

## Preface

**T**HE RISE TO PROMINENCE over the past century of the modern supermarket has bestowed humanity with almost miraculous riches. Food is transported to and from every continent — some of it crossing oceans in airplanes. Food production technologies have driven down the cost to produce food to levels previously unimaginable — enabling the middle class of today to eat like royalty of centuries past. The shelf life of fresh produce, breads, and packaged foods defies basic concepts of food degradation.

By these standards, we live in a golden age of food.

We truly do.

Without question, I could have written a book about the marvels and wonders of the modern grocery store and the food system it has spawned. Readers would be gifted with page upon page of awe and imagination — like a journey through Willy Wonka's chocolate factory. It would be a fascinating book — a testament to human potential.

This is NOT that book.

This is a book about what we've lost along the way — the casualties. It's a book about the people and politics that fought ferociously to defend from the chain grocers a way of life, to protect culture, principles and values, and to preserve the conviviality of human relations on Main Street. It's also about the successes of a wonderful alternative — of the people, communities, and their cooperatively owned grocery stores who are today reminding us of what makes us human — about the kindness, empathy and celebration that can be found in the seemingly insignificant supermarket. This is a book about hope.

As I began my research for this book in 2017, I plotted out the stages of the “great revealing” — the slow, suspenseful pulling away of the grocery store wool from over the eyes of eaters. There were so many secrets to tell — moments where I could visualize readers shouting

“WHAT!,” or “THAT CAN’T BE.” Then... the news broke. December 19, 2017... Canada’s largest grocer, Loblaw Companies Ltd, announces publicly that they’ve been cheating their customers for the past fourteen years ... and ... they didn’t act alone. Four other retailers are said to have colluded on the nationwide price-fixing of bread.

All of my strategizing came to an abrupt halt. “Is this it?” I asked myself. “Does this mean I can nix most of the book’s early chapters — the ‘great revealing’ — and go straight into the good stuff — the good-food revolution? Has the supermarket swindle finally come to an end? Is this the overhaul of the grocery giants?” No more would eaters be comfortable patronizing criminal grocers, I thought. No way. For a moment after the news broke, I couldn’t quite contain myself. I was giddy. Then I caught the *other* headline news of the day: “Trump unveils America First security strategy.” Reality came rushing back with the force of a brick wall and a firm slap upside the head. “Right... if the most egregious acts of human behavior could not only be carried out by a sitting U.S. President, but could also be normalized by a considerable percentage of the population, then bread collusion among a handful of Canadian grocery giants couldn’t possibly change the retail food landscape. Sure enough, it hasn’t ... at least not yet ... and it probably never will. The investigation could take years. Meanwhile, it’s business as usual in the aisles of our supermarkets. The grocery giants have grown into unshakeable institutions ... temples of consumerism ... marching on no matter the heinous abuses.

One analyst calculated that as a result of the price-fixing scheme, a family purchasing two loaves of bread per week was shelling out an extra \$104 per year above the normal price of bread. Loblaw apologized by offering its customers \$25 gift cards. It was a great PR move — the company most certainly profited off of the droves of people who would have never entered a Loblaw store had it not been for the gift card. In the twelve weeks ending June 16, 2018, Loblaw posted over half a billion dollars in operating income from its retail operations. The company is doing just fine.

The book would proceed on its originally imagined course.

As you’ve certainly gathered by now, *Grocery Story* is about an already-implemented alternative to the grocery giants — the consumer-owned

food cooperative. Unexpectedly, as my research commenced, I became aware that the need for food co-ops had begun to expand. No longer were they solely the venue for those with an inclination toward natural and organic foods. A new category of consumer was taking a long and hard look at the food co-op model — people without easy access to any grocery store whatsoever. If you've opened this book with the belief that food co-ops are only for hippies or the food "elite," you're wrong. Flat out. The food co-op model is proving to be an appropriate response for every person of every color, race, income, and creed.

If you're also opening this book with any level of assurance that the smaller independent grocer in your neighborhood is your saving grace — your grocery giant alternative — don't get too comfy. The future of that grocer hangs on the decisions of a single individual, group, or family. They may very well be community-oriented folk, but what about the people they may one day sell their business to — what about the next generation who may inherit the business ... if any? Of 280 independent Minnesota grocery stores surveyed in 2016, 63 percent were not planning on owning their store in ten year's time and few had developed succession plans.<sup>1</sup> In late 2017, Choices Markets — a small independent chain in British Columbia with eleven locations and a website slogan "Local Organic Grocery Store" — was sold to one of Western Canada's largest chains, owned by one of Canada's wealthiest individuals. The acquisition echoed that of many other smaller regional chains in the United States and Canada that have disappeared into the bellies of giants.

Rather than look outside of ourselves for the leader, the most solid security to be found in the future of our grocery stores is entirely in our hands.

## Note from the Author: Big Food

**B**EFORE WE SET OUT ON THIS GROCERY STORY, it feels important to offer an invitation to you, the reader.

Throughout this book, particularly the first few chapters, you will read about the actions and tactics of “big food.” You will read about trade associations, multinational corporations, and some of the people behind them. You will learn of decisions that were made with what appears to be complete disregard for human rights, local economic well-being, and human health. You might find that upon learning of the actions of these companies, groups, and people, your inner rage will become highly activated. You might hear an inner voice shouting “those bastards” or “how could they!” You might find yourself drifting into the injustice itself, imagining or even devising ways to correct the matter or punish those responsible. This is OK. You’re not alone. I know this voice, those reactions. It’s the voice that originally compelled me to investigate food. Today, however, I don’t hear it nearly as much. I have instead tempered that voice and have adjusted the way I receive the steady stream of surprise and shock that materializes during the journey deep into the rabbit hole of “big food.” For the duration of this book, I’d like to invite you to do that too — to temper the anger and receive this information from a different place, a more measured, compassionate, and empathetic place. As one friend tells his students, “Hope comes from having the courage to look calmly at problems and imagine a better world.”

Over the course of my food investigations, I’ve come to learn that identifying big food as the “perpetrators” and small food and eaters as “victims” does less to stimulate change than I had initially thought. The perpetrator–victim story only serves to preserve a deeply separated food system. It establishes an “us” and a “them,” and from there arises the exhausting and often ineffectual work of assessing right from wrong, worthy from worthless.

As I have worked to temper the reactive voice, I have also watched this perpetrator-victim story lose its relevance and begin to fall away. As it has, an opening has appeared. From this more measured, compassionate, and empathetic place, I have found a deeper well of capacity to take the time to *understand* the so-called perpetrators and how they have woven themselves into existence.

At a certain point, you might find, as I did, that the “perpetrator” is no longer a perpetrator, but merely the product of all that came before it. In economic and social sciences, this is called path dependence — how the set of decisions for any given circumstance is limited by the decisions made in the past, even though past circumstances may no longer be relevant.

How does this apply to the big food corporation? To the food system? How much of our food system, for example, is dependent or built upon past circumstances that are no longer relevant? What were those decisions, those circumstances?

*Grocery Story* will ask those questions and follow those paths.

As the paths and decisions that have been made over time are laid out, new perspectives can unfold. From this vantage, the people and the corporations they work for are no longer perpetrators, but merely the by-product of an unexamined system — unexamined paths. Rather than be seen as perpetrators, they can be seen as perpetuators.

From this vantage, it might also become possible to find the perpetrator/perpetuator in each of us. In what ways are we a participant? Then, the separation falls away. No more is there a need for a perpetrator nor victim. We become both and neither at the same time.

I for one am no longer convinced that the human beings who are behind big food are the heartless, money-hungry monsters they are often made out to be. That only preserves separation. Behind big food are people who also care about their health, their families, their communities, and the planet. This book is for them too.

The big food corporation is not a person — it is an amalgamation of ideas, an inherited language that, when left unexamined and unchecked, becomes dizzyingly complex to comprehend.

For me, reimagining our food system means becoming aware of when and how we react to the challenges — to the actions of big food.

It's about first retracing our path *prior* to charting a course of action. It's about asking whether or not we've given ourselves sufficient time to consider that the health of a tree or plant is almost entirely in the care and attention we bring to its roots.

With this in mind, I invite you to read about big food and the grocery giants, and in each moment, instead of reacting, to simply file away each layer that has been peeled away.

The goal of "deconstructing" big food and the grocery giants is not to lay blame or point fingers but to see the emperor without his clothes and, in his nakedness, to see that the emperor is us.

## Introduction

I'M HERE IN MY HOMETOWN of Nelson, British Columbia, 7:30 am, December 7, 2016, outdoors, 14°F (-10°C), cold! A group of about forty of us are gathered, all anticipating the arrival of Nelson's mayor, invited to cut the red ribbon extended across the entrance to Nelson's newest grocery store. The ribbon is cut, the crowd scurries indoors, shopping carts in tow, and for the hours that follow, I witness people in my community weeping for joy.

Weeping!

Yes!

Over a grocery store?

Yes.

How is that?

Why is that?

Weeping?

Those emotions expressed on that December morning are the same ones that, for me, inspired this book. They're the same sentiments I had experienced only days earlier when I walked through the automatic sliding doors of said grocery store's *previous* location for the very *last* time. As I approached those doors on that December evening — the same ones people had passed through for more than twenty-five years — I reminded myself that “this was it” — this was the final time I would walk into this building to shop for food. Even as I write this, those very waves of emotion that enveloped me in that moment are resurfacing — feelings not so different from those that might arise upon saying a final goodbye to a dear friend — feelings of deep, never-before-examined gratitude, an appreciation never fully acknowledged nor embraced.

All this for just a grocery store?

Indeed.

As this flood of emotion swelled in my community over the course of that week as the store's former location closed and its new one opened, the imperative to write this book sunk deeper.

What is it that a grocery store represents to elicit the heartfelt reactions I witnessed that frigid December morning?

It's high time that this question be asked and this story be told. For the sake of all of us eaters, *someone* has to write a book about the importance of grocery stores!

Book after book, story after story are being written, published, read, and digested on all things "local food." If any one of us is in want of getting hyped, tooled, or infoed up on anything "local food," there is a perpetual harvest of food media flowing in all directions. Home butchering, cheese-making, aquaponics, urban farming — all the inspiration is there for a transition to more informed and engaged eating. This is good. This is more than good. This is great! I too have participated in this spreading of nutrients into the foodosphere through my radio and television series, but there is one gaping hole in the sum of analytical and inspirational tales of "good food." THE GROCERY STORE, the supermarket, the epicenter of our food-gathering ritual.

Every facet of our food supply is driven by the influence of grocery stores. From the pricing of items at a farmers' market to the proximity and accessibility of slaughterhouses to livestock producers or the curriculum of grade 7 cooking classes, very little escapes the influence of big grocery — the "grocery giants." The systems, the culture, the perspectives forming the whole of our food experience — all can be traced to historic and modern-day grocery retailing.

With so much emphasis of late being placed on "fixing" the food system of its ills (specifically its adverse effects on health, wellness, food access, waste, environment, culture, and economies), how has the grocery sector evaded attention? It's as if, in our efforts to re-imagine our food system(s), we have been treating the *symptoms* of the illness without a proper diagnosis. In turn, we have directed our attention and resources to treating the symptoms and have missed attending to the condition itself.

What is the condition? I call it "food system dysfunction," and at the heart of this dysfunction is the grocery retail sector. By directing



the treatment of the illness towards the grocery stores operating within our communities, I'm confident we will overcome the affliction. The good news is that a remedy is not only within reach but is already being successfully administered with convincing results.

Perhaps I should describe my experiences to date that inspire such strong convictions.

### My "Experiences" To Date

The experiences I've had of engaging physically, mentally, emotionally, and spiritually in the act of eating since I began my studies in food in 1998 at the University of Guelph in Ontario have been unique. From that point forward, I marinated in all things "local food" — my mind, my actions, my belly. I hosted a weekly radio show in my hometown of Nelson, British Columbia, that investigated the food supply. The show had quite a large base of listeners, and in short order, I became known in the small community of Nelson for this focus, this commitment. I became "the guy" who, if spotted near the supermarket checkout, would stir up your inner conscience about the food you were about to purchase. Quietly, strategically, the unloading of the shopping cart onto the conveyor would become an exercise in making absolutely certain that any of the products that you might *not* be so proud of purchasing were well hidden, underneath the most prideful of foods. "Oh God, I hope Jon doesn't see what I'm buying!"

Truth is, I never judged — but the perception was certainly there. I could feel it. Jon Steinman — the "Responsible-Food Police"! I can think of worse things to be perceived as.

The recipe for my marinade was extensive. Fifty to sixty hours a week on all things genetically engineered food, corporate concentration/consolidation/centralization of the food supply, urban agriculture, animal welfare, food marketing, farm workers' rights, farmed salmon, biofuels, farm income, fossil fuels, factory farming, climate change, permaculture, organics, food policy, food security, seed-saving, soil.

Ten years.

Marinating.

Now what?

Breathe.

Reflect.

What's next?

What does a fully marinated food systems radical do with all this information, all these experiences?

What were the common threads? The gaps? The missed opportunities? The untold stories of success?

Where did it all lead?

What was it all pointing to?

For me? It was here.

Grocery Stores.

*Grocery Story.*

Why?

Let me explain.

## Deconstructing Dinner

In 2006, I began producing and hosting a weekly one-hour radio show and podcast called *Deconstructing Dinner*. Like this book, the idea for *Deconstructing Dinner* emerged out of an unmistakable lack of media dedicated to examining food systems through the perspectives of food-makers and eaters seeking good food — each of whom viewed the “system” through a unique lens. These were people whose perspectives and voices were being more and more marginalized — in tandem with the growing separation between land and mouth, producer and consumer.

At the time, there was a palpable groundswell of activity in communities across North America, some more than others, urging local governments, businesses, and organizations to look more closely at the challenges and opportunities of “local food.” There was *not*, however, any one media source that made this their modus operandi. *Deconstructing Dinner* did.

Five years and 193 episodes later, and with fifty U.S. and Canadian radio stations rebroadcasting the weekly show, I gained a perspective on the food system that few journalists would have had at the time.

By 2012, *Deconstructing Dinner* had evolved into a television and web series. We filmed across the United States and Canada and produced

six hours of content that would later be broadcast on Canadian television, American streaming-video-on-demand, and via the series' website. We visited the largest garlic producer in the U.S., the largest tomato processing facility in the world, and one of North America's largest growers/distributors of field tomatoes. We would meet a pollen detective — hired to investigate illegally imported or mislabeled honey.

Throughout these years, I was invited by nonprofits, governments, colleges, and universities to share my reflections, perspectives, and experiences with fellow (or soon-to-be) food systems reclamationists.

This was an important time to be immersed in the role of “witness,” “observer,” and “recorder.” It was an important time because it was the beginning, the formative years, of what many would now consider the modern “local” or “good food” movement — a movement that would become tremendously successful in birthing fundamental and lasting change in all sectors of social and economic life. Its influence today has, in my view, touched all sectors of “big food” and passed through the consciousness of most eaters in one form or another. In our lifetime, good food has never been so in demand as it is today — the hunger for reunion between land and mouth so audible.

Perhaps it was inevitable that, by delving deep into the subject, I would not just assume the role of observer, reporter, muckraker, editorialist, but would further find myself drawn towards *actively* participating in food system reclamation with my own hands, within my own kitchen, my own backyard, and throughout my regional food community.

First up, in what would later become a seemingly inescapable volunteer commitment to all things “community development,” I stepped forward in 2006 to be elected to the board of directors of my local cooperative grocery store. By 2008, I joined the steering committee of the first community supported agriculture (CSA) project in Canada for grains. I would found a grassroots group that would successfully lobby municipalities in British Columbia's West Kootenay region to pass resolutions opposing the cultivation of genetically engineered plants and trees within their municipal borders. In 2012, I would go on to found a flour mill co-op for Nelson residents and would also join a collective of families who would later develop an \$8.5-million, twenty-four-home

co-housing community of seventy people with food as its focus. I now call that home.

It was *at my home*, in the early days of food system sleuthing, that the contents of my refrigerator and pantry transformed post haste (the transformation being informed by whatever the topic on my radio show was in any given week). Anyone dependent on the familiarity of food brands (or even so much as packaging resembling such foods) would have opened my refrigerator or pantry, given them both a scan, and another, and another, and soon after, announced that there was “no food in the house.”

In fact, my kitchen was bursting with food, just not food adorned with any recognizable labels, nor in packaging of familiar shapes and materials.

- In the freezer? Pink bricks of different sizes, each stamped with a mysterious acronym. These were butcher-wrapped meats — beef, pork, even alpaca — the acronyms indicating the particular cut, all sourced from unlicensed producer-processors — illegal in the eyes of food inspection authorities. You didn’t hear it here.
- In the fridge? Unlabeled jars of orange sauce, shredded soggy vegetables, pasty pancake batter-like ooze, and a red sauce that could have been one of a half dozen different condiments (these were apricot jam, sauerkraut, sourdough starter, ketchup — prepared and canned at home, with love). Next to them, a one-gallon glass jar of what “must be milk”? Indeed it was — raw milk sold illegally to a collective I convened of eight families, each of us required once every eight weeks to devote a few hours in the day to retrieve our scandalous eight gallons of illegal milk from a nearby farm. Next to that, a plastic jug of illegal unpasteurized apple juice — delivered weekly to my front door. Like I say, you didn’t hear it here.
- In the door of the fridge? Various sizes of squeeze bottles containing liquids of different consistencies (these were tamari, sesame oil, maple syrup, and apple-cider vinegar — all

purchased in bulk and dispensed into reusable, *un*-labeled containers).

- In the refrigerator drawers? Bags of what *appeared* to be vegetables. They were familiar *looking*, but not quite family — argh! They resembled beets, potatoes, and salad greens. They were the long-lost cousins of the common mono-varieties of vegetables found at major supermarkets: chiogas, purple Russians, yau choy, tatsoi, all sourced from a farm with a CSA program just outside of the city, black soil still clinging to their skins — dirty.
- In the pantry? Twenty-pound brown paper bags of grains, also with secret codes: SWW, HRW, RF (they were bulk whole-grain wheats — Soft White Winter, Hard Red Winter and Red Fife — sourced from a grain CSA program in a nearby valley, and definitely not in a form to bake bread with; flour milling after all is only offered once a week down the street at David's house).

The picture is painted. What had I become?

Exhausted!

Absolutely exhausted.

Turned out, that as I sought greater self-sufficiency and deeper connections to my food sources, visited weekly farmers' markets, coordinated underground food-buying groups, became my own processor of raw ingredients, put in my volunteer hours at the vegetable CSA, u-picked my berries, and harvested urban tree fruits — and in turn relied less and less on grocery stores — my life had become ALL about food.

I may have been exhausted, but it felt good. There was a feeling of achievement, of reward.

It felt good to live a lifestyle like that of many people around the world who devote each day and most moments to gathering and preparing their sustenance. It felt good to connect with the ways of my ancestors — our ancestors. It felt like required life curriculum to learn about how to adapt my relationship to food to fit my paltry activist

income. It felt important to experience the social, economic, and cultural relationships which form around food. It felt absolutely necessary to have at least a sense of what the reunion between land and mouth could feel like (particularly for an urban eater like myself). It felt good to walk the talk. And oh had I talked... A LOT.

Around 2014, I began surveying my surroundings — surveying the experiences I had had and of those around me. Is this way of life that I and others had been dreaming into existence, all that I (that we) had hoped it to be? Could the path this dream was taking continue to unfold in the same direction? Or was it at a crossroads?

The observational notes from my surveying looked something like this:

- At venues such as farmers' markets, the demand for many local foods seems to be getting met. Supply appears to be adequate, with farmers often returning home with unsold product. Overall, demand for local food seems to be growing but is plateauing (the USDA would later confirm this plateauing in a 2015 report to Congress<sup>2</sup>).
- Many farmers at the markets are thrilled to be connecting with their customers face to face, but there are many more who would clearly prefer to have stayed home at the farm. The options to reach their customers are limited. The markets are the only available options. The financial return for some is healthy — for others, an insult to the time invested.
- Am left with the distinct impression that the self-sufficiency craze (household food preservation, backyard gardening, CSA box programs, etc.) is *not* sweeping the nation. There is a dedicated demographic in it for the long haul, many young initiates, but the value of Kraft and Smuckers stock remains steady.
- My own personal engagement to food is maxed out. Simply no more time to devote unless sanity is thrown into the pot. Key staples are being met, but still many foods I'm left reliant on the supermarket for — particularly through the winter.

- My personal experience appears to be echoing the movement. Fun. Rewarding. Tiring. Struggle — still. Despite progress — a struggle — a relentless push forward under the tremendous weight of the status quo — the weight of “cheap food” — the weight of “convenience.”
- “Food security” conversations among the already-converted seem mired in controversy. Butting of heads up against walls is commonplace. Conversations and decisions often seem to begin from a place of disempowerment, victimhood, and scarcity. The energy of “struggle” — present in the formative years (and likely a resonance from similar struggles of decades past) hasn’t been shaken. Not yet. Big food watches. Big food smiles. Big food marches on.
- The political and legislative approach to systemic change is like swimming through half-dried glue. Kudos to those champions who have patiently waded in the sticky substance. There must, however, be a better, more efficient way.
- As predicted, the co-opting of the local- and good-food movement by the food system’s dominant players begins. It was only a matter of time before the grocery giants would begin to demand a piece of the pie (even if it was the perceptual pie — the *perception* of “local,” of “farm-fresh”). Perceptions appear to have high monetary value in a culture of separation.

These were just some of my observations, but it was through a particular direct experience that my questions of “what next” were answered, and I saw what direction I (and we) would most benefit from taking at that crossroads.

### The Kootenay Grain CSA

Canada’s first CSA program for grain was formed in 2007. The CSA model relies on a commitment from eaters to compensate a farmer at the beginning of the season rather than after the harvest. With many CSA programs, the eaters thereby assume some of the risks of farming rather than leaving farmers at the mercy of uncertain markets and

erratic weather. Popular among diversified organic vegetable farms, the model is a highly evolved and cooperative approach to producing and purchasing food. CSAs invite eaters to *invest* in their food and the people producing it rather than perpetuating a model that keeps food producers separated from eaters. It really does fly in the face of the dominant model — one that depends on farmers receiving the smallest piece of the pie, and on separation and on manufactured perceptions.

In only its second year, the initiative secured the support of 450 shareholders and another twelve businesses (bakeries, restaurants, grocery stores) who purchased another 150 shares between them. Shares consisted of different varieties of wheats, oats, lentils, and dried peas. At \$125/share, the CSA was helping keep \$75,000 in the local economy and supporting three farm families. At \$1.25 a pound, it was understood that these three farms were receiving more for their grain than any other grain farmers in the country. Grassroots weekly milling services opened up in the two main communities being served by the CSA, and bulk purchases of hand-cranked oat rollers were coordinated through the program. Breakfast never tasted so good. Baking and sourdough classes were offered by CSA members, and it appeared as if a local grain revolution was afoot. Its popularity was enhanced by the commitment of the Kootenay Lake Sailing Association to transport the grains from the Creston Valley to the city of Nelson along one of British Columbia's largest lakes. In one year, a total of eleven boats filled their hulls with organically grown grains, delivering them to enthusiastic shareholders waiting at Nelson's municipal pier. This project was nothing short of incredible. It offered a glimpse of what was and remains possible.

But then...

...year three told a different story.

Whereas many of us were predicting that, at the CSA's current rate of growth, we would see the entire region eating local grains in only a few more years, the level of interest in the CSA instead began to decline. I began to hear from more and more members that their reason for *not* investing in year three and four was that they were still sitting on the grains received in year one and two. In almost all cases, it wasn't about members having too much grain or any lack of interest



to use it, but was instead a matter of lifestyle — particularly their lack of time to use those grains and begin replacing store-bought products with homemade. Looking back, this comes as no surprise. Purchasing a hundred pounds of whole grains is easy — using them, on the other hand, another thing altogether!

Using whole, un-milled grains at home is a substantial departure from the convenience of grocery store grain products — breads, crackers, pastas, pizza, cookies, cereal. Even those who enjoy baking and preparing food from scratch can find convenience in ready-to-use store-bought flour.

Those extra steps required by shareholders to drop their grain off at a location to be milled on a designated date and to then expand the use of that flour at home were a strong enough departure from the daily routine.<sup>i</sup>

The message seemed clear. While it turned out that the interest in the *idea* of the grain CSA was significant and the desire to support a local grain economy strong, the capacity among eaters for the required lifestyle shift was simply not there for this direct-to-consumer grain CSA model to thrive.<sup>ii</sup>

### Working Within Our Capacities Rather Than Against Them

This experience with the grain CSA summed up my observations shared earlier. It made it clear that the idealism of the local food movement was plateauing for a reason. Beyond the dedicated food reclamationists, the rest of us (the royal “us”) was/is simply not ready for the full-scale, population-wide transition necessary for a more hands-on and engaged

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i Alternative approaches were considered such as providing members with flour instead of whole grains, but this wasn't financially feasible. In order to maintain the affordability of shares and the price required for the farmers to produce organic grains on a small scale, it was believed necessary to distribute these grains *un-milled*. In other words, the CSA was reliant on shareholders to subsidize the farmers with their personal time and energy. I would later learn of a third (and surprisingly significant) factor that led to a decline in shareholder numbers. Many shareholders simply couldn't pull it together to write a check and drop it in the mail. Seems simple enough of a task but was yet another departure from the convenience of one-stop, bank-card shopping.

ii Despite the declines, the grain CSA does continue today and is sustained by a small and dedicated group of farmers and eaters.

food system — one that relies on an increased investment of time by eaters. I have observed this among many local food initiatives of all types, sizes, and locations.

None of this should come as a surprise.

No matter what our individual engagement with the source of our food looks like, when it comes to considering adjustments to our routine (even if they do bring us into greater alignment with our values), I'm sure we can all relate to the delicate nature of this "readiness" — of this capacity to change.

Our engagement with food doesn't, after all, operate in isolation from North America's nine-to-five work culture and its average incomes. Our relationship to food and the time we have available for it also can't avoid being restrained by the cost of living, the design of our cities and the demands of raising a family. All of this too has a direct influence on our ability to step outside of the convenience that is the grocery store. The need for convenience is summed up in the news that came out in 2015 — restaurant sales in the United States had overtaken grocery sales for the first time in history. Communicating this hunger for convenience even more strongly has been the explosion of meal-delivery services in every urban center across the country.

There is a fast-moving convenience train hurtling down the tracks, and I've come to believe that the future of strong local-food economies depends on two modes of action: 1) Getting the hell off the train and designing a whole new "transportation" paradigm (the direct-sales approach, the meet-your-farmer, grow-your-own approach), and 2) Becoming a fully committed "we're-all-in-this-together" passenger. I think we need both. This book is about the second mode of action — using it to better prepare ourselves for the first. It's about plotting out our transition rather than the transition being a reaction to all that we believe to be wrong. It's about meeting the system where it's at, meeting people where they're at, and in doing so, having a far greater impact.

As I've come to see it, the "wall" being "hit up against" that seems to accompany many local food initiatives is *this* wall — the constraints of a society that are simply too complex and ingrained to be changed in short order, a society that is racing towards a culture of convenience

as quickly as an emoji can be used to describe the events of the day. Stepping outside of this culture in any magnitude more than just supplementation will not be possible or interesting anytime soon to more than a dedicated contingent.

There is, thank goodness, a way for all of us eaters and lovers of good food to work within and outside of the “system” at the *same* time — the grocery store. Placing the bulk of our attention on the grocery store as the tool for systemic and cultural change is inviting *all* eaters to become passengers on the same train.

The numbers speak for themselves.

Since 1990, the share of total at-home food expenditures directed to farmers and processors through the direct-to-market model (farmers’ markets, farm stands, CSAs) remained steady at 5.9 percent; the share of at-home food expenditures directed to retailers, 91.6 percent<sup>iii, 3</sup>. There is little question where to assign our local and good food aspirations. It’s time we place our food movement “eggs” into the grocery store basket. It’s time for a supermarket shakedown.

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iii This figure represents all retail formats including supermarkets, warehouse clubs, supercenters, convenience stores and specialty food stores.





## Rise of the Grocery Giants

“I would rather have thieves and gangsters than chain stores in Louisiana.”

— Louisiana Governor Huey Long, 1934<sup>4</sup>

### A&P — The First of the Giants

**N**O BUSINESS CAPTURES THE RISE of the mega-retailer better than the Great Atlantic & Pacific Tea Company (A&P), and no grocery retailer has been confronted with such hatred and condemnation as A&P. The fight was brought to the food retailer from all fronts — from mom-and-pop food shops and Main Street businesses, from farmers and food processors, from manufacturers and wholesalers, from consumers’ rights groups and trade unions, from all levels of government, and even from a handful of U.S. presidents.

Founded in New York City as Gilman & Company in 1859, A&P grew to 150 stores by 1880. In its heyday of 1929, the company had come to manage 16,000 grocery stores with combined sales of \$1 billion (equivalent to \$14.8 billion in 2019). At the time, A&P was supported by its own factories — 70 of them — and 100 warehouses spread across the United States. In his painstakingly well-researched history of the company (effectively a history of grocery retailing in America), author Marc Levinson writes that the company was “the country’s largest coffee importer, the largest wholesale produce dealer and butter buyer, the second-largest baker,” and its sales were more than twice that of any other retailer.<sup>5</sup> Levinson’s book is essential reading.

Of the too-many-to-count battles that A&P was entangled in over its 150-year history, its feud with the Cream of Wheat Company stands

out. The debate was one of many that would continue for decades on what defines “competition” in the American economy.

For much of the early twentieth century, manufacturers of the most popular brands of packaged foods enjoyed ample power in the marketplace. Their base of customers was diverse — no one single retailer wielded any significant power over the food manufacturers or wholesalers supplying them with food. The grocery store landscape was dotted with many independents, regional chains, and a handful of fledgling national chains. By 1912, however, A&P had grown to 480 stores and was launching an all new format: the A&P Economy Store, the first ever “discount” food store. By 1915, half of A&P’s 1,600 stores were of this discount format. In its aggressive rolling out of locations, A&P priced products at amounts never before seen in the food world. Case in point, A&P marked up Cream of Wheat (CoW) breakfast cereal by only one cent! They would purchase CoW at a wholesale price of eleven cents a piece and place it on the shelf for only twelve cents. How could A&P possibly profit from this? They didn’t. This was the beginning of big food flexing its muscle at its competition. These were the early days of a company growing to such a large scale that it could justify any losses as a marketing expense (of sorts) — a powerful ploy to draw customers into its stores and gain their long-term, maybe even lifelong loyalty.

A&P’s pricing, however, was not in accordance with an earlier agreement between the two companies. The agreement had made it clear that *any* retailers selling the cereal were required to retail it for no less than fourteen cents. A manufacturer specifying a minimum retail price was not an uncommon practice at the time — in fact, the practice continues in various forms to this day as a way to ensure retailers do not compete too fiercely on price. Thus A&P’s rock-bottom price of twelve cents contravened the agreement and infuriated CoW. But why would CoW care what A&P priced their cereal at — after all, wouldn’t those low prices only increase consumer interest in their cereal? Simple. Food manufacturers valued competition in the marketplace and wanted to maintain their power to negotiate with retailers. In those early days — before the dominance of national and global retailers today — CoW understood what the erosion of competition in the marketplace might

do to their own business as a manufacturer. Retailers, after all, were the gateway to the marketplace on which manufacturers relied.

The equation looks like this:

- A&P sells Cream of Wheat at twelve cents (two cents less than competitors). Consumers flock to A&P.
- Smaller independent retailers can't possibly sell the cereal at such a low price and stop purchasing Cream of Wheat.
- Cream of Wheat loses its diverse base of customers (made up primarily of independents) and is left to negotiate with an increasingly powerful grocery giant.

In response to A&P's pricing, CoW turned off the tap, refusing to sell its cereal to the company. A&P filed a lawsuit, claiming CoW was price-fixing and was in contravention of the Clayton Antitrust Act of 1914. A&P lost. The U.S. District Court Judge presiding over the 1915 case concluded that no price-fixing had taken place and that A&P had been using its low prices to injure its competition, and once their competitors were down, would have raised its prices to pre-combat levels.<sup>6</sup>

[The] defendant (CoW) and many retailers would be injured, and the microscopic benefit to a small portion of the public would last only until the plaintiff (A&P) was relieved from the competition of the 14 cent grocers, when it, too, would charge what the business would normally and naturally bear.<sup>7</sup>

— Judge Charles Hough, 1915

This was one of the first cases against the practice of retail (or resale) price maintenance (RPM) and one of the first to challenge what is now known as “predatory pricing” — when a company prices a product in such a way to intentionally harm competition, perhaps pricing them out of the marketplace altogether.

This resistance to the rise of discount food retailing and predatory pricing held the capacity to alter the course of history. Would the food

system evolve to become diverse and competitive, one that welcomed equal opportunity among merchants of all sizes, or would it head down the path of “cutthroat competition,” leaving only a handful of companies dominating every link in the food chain?

### Other Giants Emerge

With stores in thirty-nine of forty-eight states and two Canadian provinces, A&P would eventually grow to become the largest retailer in the world, collecting ten cents of every dollar spent on food in America. At one point, A&P “operated twice as many stores as the next seven chains combined.” It put its discount pricing strategies into practice from its beginnings. “The Company [is] determined to undersell the whole tea trade,” reads one 1863 advertisement that lauded its low prices and its commitment to undercutting the competition.<sup>8</sup>

It didn’t take long for the company to begin exhibiting the traits of a ruthless corporation. A&P was found to be selling short weights of tea and adulterating both its tea and coffee with cheaper substitutes. By 1867, A&P was buying up advertising space in trade publications to print fake news articles and even went so far as to publish its own fake newspaper — *The Commercial Enterprise*.

In 1870, A&P became the first to market a branded tea. The tea was only available through the Great Atlantic & Pacific Tea Co. Before the introduction of brands, food manufacturers and retailers sold foods indistinguishable from one another and competed almost entirely on price. The introduction of brands opened the door to a food system that could now differentiate foods on quality and perceptions. In what also became the first known instance of a “private-label” food product, A&P added its own logo to baking powder in 1885.

In 1871, with the opening of a store in Chicago, A&P made its first move out of New York City. By 1875, the company had expanded its tea and coffee stores to sixteen cities, making it the first to have retail stores across much of the nation. By 1880, there were 150 A&P locations.

At the turn of the century, A&P was no longer the only chain grocer on the block. About fifty of them existed, and one of them was Kroger.



In 1883, at the age of 23, Bernard Kroger opened his first tea shop — the Great Western Tea Co. By 1902, the Kroger Grocery and Baking Co. had established forty grocery stores in cities throughout Ohio with combined sales of \$1.75 million. By contrast, A&P was enjoying a healthy 2.5 percent profit margin on \$5 million in sales and opening a new store every two weeks. Just like A&P, Kroger was innovating the grocery retail business by vertically integrating. Combining two or more stages of product development (vertical integration) wasn't entirely new in turn-of-the-century America, but Kroger's introduction of in-house bakeries was the first instance of it in the grocery retail business. The move enabled Kroger to dramatically lower the price of its bread from six to two-and-a-half cents a loaf. Other bakeries were enraged. Local newspapers dubbed it "The Bread War."<sup>9</sup> In a 1902 article, *The New York Times* warned of Kroger's pending arrival in NYC:

### BIG PLANS FOR CHEAP BREAD

B.H. Kroger of Cincinnati May Establish Bakeries in  
Many Large Cities

Special to *The New York Times*

CINCINNATI, Nov. 11. — The advent of B.H. Kroger, who owns over forty retail and wholesale groceries here, into the bread-baking business, by establishing a plant, baking bread by electricity, and thereby inaugurating a bread war by underselling all bakers, now threatens gigantic opposition to the United States Biscuit Company, or the trust in all the big cities of the country. In addition to his local plant, Kroger is rapidly concluding negotiations for one in New York City, and if this proves the success that is expected, he stated today that he will establish other plants in Philadelphia, Pittsburgh, Baltimore, Washington, Chicago, and other big cities.

— *The New York Times*, November 12, 1902

As “The Bread War” waged on, Bernard Kroger received more than one death threat. “If you don’t raise the price of bread at once, you will be killed or shot,” signed “A. Citizen.” Kroger was undeterred. Two years later, he bought up a chain of meat and deli operations along with a few local meat packinghouses and introduced the first in-store butchers.<sup>10</sup>

Consumers at the time were unfazed by the chain-store commotions. While the growing power of the chains might have been disconcerting to the independents, Levinson suggests that consumers likely cared less. Chains hadn’t yet swept the nation, and many people hadn’t yet set foot in one.

### **Self-Service**

Prior to 1916, grocery stores were nothing like the stores of today. Items for sale were out of reach to shoppers. Store clerks would take orders and fill them from shelves and bulk bins located behind a counter. All changed on September 6, 1916, when, in Memphis, Tennessee, Piggly Wiggly — the first self-service grocery store — was born.<sup>11</sup> Kroger, who had already opened his first out-of-state store in St. Louis in 1912, followed suit and began a transition to the self-service format.<sup>12</sup> The concept became known as the “groceteria,” after the already-familiar cafeteria concept of turnstiles and checkout counters. With customers now selecting their own products, brand recognition and packaging became more important than ever.

In Canada, self-service stores entered the scene a few years later. In 1919, Theodore Loblaw and J. Milton Cork opened their first Loblaw Groceteria at 2923 Dundas Street West in Toronto. Their slogan: “We Sell for Less.” A second location opened within months at 528 College Street, and Loblaw would grow to become Canada’s largest grocery store chain — a title it retains today.<sup>13</sup> In 1924, another Canadian giant materialized out of a meat delivery business — Sobeys — entering the grocery business in Stellarton, Nova Scotia, and eventually becoming Canada’s second-largest chain.

The self-service model was revolutionary and enabled stores to lower their prices even further. Shoppers, who were spending a hefty

one-third of their budget on food (compared to 7–9 percent today),<sup>14</sup> welcomed this innovation.

Chain store growth ramped up after the war. Between 1922 and 1925, A&P was opening seven new stores a day and had 13,000 of them by 1925. Kroger had grown to 3,749 stores by 1927.<sup>15</sup> To remain competitive, other chains began buying up smaller chains and consolidating them. It was in this wave of mergers and acquisitions that Safeway grew to prominence, becoming the largest grocery chain in the West. In 1929, A&P responded to Safeway's rise by opening 101 stores in Los Angeles in just one year,<sup>16</sup> and rumors later surfaced in the *Wall Street Journal* that Kroger and Safeway were considering a merger.<sup>17</sup> No merger ever took place, but the hunger for rapid growth and consolidation was evident. By 1932, Safeway had 3,411 stores,<sup>18</sup> and Bernard Kroger had sold controlling interest to Lehman Brothers, who then took the company into a period described as "galloping consumption."<sup>19</sup> In just sixteen months following the sale, Kroger acquired 1,828 stores,<sup>20</sup> many of them regional chains. In the 1920s, the largest American and Canadian chains had also gone international. Loblaw expanded into New York State and later into Chicago,<sup>21</sup> and by 1929, A&P, was operating 200 locations in Ontario and Quebec.<sup>22</sup> Safeway opened its first five Canadian stores in Manitoba.<sup>23</sup> The grocery giants had grown to a scale unlike anything the food world had ever seen.

#### Growth of A&P Stores — 1880–1929

1880	150
1912	480
1915	1,817
1920	4,588
1923	9,236
1925	13,000
1929	16,000

SOURCE: LEVINSON, *THE GREAT A&P AND THE STRUGGLE FOR SMALL BUSINESS IN AMERICA*<sup>24</sup>



*A&P Supermarket in Durham, North Carolina, ca. 1940. SOURCE: COURTESY EVERETT COLLECTION*



*Loblaws Groceries first location at 2923 Dundas Street West, Toronto, Ontario, ca. 1919. SOURCE: LOBLAW GROCETERIAS POSTCARD, CA. 1919*

## Regulating the Rise of Big Business

The basic tenet of antitrust law's goals is to create a system whereby economic power in any given industry is spread out among numerous competitors. This, in turn, ensures that no single player leverages its size to the detriment of other, less powerful firms.<sup>25</sup>

— Leo S. Carameli Jr., Attorney

In the handful of years commencing in 1912, a flurry of activity would have lasting impacts on the decades to come and on competition in America. A&P had launched its Economy Store discount format and soon-to-be U.S. President Woodrow Wilson was actively campaigning for president across the nation. He was outspoken on the rise of “big business.”

Which do you want? Do you want to live in a town patronized by some great combination of capitalists who pick it out as a suitable place to plant their industry and draw you into their employment? Or do you want to see your sons and your brothers and your husbands build up business for themselves under the protection of laws which make it impossible for any giant, however big, to crush them and put them out of business.<sup>26</sup>

— Woodrow Wilson [at a campaign stop in Bradford, Ohio, on September 16, 1912]

Whereas previous presidents had fought the corporate trusts by regulating them, Wilson vowed to break them up. He appealed to the American public to support an economy built on innovation, *not* on the power to control resources and manipulate prices on a whim. “If price discrimination<sup>iv</sup> could be stopped,” said Wilson, “then you have free America, and I for my part am willing to see who has the best brains.”

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iv Price discrimination is a pricing strategy that charges customers different prices for the same product or service. In pure price discrimination, the seller charges each customer (a consumer or another business) the maximum price he or she will pay.

Wilson was elected president in 1913. He attributed his victory, in part, to the work of lawyer Louis Brandeis.<sup>27</sup>

Brandeis has been called “a Robin Hood of the law” and among his many accomplishments helped form the American Fair-Trade League (AFTL).<sup>28</sup> The AFTL advocated for the liberalization of antitrust laws (fair competition laws) to promote inter-firm cooperation, rather than consolidation, and to foster market stability by eliminating “cutthroat competition” and “over-production.”<sup>29</sup> What was being fought for was a defining of “competition” unlike that which sees soccer fans rioting after their team loses a game. This was a vision for “competition” that was friendly and in the spirit of innovating all aspects of life. It favored a reality in which two teams run out onto the field while the players and fans brim with anticipation of the skills that the athletes on *both* teams are about to exhibit. Winning would not be about creating a “loser” but about demonstrating the potential we have as individuals and communities to move beyond our perceived limitations and celebrate human potential. Imagine that! What a different reality could emerge, simply by choosing it. This was very much Wilson’s vision — “I dare say we shall never return to the old order of individual competition, and that the organization of business upon a great scale of cooperation is, up to a certain point, itself normal and inevitable.”<sup>30</sup> In this respect, Wilson was a visionary.

In working to manifest this vision, Brandeis argued vociferously against price discrimination. “In order that the public may be free buyers there must be removed from the mind of the potential purchaser the thought that probably at some other store he could get that same article for less money.”<sup>31</sup> The idea of preventing low-priced anything seems preposterous today just as it did then. Who doesn’t enjoy a good deal when they see one! But Brandeis and the AFTL were not positioning themselves and their interests for short-term gain; they were many steps ahead of the price-conscious consumer. Brandeis feared a future of disproportionately powerful retailers driving prices to rock bottom and leaving manufacturers little choice but to lower the quality of their products to remain viable. While some might call a “lowest cost” culture “fierce competition,” others like Brandeis saw it as the *end* of competition.

“We learned long ago that liberty could be preserved only by limiting in some way the freedom of action of individuals; that otherwise liberty would necessarily yield to absolutism; and in the same way we have learned that unless there be regulation of competition, its excesses will lead to the destruction of competition, and monopoly will take its place.”<sup>32</sup>

— Louis Brandeis, 1912

“Shall we, under the guise of protecting competition, further foster monopoly by creating immunity for the price-cutters?”<sup>33</sup>

— Louis Brandeis, 1913

Brandeis was Wilson’s chief economic adviser from 1912 to 1916 and became an architect of an entirely new government agency to manage competition. This new agency would “steer a diverse economy away from destructive competition while maintaining product diversity, innovation, and productivity.”<sup>34</sup> The Federal Trade Commission (FTC) would prevent unfair competition by conducting investigations, producing reports, and making legislative recommendations to Congress. Also passed in 1914 was another tool to preserve competition: the Clayton Antitrust Act.

The Federal Trade Commission Act, the Clayton Antitrust Act, and the earlier Sherman Antitrust Act are the three core federal antitrust laws remaining to this day.<sup>35</sup> The Clayton Act addressed shortcomings in the Sherman Act — most notably, by prohibiting “mergers and acquisitions where the effect may be substantially to lessen competition, or tend to create a monopoly.”<sup>36</sup>

What developed here was a dramatically different view of “competition” than that which dominates economies and society today. This “new competition held that contracts were social, that effects of free market competition were ambiguous, and that economic organization and behavior could be steered by government and civil society to foster productive competition.”<sup>37</sup> This new view of competition was not about

eliminating restraints of trade but about distinguishing between productive and destructive restraints.<sup>38</sup> This left much open to debate; however, underneath the push to regulate competition more aggressively was something much greater. As Levinson writes on the work of the FTC in its early years, “No factual investigation could quell the growing concern about chain stores for the worry had less to do with price competition than with the survival of small town America. As the smaller, local competitors fell by the wayside, jobs vanished with them, destroying the social fabric and leaving communities bereft of capital and civic leadership.”<sup>39</sup>

### Expanding the War on Chain Grocers

“Huge Corporations, Serving the Nation Through  
Country-Wide Chains, Are Displacing the Neighbor-  
hood Store”

— *New York Times* headline, July 8, 1928

The 1930s began with the almost complete collapse of the American economy, out of which came a few important developments in the evolution of grocery stores. Looking back on this period, these developments communicate a very different vision for a society and food economy than what would instead evolve.

The number one belief at the time was that the Great Depression was caused by “excessive competition that was forcing down prices, decimating profits, and causing employers to lay off workers.”<sup>40</sup> As later chapters will describe in more detail, this belief accurately summarizes the grocery retail landscape of today.

The Roosevelt administration was determined to halt deflation and prevent the continued erosion of prices. Introduced were post-Depression recovery mechanisms like the National Industrial Recovery Act (NIRA) and the Agricultural Adjustment Act (AAA) of 1933.

NIRA required grocery wholesalers and retailers to draw up codes that would outline a culture of “fair competition.” Specifically, the codes would bring product costs and prices in alignment among competitors. The codes specifically applied to the chains, and thus a lifeline was extended to smaller independent grocers and wholesalers across the country.



The AAA introduced another important provision that prevented what is now known in the retail world as “loss leading” — the practice of a retailer willfully losing money on a particular item and subsidizing their losses with profits from other items. Loss leading is a key strategy employed by the grocery giants of today. In 1933, it was prohibited.

“I do not think that any method of distribution has a right to take advantage of its strong position in the channels of distribution to sell the commodities that are processed from one set of materials at a loss, and to make up that loss on commodities that are produced by another set of producers.”<sup>41</sup>

— Hon. Charles J. Brand, Co-Administrator of  
the Agricultural Adjustment Act, addressing  
chain store executives on June 23, 1933

Main Street and rural America were being protected.

At the local level, a wave of resistance had also emerged to the chain store explosion. Independents and storekeepers had begun to organize themselves in protest. State governments also responded. By the late 1930s, twenty-nine states had implemented chain store taxes.

Examples of Chain Store Taxes:<sup>42</sup>

Minnesota: \$155/store for chains with more than  
50 stores

Michigan: \$250/store for chains with more than  
25 stores

Florida: \$400/store for chains above 15 stores  
(+ 5 percent tax on gross receipts)

Pennsylvania: \$500/store for chains with more than  
500 stores

Louisiana: \$550 for each store above 500 stores  
*nationwide* (even if the chain only had  
one store in the state)

Louisiana’s tax was the most onerous, acting effectively as a chain store ban. If A&P had had even a single store in the state, the tax would have

consumed 50 percent of the company's 1934 profits. Louisiana's Governor, Huey Long, was one of the most ardent opponents to the chains, stating, "I would rather have thieves and gangsters than chain stores in Louisiana."<sup>43</sup> Ironically, Long was assassinated only a few years later.

Pennsylvania's aggressive tax was also effective, forcing A&P with its 2,000 stores in the state to shutter 80 locations.

Municipalities like Hamtramck, Michigan, and Fredericksburg, Virginia also introduced chain store taxes.<sup>44</sup>

### The Chain Store Revolution (Number of Stores 1919–37)

Year	A&P	Kroger	Am. Stores	Safeway	F. National	C5
1919	4,224		1,175			4.2%
1920	4,600	799	1,243			5.6%
1921	5,200	947	1,274			6.3%
1922	7,300	1,224	1,375	118		7.1%
1923	9,300	1,641	1,474	193		8.0%
1924	11,400	1,973	1,629	263		9.3%
1925	14,000	2,599	1,792	330		11.5%
1926	14,800	3,100	1,982	673		13.6%
1927	15,600	3,564	2,122	840	1,681	16.9%
1928	15,100	4,307	2,548	1,191	1,717	20.4%
1929	15,400	5,575	2,644	2,340	2,002	24.5%
1930	15,700	5,165	2,728	2,675	2,549	27.6%
1931	15,670	4,884	2,806	3,264	2,548	29.3%
1932	15,427	4,737	2,977	3,411	2,546	28.8%

Am. Stores = American Stores / F. National = First National / C5 = National market concentration of top 5 companies

SOURCE: ELLICKSON, *THE EVOLUTION OF THE SUPERMARKET INDUSTRY FROM A&P TO WALMART*<sup>45</sup>

### Enter the Supermarket

Automobile ownership became more accessible in the 1930s, and kitchen refrigerators began arriving in homes. These developments made the arrival of the supermarket format possible. They enabled consumers to easily travel to larger stores in the newly forming suburbs and purchase in greater volumes per visit.

With the arrival of supermarkets, the same economies of scale afforded to the chains could now be applied to a single store — high volumes, low prices. The first person to foresee what was likely an inevitable stage in the evolution of the food store was former Kroger employee Michael Cullen. In 1930, he opened King Cullen in Queens, New York — the first supermarket.<sup>46</sup>

At the time, a “supermarket” location was five to ten times larger than the average grocery store and ranged in size from ten to fifteen thousand square feet — the equivalent of a small supermarket by today’s standards. Food prices dropped at the first supermarkets by an average of 13 percent, and in 1933 revenues at the most successful stores were the equivalent to a Walmart location today.<sup>47</sup> In Canada, the first supermarket was likely Steinberg’s, which opened in Montreal in 1934.

After World War II, the supermarket format took off and grew in popularity for the subsequent three decades. Between 1935 and 1982, the number of supermarkets in America would grow from 386 to 26,640 (3.2 percent of the grocery market to 74.5 percent).<sup>48</sup> With this growth would come the most aggressive era of antitrust enforcement in U.S. history.

### Supermarket Expansion 1935–82

Year	Supermarkets	Share of Overall Grocery Market (%)
1935	386	3.2
1939	772	10.0
1948	5,654	22.8
1954	14,214	41.3
1958	23,562	53.9
1963	31,484	59.9
1967	43,433	66.7
1972	64,960	69.6
1977	113,111	75.0
1982	175,655	74.5

SOURCE: ELICKSON, *THE EVOLUTION OF THE SUPERMARKET INDUSTRY FROM A&P TO WALMART*<sup>49</sup>