Minnesota Farmers Union

305 Roselawn Ave E | Suite 200 | St. Paul, MN 55117
Phone: (651) 639-1223 | www.mfu.org

March 12, 2026

Chair Matt Klein
Senate Commerce and Consumer Protection Committee
Room 2105, Minnesota Senate Building
St. Paul, MN 55155

Dear Chair Klein and committee members:

On behalf of Minnesota Farmers Union (MFU), I am writing to share our support for Senator Port's SF4199, which would prohibit the use of surveillance pricing in grocery. At a time when Minnesotans are being squeezed by the rising cost of living and new technologies are being used to gouge consumers, this bill is a rare opportunity to get ahead of an emerging issue.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. Feeding everyone is part of our job as farmers and something we take great pride in doing. Unfortunately, it is becoming harder for families to afford the food they need. Since January 2020, grocery prices have risen over 30%, but those that grow our food are not seeing a windfall.[i] Farmers today receive less than 16 cents for every dollar we spend on food.[ii]

This disconnect is in part because of the extreme consolidation in our food system. The Federal Reserve Bank of Atlanta recently published a study analyzing the reasons why food prices rose faster between 2006 and 2020 in low-income metropolitan statistical areas compared to more affluent ones.[iii] Researchers found that a key reason for the difference was the higher levels of consolidation in lower-income metro regions. Unfortunately, the grocery sector has become dominated by an ever-shrinking number of players.

According to data from the Institute for Local Self Reliance (ILSR) independent grocers used to account for over half of grocery sales, but today the four largest grocery chains scoop up nearly 60% of sales.[iv] In Minnesota, according to ILSR, 37% of Minnesota's grocery stores are the largest retailers such as Walmart and Target.[v] A 2016 analysis by the Minnesota Department of Employment and Economic Development (DEED) found that the number of grocery stores per capita in the state had dropped over the past 20 years while the average size of the remaining stores had continued to grow.[vi] Taken together these trends increase grocery prices and limit access.

Behind the consolidation of our grocery sector are unfair pricing practices that undermine small businesses and drive prices upward. Consider a recent federal antitrust complaint that detailed the ways in which Walmart uses PepsiCo to set an artificially high price floor for soft drinks while pressuring Pepsi to raise costs on its competitors whenever their prices got too close to Walmart.[vii] These kinds of unfair pricing practices are widespread, which is why local grocers pay anywhere from 27% to 93% more at wholesale than the retail prices at big box stores.[viii]

Now enter the looming prospect of surveillance pricing and what it could mean for high grocery costs and small businesses. Consumer Reports and the Groundwork Collaborative recently

published an investigation into InstaCart's surveillance pricing practices and found that some grocery prices differed by as much as 23 percent per item from one Instacart customer to the next.[ix] The investigation included experimenting with InstaCart prices at a St. Paul Target where despite purchasing the same items, shoppers fell into one of seven price groups with costs ranging from $81.24 to $86.78. Following that investigation the Trump Administration's Federal Trade Commission said, "Like so many Americans, we are disturbed by what we have read in the press about Instacart's alleged pricing practices."[x]

Not only could surveillance pricing mean opaque and rising prices for individuals, it could also create an even more unlevel playing field. One ecommerce platform highlighted AI agents ability to decide where to shop and what brands to purchase, opening up a future where surveillance pricing will create walled gardens where Big Tech firms use advertising spend and platform fees to squeeze out small grocers.[xi]

MFU hopes to work with the author to ensure the language of this proposal properly addresses the issues outlined in this letter, but we urge the committee to support SF4199 and thank Senator Port for her leadership in authoring this bill. MFU looks forward to working with members to protect small grocers, ensure producers get paid fair prices, and drive down grocery prices. If you have any questions, please contact our Antimonopoly Director, Justin Stofferahn, at justin@mfu.org or (612) 594-1252 (C). Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,



Gary Wertish
President, Minnesota Farmers Union

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[i] https://fred.stlouisfed.org/series/CUUSA211SAF11
[ii] https://nfu.org/advocacy/farmers-share/
[iii] https://www.atlantafed.org/research-and-data/publications/policy-hub-papers/2026/02/02/01-geographic-inequality-in-food-inflation
[iv] https://ilsr.org/article/independent-business/policy-shift-local-grocery/
[v] https://ilsr.org/article/independent-business/grocerygaps/
[vi] https://mn.gov/deed/newscenter/publications/review/may-2016/grocery-stores.jsp
[vii] https://storage.courtlistener.com/recap/gov.uscourts.nysd.635565/gov.uscourts.nysd.635565.68.0.pdf
[viii] https://www.house.mn.gov/sessiondaily/Story/18654
[ix] https://www.consumerreports.org/money/questionable-business-practices/instacart-ai-pricing-experiment-inflating-grocery-bills-a1142182490/
[x] https://www.cnbc.com/2025/12/17/instacart-sec-probe-pricing-tool.html
[xi] https://www.commerceiq.ai/blog/instacart-openai-chatgpt