

Press Release

FTC's COVID-19 Grocery Supply Chain Study Taught Us...Nothing

PAULINA ENCK | APRIL 3, 2024

On March 21, 2024, the Federal Trade Commission (FTC) released its findings on grocery supply chain performance during the COVID-19 pandemic. In a new insight, Competition Economics Analyst Fred Ashton reviews the study's findings and discusses how its narrow scope and limited economic analysis yielded unsubstantiated conclusions that say little about the current state of competition in grocery supply chains.

Ashton concludes:

The FTC's study on the grocery supply chain during the COVID-19 pandemic concluded that corporations leveraged their size to entrench their market power at the expense of smaller rivals and that these firms used the inflationary environment to extract ill-gotten profits.

The study signals that the FTC may use these conclusions to revitalize Robinson-Patman Act enforcement, which would likely usher in higher prices for consumers while protecting inefficient competitors. Its methodology relied heavily on caveats and carveouts, and the resulting conclusions failed to measure the effects on competition broadly. The FTC should not rely on the findings as a guide to implement policy.

Read the analysis