

Congress of the United States

Washington, DC 20510

October 26, 2026

The Honorable Andrew N. Ferguson
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Ferguson,

We write to urge the Federal Trade Commission (FTC) to reject Sysco Corporation's proposed \$29.1 billion acquisition of Jetro Restaurant Depot. This merger would eliminate one of the most important sources of price competition available to independent restaurants and foodservice operators at a time when these businesses are already operating on incredibly thin margins. The consequences of this would be felt not only by independent restaurant owners, but by the communities across the country that depend on independent restaurants as gathering places, employers, and local economic anchors.

Though they operate through different distribution models, Sysco and Restaurant Depot are direct competitors that provide independent restaurants with meaningful alternatives for purchasing food and supplies. Sysco operates one of the nation's largest broadline foodservice distribution networks, while Restaurant Depot operates 167 warehouse locations serving more than 725,000 independent restaurants and foodservice operators across 35 states.¹ Restaurant Depot provides something that independent restaurants cannot get from traditional broadline distributors: an independent cash-and-carry alternative that allows independent operators to see what products cost on the open market and use those prices to negotiate with distributors like Sysco. When a Sysco price rises, an independent restaurant can compare that price against Restaurant Depot's shelf price and use competition between distribution channels to control their costs. Bringing these two channels under common ownership would remove an important competitive constraint on supply chains and leave independent operators with fewer alternatives.

Preserving the competitive dynamic between Sysco and Restaurant Depot is critical as independent restaurants already face extraordinarily high operating expenses. Since 2019, food costs have risen by 38 percent nationwide, with tariffs adding additional pressure to already elevated prices. In 2025, 45 percent of restaurant operators reported that their businesses were not profitable, and a separate survey found that operating costs for independent restaurants now consume between 92.5 and 101.2 percent of revenue. Nearly nine in ten independent restaurant owners have increased menu prices to keep pace with rising costs, while more than two-thirds reported that customers were ordering less or objecting to higher prices. Allowing further consolidation in the restaurant supply industry would only exacerbate the financial pressures independent restaurants currently face.²

¹ *IRC Survey Finds Operators Rely on Restaurant Depot as a Check on Broadline Pricing*, Independent Restaurant Coalition. https://www.independentrestaurantcoalition.com/survey_finds_three_in_four_operators_rely_on_restaurant_depot_as_a_check_on_broadline_pricing

² *The Aggregated Table: Food Consolidation and the Independent Restaurant*, Independent Restaurant Coalition. https://assets.nationbuilder.com/irc/pages/5025/attachments/original/1783662928/The_Aggregated_Table.pdf?1783662928

The consequences of this merger would extend beyond the independent restaurant owners who purchase from these distributors. Nationally, independent restaurants employ roughly 11 million workers. They also support more than five million additional jobs through supply chains that include farms, fisheries, dairies, wineries, equipment suppliers, linen services, and specialty food producers. Moreover, independent restaurants invest heavily in local economies given they are more likely to source from local suppliers, employ local labor, and bank with local financial institutions. In practice, this means 64.9 percent of revenue from smaller, independent restaurants gets redistributed in local communities, compared with 30.4 percent for chain restaurants, acting as anchors in local food economies. When anticompetitive market pressures force these businesses to close, the local economic ecosystem around them contracts as well.³

Notably, the Commission's own history demonstrates the importance of scrutinizing Sysco's market power. In 2015, the FTC opposed Sysco's proposed acquisition of US Foods, alleging that the transaction would significantly reduce competition in foodservice distribution nationwide and would likely result in higher prices for restaurants. A federal district court granted the FTC's request for a preliminary injunction, and Sysco and US Foods subsequently abandoned the transaction.⁴

Independent restaurants are limited in their ability to absorb another cost increase or pass those costs along to their customer base. Every consolidation event in the culinary supply chain reduces their options and increases costs. Protecting the competition that allows these businesses to operate and grow is essential to preserving vibrant local economies. As such, the FTC should not allow further consolidation to eliminate one of the few remaining sources of competitive discipline available to independent restaurant owners. We respectfully urge the Commission to reject Sysco's proposed acquisition of Restaurant Depot and protect the competitive marketplace that independent restaurants across America depend upon.

Thank you for your consideration and we look forward to your response.

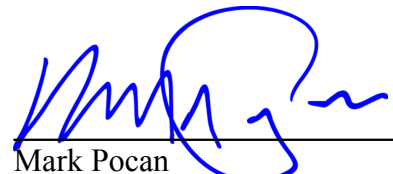
Sincerely,



Timothy M. Kennedy
Member of Congress



Patrick Ryan
Member of Congress



Mark Pocan
Member of Congress

³ *The Aggregated Table: Food Consolidation and the Independent Restaurant*, Independent Restaurant Coalition.

https://assets.nationbuilder.com/irc/pages/5025/attachments/original/1783662928/The_Aggregated_Table.pdf?1783662928

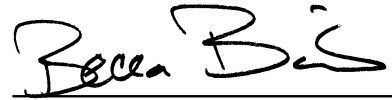
⁴ Gasparro, Annie. "Sysco Ends Plans to Merge With US Foods." Wall Street Journal, June 30, 2015.

<https://www.wsj.com/articles/sysco-walks-away-from-us-foods-merger-1435580019>



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