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**ROB BONTA**

*Attorney General*

# Attorney General Bonta Announces Lawsuit Against Kroger, Albertsons: A Rotten Deal for California Consumers

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Press Release / *Attorney General Bonta Announces Lawsuit Against Kroger, Alb...*

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**LOS ANGELES** — California Attorney General Rob Bonta, the Federal Trade Commission (FTC), and a bipartisan coalition of states, today announced the filing of a lawsuit that challenges the proposed merger of Kroger and Albertsons. Kroger and Albertsons are the two largest national supermarket chains in the country and this merger presents a significant risk of reduced competition and higher food prices nationwide. In California specifically, Kroger's \$24.6 billion purchase of Albertsons is expected to further consolidate the highly concentrated retail grocery market in Southern California, leading consumers to face fewer choices and higher prices. The merger is also expected to reduce the ability of unions to negotiate working conditions at these stores, impacting thousands of employees in California.

“This megamerger is bad for workers, for agricultural producers, and for California communities. In some markets in Southern California, Kroger-Albertsons is expected to be the only one-stop grocery option. Today, we are going to bat for a more just and competitive economy, one where companies need to compete for labor and where prices and service matter,” **said Attorney General Bonta.** “This merger will leave Californians with limited choices over where to shop – and for workers in this industry, where to work. As many families continue to feel the burden of inflation, fighting corporate consolidation that threatens to increase prices and reduce service is more important than ever.”

The lawsuit seeks to block the proposed Albertsons-Kroger merger, alleging it is in violation of the federal Clayton Act, which prohibits the acquisition of assets where the effect of such acquisitions may substantially lessen competition or create a monopoly. Businesses facing less competition have the ability to charge higher prices without providing improvements to the quality of goods. Anticompetitive supermarket mergers can impose other harms, including a reduction in labor market competition which may lower wages or slow wage growth, worsen benefits or working conditions, or result in other degradations of workplace quality.

In October 2022, Attorney General Bonta and five other state attorneys general sent a letter to Albertsons and Kroger demanding that Albertsons delay a \$4 billion payout to stockholders until state attorneys general and the FTC complete their review of its proposed merger with Kroger, to ensure that the proposed action would not result in higher prices for consumers, suppressed wages for workers, or other anticompetitive effects. In November 2022, Attorney General Bonta, along with the attorneys general of the District of Columbia and Illinois, asked the D.C. District Court to temporarily block Albertsons' planned \$4 billion payment amid concerns that the payment would dramatically hamper Albertsons' ability to compete. Also in November 2022, Attorney

General Bonta, along with the attorneys general of the District of Columbia and Illinois, filed a motion for a preliminary injunction to block Albertsons' planned \$4 billion payment of a "special dividend" to shareholders.

In filing today's lawsuit, Attorney General Bonta joins the FTC, and the attorneys general of Arizona, Illinois, Maryland, Nevada, New Mexico, Oregon, Wyoming, and the District of Columbia.

A copy of the complaint will be made available here.

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