz Co.	22.0%	TGI Friday's, Bagel Bites, Delimex, Weight Watchers, Nancy's Petite Quiche
		Windsor Foods	6.5%	José Olé
		Nestlé	5.5%	Stouffer's, Lean Cuisine, Hot Pockets
	Frozen Handheld Food (2012)	<b>Top Companies</b>	<b>62.3%</b>	
		Nestlé	34.4%	Hot Pockets, Lean Pockets, Stouffer's, Lean Cuisine
		Hillshire Farm/ Sara Lee	17.6%	Jimmy Dean, State Fair
		Ruiz Foods	6.4%	El Monterey
	Frozen Meals (2012)	<b>Top Companies</b>	<b>82.0%</b>	
		Nestlé	34.0%	Stouffer's, Buitoni
		ConAgra Foods	31.6%	Marie Callender's, Banquet, Claim Jumper, Healthy Choice, Bertolli, PF Chang's
		H.J. Heinz Co.	10.0%	Weight Watchers
		Pinnacle Foods	6.4%	Hungry Man, Birds Eye, Swanson
	Microwaveable Packaged Dinners (2012)	<b>Top Companies</b>	<b>94.6%</b>	
		ConAgra Foods	45.6%	Chef Boyardee, Healthy Choice, Marie Callender's
		Hormel Foods	43.7%	Compleats, Dinty Moore, Kid's Kitchen
	Pizza, Frozen (2012)	<b>Top Companies</b>	<b>78.2%</b>	
		Nestlé	47.3%	DiGiorno, Tombstone, California Pizza Kitchen, Jack's, Stouffer's
		Schwan Food Co.	20.7%	Red Baron, Freschetta, Tony's
General Mills		8.5%	Totino's, Jeno's	
Pinnacle Foods		1.7%	Celeste Pizza	



## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Prepared Meals <i>(continued)</i>	Soup (2011)	<b>Top Companies</b>	<b>67.5%</b>	
		Campbell Soup Co.	43.7%	Campbell's, Swanson, Wolfgang Puck
		General Mills	13.1%	Progresso
		Maruchan	6.2%	Maruchan Ramen, Instant Lunch
		Unilever	4.5%	Lipton, Knorr, Bertolli
International Foods	Asian Food (2012)	<b>Top Companies</b>	<b>32.6%</b>	
		Kikkoman	14.6%	Kikkoman, Dynasty
		ConAgra Foods	7.4%	La Choy
		Japanese Food Express	6.1%	Japanese Food Express
		McCormick & Co.	4.5%	Thai Kitchen, Simply Asia
	Hispanic Food (2012)	<b>Top Companies</b>	<b>41.7%</b>	
		Gruma SA	18.2%	Mission, Guerrero
		PepsiCo	8.4%	Tostitos
		Hormel Foods	7.6%	Hormel, Chi-Chi's
		General Mills	7.5%	Old El Paso
	Indian Food (2012)	<b>Top Companies</b>	<b>87.0%</b>	
		Amy's Kitchen Inc.	46.8%	Amy's Indian
		ABF Foods PLC	24.4%	Patak's
		Preferred Brands Intl.	15.8%	Tasty Bite
	Mediterranean Food (2012)	<b>Top Companies</b>	<b>96.8%</b>	
		PepsiCo	85.4%	Near East, Sabra (50% owner)
Tribe		11.4%	Tribe	
Snacks	Athletic Bars (2012)	<b>Top Companies</b>	<b>82.8%</b>	
		Nestlé	37.0%	PowerBar
		Clif Bar & Co.	26.9%	Clif Builder Bar
		NBTY, Inc.	18.9%	MET-Rx
	Cereal/ Snack Bars (2011)	<b>Top Companies</b>	<b>79.1%</b>	
		Kellogg Co.	61.1%	Special K, NutriGrain, Rice Krispies Treats, Kashi TLC
		General Mills	9.3%	Golden Grahams, Larabar, Lucky Charms, Cheerios
		Mondelēz Intl. (formerly Kraft)	5.4%	SnackWell's, Newtons Fruit Crisps
	Crackers (2012)	<b>Top Companies</b>	<b>76.5%</b>	
		Mondelēz Intl. (formerly Kraft)	33.3%	Ritz, Wheat Thins, Triscuits, Premium, Handi-Snacks, Honey Maid
		Kellogg Co.	27.8%	Cheez-It, Keebler Club, Keebler Townhouse, Keebler Toasteds, Keebler Zesta, Carr's, Austin, Sunshine Krispy, Keebler Grahams
		Campbell Soup Co.	15.4%	Goldfish
	Granola Bars (2011)	<b>Top Companies</b>	<b>80.5%</b>	
		General Mills	40.5%	Nature Valley, Cascadian Farm
		PepsiCo	26.0%	Quaker Chewy
		Kellogg Co.	14.0%	Kashi TLC, Kellogg's Fiber Plus, Keebler

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Snacks (continued)	Popcorn (2010)	<b>Top Companies</b>	<b>69.2%</b>	
		ConAgra Foods	38.5%	Orville Redenbacher, Act II, Crunch 'n Munch
		Diamond Foods, Inc.	15.7%	Pop Secret
		PepsiCo	9.9%	Smart Food, Cracker Jack
		American Pop Corn Co.	5.1%	Jolly Time
		<i>Supermarket Brand</i>	13.3%	
	Potato Chips (2011)	<b>Top Companies</b>	<b>75.7%</b>	
		PepsiCo	58.3%	Lay's, Ruffles, Munchos
		Kellogg Co.	8.4%	Pringles
		Snyder's-Lance Inc.	4.5%	Cape Cod, Jay's, Tom's
		Utz Quality Foods, Inc.	4.5%	Utz
	Pretzels (2011)	<b>Top Companies</b>	<b>69.1%</b>	
		Snyder's-Lance Inc.	37.0%	Snyder's of Hanover
		PepsiCo	21.0%	Rold Gold
		Utz Quality Foods	6.3%	Utz
		J&J Snack Foods Corp	4.8%	Super Pretzel
		<i>Supermarket Brand</i>	14.0%	
	Tortilla Chips (2012)	<b>Top Companies</b>	<b>82.5%</b>	
		PepsiCo	73.7%	Doritos, Tostitos, Santitas, Sabritas
		Gruma SA	3.5%	Mission
Truco Enterprises, LP		3.2%	On The Border	
Grupo Bimbo		2.1%	Bimbo	
Wellness/ Granola Bars (2012)	<b>Top Companies</b>	<b>84.6%</b>		
	Clif Bar	40.4%	Clif, Luna	
	General Mills	36.0%	Fiber One, Nature Valley	
	NBTY, Inc.	8.2%	Balance Bar	
Staples and Other	Baby Food and Snacks (2011)	<b>Top Companies</b>	<b>88.8%</b>	
		Nestlé	72.7%	Gerber
		Hero AG	10.0%	Beech-Nut
		The Hain Celestial Group	6.1%	Earth's Best
	Baby Formula (2011)	<b>Top Companies</b>	<b>96.3%</b>	
		Mead Johnson	39.7%	Enfamil
		Abbott Nutrition	39.6%	Similac
		Nestlé	17.0%	Gerber
	Dry Mac & Cheese (2012)	<b>Top Companies</b>	<b>84.8%</b>	
		Kraft Foods	79.0%	Kraft, Velveeta, Easy Mac
		Annie's Homegrown, Inc.	5.8%	Annie's
		<i>Supermarket Brand</i>	13.9%	
	Dry Pasta (2011)	<b>Top Companies</b>	<b>56.8%</b>	
		Barilla America, Inc.	25.4%	Barilla
		Ebro Foods SA	22.4%	Ronzoni, Creamette, San Giorgio, American Beauty, Skinner, Prince, Light 'n Fluffy
ConAgra Foods		9.0%	American Italian Pasta Co., Mueller's, Anthony, Roncom Pennsylvania Dutch Noodles, Golden Grain Mission, Luxury	
<i>Supermarket Brand</i>		23.4%		

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Staples and Other <i>(continued)</i>	Dry Rice/ Rice Mixes (2011)	<b>Top Companies</b>	<b>51.3%</b>	
		Ebro Foods SA	21.4%	Mahatma, Minute Rice, Success Rice, Carolina Rice
		PepsiCo	11.8%	Rice-A-Roni
		Mars Inc.	9.8%	Uncle Ben's
		Unilever	8.3%	Knorr Lipton Rice Sides
		<i>Supermarket Brand</i>	15.3%	
	Pet Food (2011)	<b>Top Companies</b>	<b>81.9%</b>	
		Nestlé	47.0%	Purina, Friskies
		Mars Inc.	14.0%	Whiskas, Cesar, Pedigree
		Del Monte Foods	13.7%	Meow Mix, 9Lives, Milk-Bone, Kibbles 'n Bits, Pup-Peroni
	Sugar (2009)	<b>Top Companies</b>	<b>84.0%</b>	
		Domino Foods, Inc.	31.0%	Domino Sugar
		United Sugars Corp.	27.0%	Crystal Sugar
		Imperial Sugar	16.0%	Imperial Sugar
		Amalgamated Sugar Co.	10.0%	White Satin
Sweets and Candy	Cake/Cupcake/ Pie Mixes (2011)	<b>Top Companies</b>	<b>69.0%</b>	
		General Mills	38.1%	Betty Crocker
		Pinnacle Foods	30.9%	Duncan Hines
	Chocolate (2011)	<b>Top Companies</b>	<b>80.8%</b>	
		Hershey	40.9%	Reese's, Hershey's, KitKat, York, Almond Joy
		Mars Inc.	27.6%	M&M's, Snickers, Twix, Three Musketeers, Milky Way, Dove
		Russell Stover	6.4%	Russell Stover, Whitman's
	Cookies and Cookie Bars (2011)	<b>Top Companies</b>	<b>62.5%</b>	
		Mondelēz Intl. (formerly Kraft)	37.0%	Newtons, SnackWell's, Teddy Grahams, Barnum's Animals, Lorna Doone, LU Le Petit Ecolier, Chips Ahoy, Oreo, Nilla, Nutter Butter
		Kellogg Co.	13.3%	Keebler, Chips Deluxe, Fudge Shoppe, Sandies Pecan, Vienna Fingers, Mother's, Kashi, Murray
		Campbell Soup Co.	6.7%	Pepperidge Farm
		McKee Foods	5.5%	Little Debbie, Nutty Bar, Fudge Rounds, Choc-O-Gel, Star Crunch
	Cupcakes and Brownies (2012)	<b>Top Companies</b>	<b>66.4%</b>	
		McKee Foods	28.2%	Little Debbie, Cosmic Brownies, Zebra Cakes, Christmas Tree Cakes, Be My Valentine, Drake's Devil Dogs, Drake's Ring Dings
		Hostess Brands/ Apollo	25.6%	Twinkies, Zingers, Ding Dongs, Ho Hos
		Flowers Foods	7.8%	Tastykake
		Grupo Bimbo	4.8%	Entenmann's, Marinela Gansito
		<i>Supermarket Brand</i>	15.1%	

## Market Share of 100 Grocery Items (CONTINUED)

Grocery Type	Grocery Item (Data Year)	Companies	Market Share	Leading Brands
Sweets and Candy (continued)	Frozen Yogurt (2012)	<b>Top Companies</b>	<b>55.5%</b>	
		Nestlé	22.3%	Dreyer's, Häagen-Dazs
		HP Hood	13.4%	Hood
		Unilever	10.1%	Ben & Jerry's
		Turtle Mountain, LLC	9.7%	So Delicious, Purely Decadent
		<i>Supermarket Brand</i>	23.3%	
	Gum and Mints (2012)	<b>Top Companies</b>	<b>80.6%</b>	
		Mars Inc.	51.0%	Altoids, Wrigley's, Life Savers, Freedent, Hubba Bubba, Orbit
		Mondelēz Intl. (formerly Kraft)	21.2%	Trident, Stride, Dentyne
		Hershey	8.4%	Ice Breakers, Breath Savers
	Ice Cream and Novelties (2012)	<b>Top Companies</b>	<b>54.7%</b>	
		Nestlé	23.6%	Skinny Cow, Dreyer's/Edy's, Nestlé, Häagen-Dazs
		Unilever	19.4%	Breyers, Klondike, Popsicle, Magnum, Fudgsicle, Good Humor, Ben & Jerry's
		Wells Enterprises, Inc.	5.9%	Weight Watchers, Wells Blue Bunny
		Blue Bell Creameries	5.8%	Blue Bell
		<i>Supermarket Brand</i>	21.5%	
	Non-Chocolate Candy (2012)	<b>Top Companies</b>	<b>36.5%</b>	
		Hershey	15.0%	Reese's Pieces, Jolly Rancher, Zero, Twizzlers, Good & Plenty, PayDay
		Mars Inc.	14.4%	Skittles, Starburst, Life Savers, Hubba Bubba
		Nestlé	7.1%	Wonka, SweetTarts
	Refrigerated and Frozen Cakes and Pies (2012)	<b>Top Companies</b>	<b>71.4%</b>	
		Schwan Food Co.	29.8%	Edwards, Mrs. Smith's
		ConAgra Foods	27.9%	Marie Callender's, Claim Jumper, Banquet
		Hillshire Farm/ Sara Lee	10.0%	Sara Lee
		Kraft Foods	3.7%	Jell-O Temptations
		<i>Supermarket Brand</i>	19.5%	
Refrigerated and Frozen Dough (2011)	<b>Top Companies</b>	<b>74.3%</b>		
	General Mills	60.2%	Pillsbury (biscuits, cookies, brownies, pie crust, bread dough, rolls, pastry dough)	
	Nestlé	8.6%	Toll House (cookies)	
	Rhodes Intl. Inc.	3.2%	Rhodes Bake-N-Serve	
	Campbell Soup Co.	2.3%	Pepperidge Farm	
	<i>Supermarket Brand</i>	19.0%		

**SOURCES:** Food & Water Watch examined the market share of 100 common grocery food and beverage items (known in the industry as categories) using the most recent data available. Categories were selected to reflect the breadth of foods offered in grocery stores, total sales and consumer use. Market shares for the largest companies were tabulated by aggregating their individual brands; brand shares were only available for the largest brands in any given category, so in some cases there are fairly small market shares available, but in other categories the smallest brands or company market shares might be higher. Food & Water Watch included for comparison purposes the supermarket brand products (known as private-label products) when these generics made up at least 10 percent of the market. Food & Water Watch used industry sources including the market research firm Mintel Group's food market reports (2010 to 2013), the annual abstract Market Share Reporter (from 2010 to 2012) and *Grocery Headquarters* magazine's State of the Industry Almanac (April 2013). Food & Water Watch adjusted the brands and corporate ownership to reflect major merger, acquisition and spinoff activity through October 2013. See Methodology on page 29 for more complete description.

## Top Food Conglomerates' Widespread Presence in the Grocery Store

Company	Grocery Item	Market Share	Company	Grocery Item	Market Share
<b>Kraft Foods</b> (22 grocery categories)	Dry Mac & Cheese	79.0%	<b>PepsiCo</b> (20 categories)	Mediterranean Food	85.4%
	Processed Cheese	48.3%		Sports Drinks	75.3%
	Lunch Meat	34.8%		Tortilla Chips	73.7%
	Mayonnaise	33.9%		Shelf-Stable Dips	64.1%
	Meat Sauces	24.0%		Potato Chips	58.3%
	Fruit Drinks	20.7%		Hot Cereal (Oatmeal)	54.2%
	Salad Dressing	20.5%		Carbonated Soft Drinks	30.9%
	Bacon	20.3%		Carbonated Soft Drinks (Diet)	30.9%
	Cottage Cheese	20.2%		Granola Bars	26.0%
	Sour Cream	18.3%		Pretzels	21.0%
	Nuts	17.9%		Fruit Juice 100%	18.3%
	Natural Cheese	17.3%		Bottled Water (Single Serve)	15.6%
	Packaged Red Meat	15.1%		Breakfast Cereal	11.8%
	Breakfast Meat	14.8%		Dry Rice/ Rice Mixes	11.8%
	Meat Substitute	14.7%		Popcorn	9.9%
	Coffee	14.0%		Fruit Drinks	8.5%
	Mustard	12.6%		Hispanic Food	8.4%
	Shelf-Stable Dips	8.1%		Waffles/Pancakes	5.5%
	Pickles/Olives/Relish	7.5%		Cereal/Snack Bars	3.3%
	Refrigerated and Frozen Cakes and Pies	3.7%		Nuts	1.5%
Peanut Butter	2.4%				
Hispanic Food	1.7%				
Company	Grocery Item	Market Share	Company	Grocery Item	Market Share
<b>ConAgra Foods</b> (19 categories)	Egg Substitute	47.6%	<b>Nestlé</b> (19 categories)	Baby Food and Snacks	72.7%
	Microwaveable Packaged Dinners	45.6%		Pizza, Frozen	47.3%
	Popcorn	38.5%		Pet Food	47.0%
	Chili and Sloppy Joe Sauce	33.3%		Cream/Creamers	42.5%
	Frozen Meals	31.6%		Bottled Water (Sparkling and Mineral)	41.0%
	Refrigerated and Frozen Cakes and Pies	27.9%		Athletic Bars	37.0%
	Ketchup	14.6%		Frozen Handheld Food	34.4%
	Baked Beans	14.3%		Frozen Meals	34.0%
	Peanut Butter	10.0%		Bottled Water (Single Serve)	25.7%
	Canned and Jarred Vegetables	9.2%		Ice Cream and Novelties	23.6%
	Dry Pasta	9.0%		Frozen Yogurt	22.3%
	Asian Food	7.4%		Baby Formula	17.0%
	Butter/Margarine	6.7%		Refrigerated and Frozen Dough	8.6%
	Pasta Sauces	5.7%		Non-Chocolate Candy	7.1%
	Hispanic Food	4.0%		Chocolate	5.9%
	Mustard	2.7%		Frozen Appetizers	5.5%
	Packaged Red Meat	2.3%		Flavored Milk	5.1%
	Nuts	1.6%		Fruit Juice 100%	5.0%
	Meat Sauces	1.2%		Coffee	3.6%

## Top Food Conglomerates' Widespread Presence in the Grocery Store (CONTINUED)

Company	Grocery Item	Market Share	Company	Grocery Item	Market Share
<b>General Mills</b> (17 categories)	Refrigerated and Frozen Dough	60.2%	<b>Campbell Soup Co.</b> (13 categories)	Soup	43.7%
	Granola Bars	40.5%		Pasta Sauces	17.6%
	Cake/Cupcake/Pie Mixes	38.1%		Crackers	15.4%
	Wellness/Granola Bars	36.0%		Refrigerated and Frozen Bread/ Bagels/English Muffins	12.6%
	Refrigerated Yogurt	29.2%		Fresh Loaf Bread	7.2%
	Breakfast Cereal	27.8%		Cookies and Cookie Bars	6.7%
	Frozen Appetizers	25.5%		Hispanic Food	5.1%
	Soup	13.1%		Chili and Sloppy Joe Sauce	4.3%
	Tortillas	10.0%		Rolls/Buns/Croissants	3.9%
	Cereal/Snack Bars	9.3%		Baked Beans	3.6%
	Pizza, Frozen	8.5%		Fruit Drinks	3.5%
	Canned Green Beans	8.4%		Refrigerated and Frozen Dough	2.3%
	Canned and Jarred Vegetables	7.7%		Fruit Juice 100%	1.9%
	Hispanic Food	7.5%			
	Microwaveable Packaged Dinners	5.3%			
	Asian Food	3.0%			
	Refrigerated and Frozen Cakes and Pies	1.7%			

Food & Water Watch examined the market share of 100 common grocery food and beverage items (known in the industry as categories) using the most recent data available. Categories were selected to reflect the breadth of foods offered in grocery stores, total sales and consumer use. The overwhelming majority of the data is from the past two years (55 percent from 2012 and 36 percent from 2011), but due to limitations in the availability of timely market share data, a small portion came from earlier years for certain grocery categories (8 percent from 2010 and 1 percent from 2009). Market shares for the largest companies were tabulated by aggregating their individual brands; brand shares were available only for the largest brands in any given category, so in some cases there are fairly small market shares available (in highly concentrated categories like soda and diet soda, the fourth-place firm has a reported market share of about 1 percent or less), but in other categories the smallest brands or company market shares might be higher. The top company market share was calculated by aggregating the top four firms, a common approach in market analysis used by federal regulators and academics to measure economic concentration. Consolidation is sufficiently high in some categories that there are fewer than four competitors in the entire market; in these cases, we calculated the three-, two- or one-firm concentration level. There were 23 categories with only three major competitors, 14 with two major competitors and one category with only one major competitor. Food & Water Watch included for comparison purposes the supermarket brand products (known as private-label products) when these generics made up at least 10 percent of the market. For the five food companies that sell 15 or more examined categories, Food & Water Watch included all the categories even if it was not in the top four manufacturers.

#### **Accounting for recent mergers, acquisitions and spinoffs:**

Food & Water Watch adjusted the market shares to account for significant mergers since 2010 by adjusting the most recent data available by the current corporate owner of each brand. The data in this report account for changes in corporate ownership finalized by October 2013 or proposed by December 15, 2013. These mergers included all of the transactions included on Table 2 as well as the following transactions: Post Foods' acquisition of ready-to-eat breakfast cereal from Ralcorp<sup>87</sup> and Land O'Lakes joint venture with CalMaine's Eggland's Best refrigerated eggs (each received half the Eggland brand market share).<sup>88</sup> ConAgra Foods sold Lightlife Foods in September 2013.<sup>89</sup> The sale of bakery assets and brands from Sara Lee to Grupo Bimbo and Flowers Foods was based on the value of sales transferred to Flowers Foods as a share of total Sara Lee bakery business (broken down by business line, to the extent possible). In 2013, Dean Foods spun off WhiteWave, which makes Horizon Organic, Silk and other dairy brands.<sup>90</sup> Kraft Foods was split into two companies in 2012, with Mondelēz International keeping the cookie, cracker, candy, gum and cream cheese brands and Kraft Foods keeping the remainder of grocery manufacturing.<sup>91</sup>

**Data sources:** Food & Water Watch used industry sources to determine brand and category concentration levels including the market research firm Mintel Group's food market reports (2010 to 2013), the annual abstract *Market Share Reporter* (from 2010 to 2012) and *Grocery Headquarters* magazine's State of the Industry Almanac (April 2013). Generally, these sources rely on grocery aisle checkout scanner data that is from the major supermarket, drugstore and superstore chains but often does not include Walmart.

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