

# The Case for Reviving Robinson-Patman Act



The Federal Trade Commission (FTC) is preparing to enforce the Robinson-Patman Act (RPA) once again, after decades of virtually no enforcement. Earlier this year, FTC **Chair Lina Khan said**, “We’re looking closely at areas where we might be able to do that in short order.” This fact sheet highlights why restoring enforcement of the law is crucially important to small businesses, consumers, and communities.

**The decision by the FTC in the 1980s to stop enforcing RPA was one of the most harmful and consequential policy decisions of the last 50 years.**

- When the law was enforced from the 1930s to the 1970s, Americans benefited from a highly diverse and competitive retail sector. Larger chains expanded in these decades, but independent retailers continued to thrive, accounting for more than half of all retail sales. This dynamism benefited consumers, workers, and local communities.
- Suspending RPA allowed giants like Walmart and Amazon to concentrate control over much of the economy by exerting their power as dominant buyers to extract discounts for themselves while forcing independent retailers to pay more. Independent retailers saw their market share plummet, falling from 53% of retail sales in 1982 to just 22% in 2017, hollowing out communities across the country.

## What is RPA?

Congress enacted the Robinson-Patman Act in 1936 to safeguard the ability of Main Street businesses to compete. It requires suppliers to offer the same pricing and terms to all buyers; discounts are allowed only to the extent they reflect actual differences in cost (for supplying a large volume, for example). Reactivating RPA promises to stop powerful retailers from using their size and financial clout to eliminate independent businesses and dominate markets.

President Biden called for the FTC to revive antitrust enforcement broadly in his **2021 executive order on competition policy**. The FTC’s follow-through on that call is an essential step toward reining in the widespread consolidation in today’s economy and creating healthy competition and thriving communities.

## Reviving RPA enforcement will benefit Americans by leading to more competition:

- **It will help lower grocery prices.** While there are multiple drivers of high prices, lack of competition is a significant factor. As big retailers grew in size and power following the suspension of RPA, suppliers **responded by merging** with one another to bulk up. The resulting high levels of concentration among both retailers and suppliers paved the way for the **sharp price increases** and **inflated profit margins** of recent years.
- **It will compel big retailers to compete based on better service and more efficient operations.** Currently, chains like Dollar General don't have to compete head-to-head with local grocers and other small businesses. They **knock them out of the market** simply by flexing their market power to secure special deals from suppliers. Without RPA enforcement, big companies win by merely being big — not by being better.
- **It will especially help rural and low-income neighborhoods.** Lack of RPA enforcement has **fueled** the spread of retail deserts by **undermining** the independent grocers and pharmacies that disproportionately **serve these communities**. Reviving the law will enable local grocery stores that **open in food deserts** to obtain fair pricing, thus significantly improving their chances of success.
- **It will create new opportunities for small food producers.** Big retailers favor big manufacturers that can supply their entire national distribution, leaving fewer openings for small producers. More independent retailers will open up **opportunities for smaller companies**. It will make our manufacturing and food production sectors more diversified and resilient.

## To learn more about the Robinson-Patman Act and the benefits of enforcing the law, please see:

**"Why Opening Grocery Stores Alone Doesn't Solve Food Deserts"** — Molly Parker, *ProPublica*, August 2024

**"The Real Reason Your Groceries Are Getting So Expensive"** — Stacy Mitchell, op-ed in the *New York Times*, May 2023

**"Fixing the Food Gap: Antitrust Action and Grassroots Solutions to Check Dollar Stores and Rebuild Local Grocery Stores"** — ILSR event with FTC Commissioner Alvaro Bedoya and community leaders, May 2023

**"Everyday High Prices: How Discounting Led to Inflation, Shortages, and Inequality"** — Phillip Longman, *Washington Monthly*, January 2023

**"Boxed Out: How Big Retailers are Flexing Their Supply Chain Power to Kill Off Small Businesses"** — ILSR report by Stacy Mitchell and Ron Knox, September 2022

**"Returning to Fairness – Prepared Remarks of Commissioner Alvaro M. Bedoya at the Midwest Forum on Fair Markets"** — ILSR and Open Markets Institute event, September 2022, [watch here](#)

**"Walmart's Monopolization of Local Grocery Markets"** — ILSR report by Stacy Mitchell, June 2019

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