

Grocery Story

By John Marshall

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I recently had the opportunity to participate in a conversation with Jon Steinman, the author of a book titled "Grocery Story". The book and the discussion forced me to reflect on my own food-buying habits. Here's why.

The book details the evolution of the grocery store over the last 125 years. It's the story of how small, local, family-owned grocers have largely disappeared in favor of chain supermarkets - and the often unseen downsides to food choice and the local economy. The book is worth a read to better understand this evolution and its impacts, but here are some highlights:

- Farm share vs. marketing share: In 1950, 41 cents of every dollar spent in a grocery store went directly to farmers; today that number is 15 cents. Dollars that don't go to farmers or vendors goes instead to what is described as the marketing share - this includes food-related activities such as sorting, cleaning, packaging, transportation, insuring, and retailing.
- Supermarket dominance: Over the last 25 years, consolidation of supermarket chains have resulted in the top 4 chains having 17% market share in the US to 60%. You can see who owns your grocery store at <https://grocerystory.coop/who-owns-your-grocery-store>.
- Questionable practices: The most eye-opening topic in the book is what can best be described as barriers to entry for farmers, vendors, and food producers. I can't possibly do this justice in a brief summary but these practices include category management, pay-to-play and pay-to-stay, and even private labels. All are anti-competitive and limit the true food choices for shoppers.

This all speaks to a ***different kind of relationship*** a local grocer has with its vendors. Supermarkets often expect vendors to pay fees (pay-to-play) and offer discounts - and, in extreme cases, provide "volunteer" labor to stock and clean shelves. And for those vendors who are unwilling to bend to supermarket demands, they risk their food products not being carried. This is treating vendors as expendable commodities. Instead, local grocers look to establish lasting relationships, which means they don't rely on third-party suppliers and do not require slotting fees.

With this as a backdrop for the discussion, the author asked a poignant question: "**Who is making decisions about your food?**" Is your grocer's headquarters staffed by people hundreds or thousands of miles away, or **is it someone in your community?**

As new chain supermarkets move into our area (Sprouts, Aldi, and Lidl) to complement existing stalwarts (Giant, Safeway, H-Mart, Lotte), we certainly don't suffer from an abundance of choice. But the book and discussion with the author made me question whether these chain grocers are, in fact, the best food choices for our community.

The author argues that cooperative grocers (aka, "food co-ops") are the best way to counter the wave of chain supermarkets. Co-ops are certainly one business model, but it's not the only one. CSA's and farmer's markets are popular seasonally. To me, the promise of local, year-round grocers such as Rooster + Hen, Catonsville CO-OP Market, and 818 Market (arriving in 2020) are that they offer true local alternatives to the chains. Done properly, the food options are ones that are in the best interests of shoppers **and** the local food system.

What might this look like? My favorite quote from the book envisions a grocery store that is "large enough to meet your needs and small enough to meet your neighbors." The grocery store as a place that serves the community and doesn't just profit from it; a place where food is seen as an investment in the local economy not just another expense. And, yes, this might mean paying a little extra at the register.