United States Senate

WASHINGTON. DC 20510

August 25, 2026

Andrew Ferguson
Commissioner
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Mr. Ferguson:

We write to express serious concern regarding the announcement from Sysco, the nation's most dominant restaurant supply distributor, of its intention to acquire its competitor Jetro Restaurant Depot ("Restaurant Depot"), a wholesale supplier for independent restaurants, caterers, and other small businesses, in a transaction valued at $29.1 billion. This merger would put significant pressure on market competition in the already highly concentrated food industry. America's already fragile supply chain, as displayed during the COVID-19 pandemic, may move to the breaking point if a single company is able to dominate it. We urge your agency to thoroughly investigate this merger to ensure it will not result in higher prices for independent restaurants that will inevitably be passed on to American consumers at a time when our nation is facing a cost-of-living crisis.

Sysco is the world's largest broadline foodservice distributor.[1] With over 700,000 customer locations, it provides food, kitchen equipment, and cleaning supplies to restaurants, institutions, hotels, and sports stadiums.[2] Purchasing from Sysco involves contractual terms and pre-ordered product delivered on scheduled routes, and other purchasing barriers, whereas Restaurant Depot operates in a "cash-and-carry" format with no contract, no delivery fee, no minimum orders, and free membership. The cash-and-carry company has functioned as a price benchmark for small businesses, many of whom operate at the margins.

The two channels, Sysco's broadline delivery distribution and Restaurant Depot's cash-and-carry wholesalers, provide a useful point of competition in the food distribution market, allowing independent restaurants to compare prices. As Restaurant Depot is a reliable, affordable option for independent restaurants it has been able to exert competitive constraint on Sysco and other foodservice distributors. Sysco's expansion would eliminate a significant point of market competition for producers and operators, reducing both purchasing options and bargaining power for small businesses across the country. Through this merger, Sysco would be able to combine its nationwide delivery network with Restaurant Depot's 166 warehouses, asserting dominance over

[1] Sysco makes up 17 percent of the nation's foodservice distribution market, followed by US Foods at 10 percent, then Performance Food Group is at 8 percent. The remainder of the market is fragmented amongst hundreds of regional and specially suppliers. While these numbers may seem nominal, together Sysco, U.S. Foods, and Performance Food Group account for about one-third of national sales. Mogin Law LLP, *Deal Almost Certain to Face Challenges from the FTC Which Blocked Another Big Swing by Sysco a Decade Ago* (Apr. 6, 2026), https://moginlawllp.com/syscos-29b-bid-for-restaurant-depot-raises-old-and-new-antitrust-questions/.

[2] Sysco also offers its customers, such as restaurants and schools, direct product delivery.

prices and eliminating competition. This would create yet another environment where a single, powerful buyer is dictating terms for farmers and small operators rather than negotiating.

A single dominant company monopolizing the food distribution system will allow one company unprecedented power to raise prices and reduce purchasing options for independent restaurants. According to the National Restaurant Association, menu prices have risen by at least 34 percent since 2020.[3] The higher food and supply costs restaurants will likely incur from this merger will almost certainly be passed on to diners, as most of these small businesses operate on the margins of three to five percent even under favorable conditions. Or, these combined pressures could force many independent restaurants to close, resulting in layoffs and an economic loss to their local community, not to mention the absence of a gathering place for families and friends. Additionally, small farms will be negatively impacted as their largest commercial buyers are often independent restaurants.

Your agency has a history of blocking mergers that threaten to further consolidate America's food system. In 2015, when Sysco sought to purchase US Foods, the FTC challenged the proposed merger arguing it would significantly reduce competition, both nationally and locally, in the broadline foodservice distribution service market.[4] The Commission asserted that the transaction would likely result in higher prices and lower levels of service for foodservice customers. These same concerns are presented in this instance.

Combining the country's largest broadline food distributor, Sysco, with the nation's largest cash-and-carry food service wholesaler, Restaurant Depot, would further consolidate an already highly concentrated food system. Sysco's action represents an effort to vertically integrate the food distribution space and eliminate a competitor price check that helps maintain lower-cost options. We urge the FTC to review this merger to ensure that consumers, farmers, and restaurant owners maintain their independence and competition can flourish.

Sincerely,

Cory A. Booker
United States Senator

Tammy Baldwin
United States Senator

[3] Peter Romeo, *Objections to a Sysco's-Restaurant Depot Deal Are Mounting*, IFMA The Food Away from Home Association (May 6, 2026), https://foodaway.org/Ifma/Resources/News/2026/Objections-to-a-Syscos-Restaurant-Depot-deal-are-mounting.aspx.

[4] Press Release, FTC, *FTC Challenges Proposed Merger for Sysco and US Foods* (Feb. 19, 2015), https://www.ftc.gov/news-events/news/press-releases/2015/02/ftc-challenges-proposed-merger-sysco-us-foods.