Can Giant Grocers Benefit Consumers?

Walmart, with more than 100 Super Centres across Canada, is a retailer that many people love to hate. The chain’s economies of scale and suburban or exurban locations have wiped out numerous smaller hardware, housewares, clothing, and grocery stores. And its relatively low wages and anti-union policy have made it a longstanding target of labour unions.

But Walmart appears to be gradually morphing in a more socially responsible direction—to burnish its image, protect its bottom line, and actually do some good.

Because it is such a huge buyer of goods, when Walmart snaps its fingers, suppliers jump. Walmart has used that unrivalled market power in some environmentally sensible ways.

For instance, the corporate giant basically forced the entire detergents industry to dramatically reduce package sizes, solid waste, and transportation costs. And Walmart says that in Canada its high-efficiency buildings consume 30 per cent less energy than its older buildings.

Now Walmart is using its market power to support sustainable agriculture, help small and medium-size farmers, and get more local, fresher foods into its stores. By the end of 2013, the company says that it expects to buy 30 per cent of its produce locally. Its goal is to reach 100 percent of produce that is locally available. (Forget things like oranges and bananas.)

Mother Nature might be a little happier if Canadians bought more produce at their local farmers’ markets. But Walmart’s move toward local produce would cut transportation costs, curb air pollution, and perhaps encourage other companies to do the same.

Major retailers like Walmart and Lob-law’s, along with community-run food cooperatives, also could make the food supply healthier. A huge retailer simply could tell its suppliers to eliminate partially hydrogenated oils (the source of trans fat) from their foods. Poof! Goodbye, trans. A retail giant could tell its suppliers that their foods must have less sodium. Bingo! Watch the sodium tumble.

Similarly, giant food retailers could require their suppliers to say on the fronts of packages whether sodium or sugar or saturated fat levels were “high,” “medium,” or “low.” If manufacturers had to call their foods “high sodium,” they might find a way to use less.

Grocery stores have long been passive sellers of whatever foods their suppliers provided. Let’s hope that Walmart and the entire grocery industry working together will exercise their bargaining muscle on the customer’s behalf.

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Our Hero

In October, CSPI Executive Director Michael Jacobson received the 2010 CDC Foundation Hero Award at the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. The award honored Jacobson for championing nutrition and food safety initiatives, empowering consumers to make healthful choices, and encouraging scientists to engage in public interest activities.