

Attorney General Mayes Announces Lawsuit Challenging Anticompetitive Kroger, Albertsons Merger

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PHOENIX – Attorney General Kris Mayes, 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. These companies are the country's two largest national supermarket chains, and this merger presents a significant risk of reduced competition and higher food prices nationwide. In Arizona, Kroger and Albertsons are the 4th and 7th largest private employers, with 35,000 employees across 250 stores combined. The companies also operate under Fry's, Smith's, and Safeway brands in Arizona.

"For the better part of last year, I traveled across the state from Prescott to Kingman and Show Low to Sierra Vista to hear from Arizonans what they thought about this proposed merger," said Attorney General Mayes. "Many Arizonans I heard from voiced concerns about potential job losses from combining the two companies. Seniors on fixed incomes told me they were worried that grocery prices would only go up if the merger went through. Military families I spoke to feared their insurance would not be accepted at the pharmacy of a newly merged company. Rural Arizonans, in particular, raised serious concerns about how a merger would exacerbate existing food deserts."

The lawsuit seeks to block the proposed Albertsons-Kroger merger, alleging it violates 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.

"It is clear that Arizonans in rural and urban communities alike are seriously concerned about the potential for drastic changes to their daily lives if this merger goes through," continued Mayes. "Bottom line: this merger will benefit the shareholders of these companies, not regular Arizonans. I am proud to stand with the FTC and my fellow attorneys general in suing to block this anticompetitive, anti-consumer, and anti-worker merger."

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.

Joining Attorney General Mayes and the FTC in opposing the merger are the attorneys general of California, Washington D.C., Illinois, Maryland, Nevada, New Mexico, Oregon and Wyoming.

A report detailing Attorney General Mayes' listening sessions held across Arizona throughout 2023 is available here (<https://www.azag.gov/sites/default/files/publications/2024-02/Arizona%20Kroger-Albertsons%20Proposed%20Merger%20Listening%20Session%20Report.pdf>). A video recap of the listening sessions is available here. (<https://www.youtube.com/watch?v=-1bWh1H1cho>)

A copy of the complaint will be made available as soon as possible and will be linked below.