



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, APRIL 19, 1974

ATD

The Department of Justice today filed a civil antitrust suit challenging the acquisition of an Idaho grocery wholesale firm by an Idaho retail grocery chain.

The retailer, Albertson's, Inc., is located in Boise and operates more than 250 supermarkets in 13 western states, Arkansas and Louisiana. The wholesaler, Mountain States Wholesale Company, also in Boise, was previously owned by Di Giorgio Corporation of San Francisco, a large, diversified company which acquired Mountain States in 1966.

Attorney General William B. Saxbe said the suit, alleging that the transaction violated Section 7 of the Clayton Act, was filed in U.S. District Court in Boise.

At the time of the acquisition in 1972, Albertson's was the largest retailer of groceries and related products in a geographic market encompassing southern Idaho and eastern Oregon.

In that year, the company had sales within that area of \$36 million, accounting for some 14 percent of the area's total sales of groceries.

Mountain States is a large wholesale distributor of groceries and related products.

(MORE)

In 1972, Mountain States had \$53 million of wholesale sales of groceries in the southern Idaho-eastern Oregon market, accounting for approximately 43 percent of all such sales in that area.

Before its acquisition by Albertson's, Mountain States sponsored a group of affiliated retail grocery stores of substantial size which operated in southern Idaho-eastern Oregon and competed for sales with Albertson's and other retail grocery stores.

In 1972, the affiliates accounted for 4 percent of total retail grocery sales in the area.

According to the complaint, Albertson's is and has been a principal customer of Mountain States.

In 1972, Albertson's purchases of groceries and related products from Mountain States amounted to about \$22 million, or about 18 percent of all purchases from grocery wholesalers in southern Idaho and eastern Oregon.

The complaint alleges that:

- competitors of Mountain States in the wholesale distribution of groceries and related products have been foreclosed from access to Albertson's as a customer;
- competitors of Albertson's may be foreclosed from access to Mountain States as a supplier;
- barriers to entry into the wholesale distribution of groceries in the southern Idaho-eastern Oregon market have been raised; and

(MORE)

-- competition between Albertson's and Mountain States' group of affiliated grocery stores in the retail distribution of groceries has been permanently eliminated.

The complaint asks that Albertson's be required to divest itself of Mountain States.

In addition, the suit asks that Albertson's and Di Giorgio be ordered to take such action as is necessary to restore the competition eliminated in the retail sale of groceries, as a result of the acquisition.

Finally, it asks that Albertson's be enjoined for a ten-year period from acquiring any wholesale or retail distributor of groceries and related products in southern Idaho-eastern Oregon.

#