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1. Introduction

Global market power and its economic consequences are now central to academic and policy debate (Yeh, Macaluso, and Hershbein 2022; De Loecker, Eeckhout, and Unger 2020; De Loecker, Eeckhout, and Mongey 2021). A substantial body of work has documented how a small number of firms increasingly dominate the production, processing, distribution, and retail of food (Clapp 2025; Hernandez et al. 2023; OECD 2018; Crespi and MacDonald 2022). This concentration may distort prices, deepen inequality, and shift bargaining power away from producers and consumers. Ultimately, there are worries that these dynamics may undermine food security on a global scale (Clapp 2025; IPES-Food 2017).

At the same time, the evidence on the consequences of downstream consolidation is more nuanced. In the United States, the entry of large retail chains into local markets has been found to lower grocery prices, both by intensifying competition and by introducing more efficient supply chains (Basker 2005b; Hausman and Leibtag 2007), while smaller grocery retailers may charge higher prices where they face little direct competition from larger chains (Ma et al. 2019). In Mexico, the entry of foreign supermarket chains reduced the prices charged by domestic stores and generated welfare gains across income groups, albeit with losses for traditional retailers and their workers (Atkin, Faber, and Gonzalez-Navarro 2018). Large modern formats also tend to offer a wider variety of products. Evidence on local labour markets is more mixed: the entry of large chains in the United States increased county-level retail employment (Basker 2005a), but recent evidence suggests that it can also reduce local labour incomes where the entrant becomes a dominant employer (Lehner et al. 2024). By contrast, evidence from retail mergers in Europe shows that consolidation which substantially raises local concentration can lead to higher prices (Allain et al. 2017; Rickert, Schain, and Stiebale 2021). Whether concentration harms or benefits producers and consumers therefore depends on how competition plays out in local markets, and careful measurement of concentration is a necessary first step for assessing it.

The downstream segments of agrifood value chains, especially retail and food service, are among the most visible to consumers and policymakers. Food retail has expanded beyond traditional outlets to include supermarkets, hypermarkets, convenience retailers, and warehouse clubs. Food service has also grown to include restaurants, chains, cafes, catering services, online ordering channels, and street vendors. These changes are often described as the "supermarket revolution"

and the less visible "food service revolution" (Reardon, Timmer, and Minten 2012; Barrett et al. 2022). Both involve new forms of procurement, logistics, branding, and coordination. They do not imply, however, that all downstream markets follow the same path. Modern formats coexist with traditional and informal channels, and the organization of food markets varies substantially across countries and segments.

This policy brief provides new estimates of downstream agrifood market concentration based on firm-level market shares, adopting both a global and local view. The same sector and product can appear highly concentrated or relatively competitive depending on the geographic market being measured. Defining the relevant market is therefore critical. Global indicators are useful for identifying broad structural patterns, but they may conceal local concentration. Recent evidence shows that market power is exercised market by market. In the United States, the geographic segmentation of markets substantially reduces effective competition and raises markups (Becker et al. 2026), while along the coffee global value chain, large traders operate across many countries but concentration is substantially higher in the origin and destination markets in which firms actually meet (Del Prete et al. 2026). A meaningful competition assessment requires a relevant market that reflects substitutable products, consumer behaviour, and realistic geographic choice.

The empirical analysis relies on Euromonitor's Global Market Information Database (GMID), which records the sales of major companies by product and country worldwide between 2015 and 2024. Concentration is measured with the four-firm concentration ratio (CR4), which captures the combined market share of the four largest firms in a defined market. CR4 is useful for describing market structure, but it is not, by itself, evidence of market power. High concentration may support efficiencies in procurement, logistics, and quality control. It may also give firms more scope to raise markups, influence consumer choice, or exercise bargaining power over suppliers. These effects require case-specific assessment.

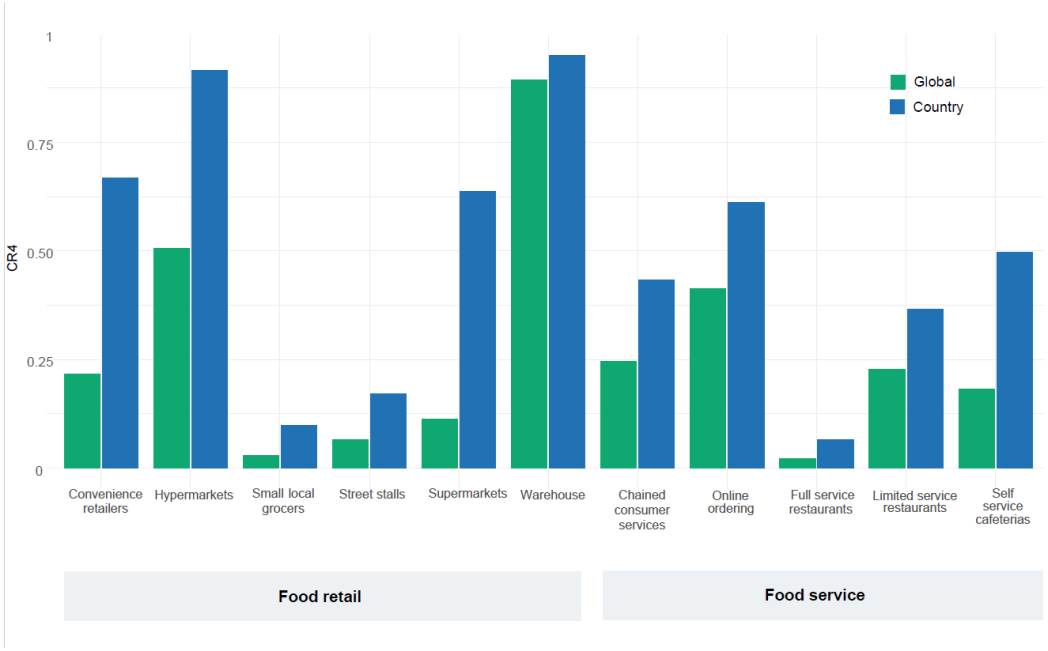
2. Global and country-level concentration in retail and food service

Global and country-level estimates of market concentration differ markedly. Figure 1 shows that while concentration is consistently higher within countries than at the global level, the size of the gap varies widely across downstream agrifood segments. For instance, warehouse clubs (large, no-frills stores that charge customers an annual membership fee and sell a wide range of goods in large-volume packs at low prices) are highly concentrated globally and within countries, with CR4

values of around 0.9 at both levels. In contrast, hypermarkets, supermarkets and convenience retailers show particularly large gaps between global and national concentration levels, suggesting that these segments are often dominated by a small number of firms in individual countries despite appearing more competitive in global aggregates. Similar patterns emerge in food service, where more traditional food service formats, such as limited-service restaurants, display a lower concentration gap than modern outlets, such as self-service cafeterias.

Overall, the comparison highlights the importance of defining the relevant market appropriately when assessing competition. While global concentration appears moderate in many segments, consumers and suppliers typically interact in national markets, where concentration has been considerably higher over the last decade.

Figure 1. Average four-firm concentration ratios at global and country levels, by food retail and food service segment (2015–2024)



NOTE: CR4 values represent the combined market share of the four largest firms in each food retail and food service segment. Global estimates are based on worldwide sales of firms operating in each segment. Country average estimates are calculated as the average CR4 across national markets. Values shown are averages for the period 2015–2024. Segment definitions follow Euromonitor International's classification and are summarized in Table A2 in the Appendix.
SOURCE: Authors' calculations based on Euromonitor International data.

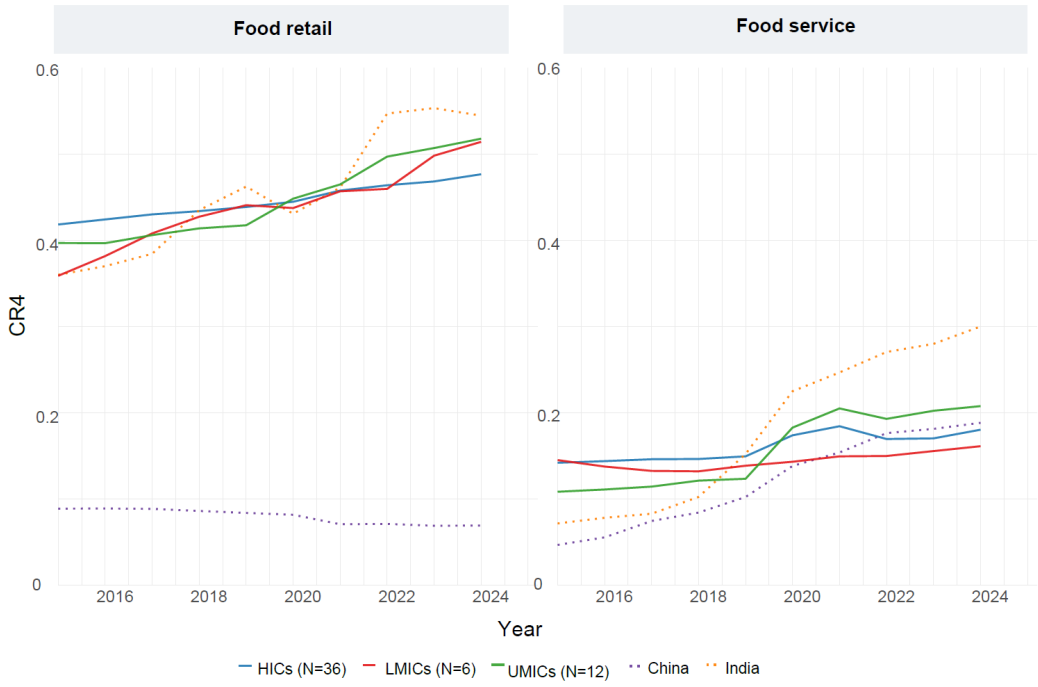
3. The relationship between country-level concentration and development

Does this concentration differ across country income categories? Figure 2 shows trends in population-weighted CR4 for retail and food service by World Bank country income group. Retail concentration increased between 2015 and 2024 across all income groups, with group averages moving closer to each other. Food service remained less concentrated but similarly increased across all income groups; the rise was particularly pronounced among upper-middle-income countries (UMICs).

Regression estimates reported in Table A1 in the Appendix are broadly consistent with this picture. Across countries, higher GDP per capita is positively associated with retail concentration (a coefficient of 0.049 in the baseline specification, significant at the 5 percent level), but the association loses statistical significance once population size, which is itself strongly and negatively associated with concentration, is controlled for. For food service, the association with GDP per capita is small and statistically insignificant in all specifications.

The broad increase in concentration shown in Figure 2 is consistent with the spread of organized retail, chain-based food service, and integrated procurement across different development contexts. It should not, however, be read as an inevitable sequence. India and China are shown separately because of their population size, and China has a much lower retail CR4 than the income-group averages. Such variation indicates that market structure also reflects country-specific consumer preferences, spatial organization, infrastructure, investment conditions, and policy environments.

Figure 2. Four-firm concentration ratios in food retail and food service by income group, 2015–2024



NOTE: CR4 values represent the average market share of the four largest firms in food retail and food service, weighted by each country's population within its income group. India and China are shown separately because their large populations would otherwise dominate the group averages. Income groups follow the World Bank classification.
SOURCE: Authors' calculations based on Euromonitor International data.

4. The relationship varies substantially across food market segments

The aggregate differences between retail and food service, and across income groups, nevertheless conceal substantial heterogeneity. Figure 3 presents associations between GDP per capita and concentration by market segment, estimated from a pooled ordinary least squares (OLS) regression of country-level CR4 on log GDP per capita interacted with segment indicators, controlling for log population and year fixed effects (see the notes to Figure 3). Supermarkets and small local grocers show the strongest positive and statistically significant associations. Self-service cafeterias, street stalls and warehouse clubs show positive point estimates, but these are not statistically different from zero.

Several other segments show weak or negative relationships with income. Chained consumer food service and full-service restaurants have statistically significant negative estimates. For online ordering, convenience retailers, hypermarkets and limited-service restaurants, the point estimates are negative but statistically indistinguishable from zero: the data do not allow us to conclude that

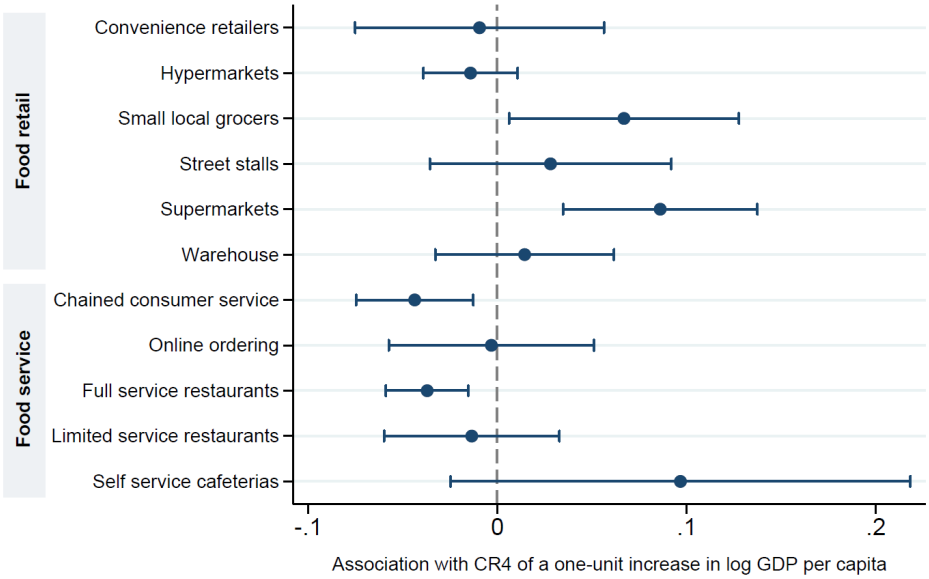
concentration in these segments either rises or falls with income. All estimates should be interpreted as conditional associations rather than causal effects.

The negative associations for chained consumer food service and full-service restaurants merit reflection. One possible explanation is that, in lower-income countries, the formal and chained part of these segments is small and often dominated by a few international brands or large domestic groups, so that the four largest firms account for a high share of recorded sales. As incomes rise, demand for eating out expands and diversifies, encouraging entry by many domestic and international chains and independent restaurants, which dilutes the share of the largest firms. This interpretation is tentative and should be tested with more granular data.

Some estimates are also imprecise, as shown by the wide confidence intervals, most notably for self-service cafeterias. This may reflect the smaller number of countries with data for some segments; limited within-country variation in GDP per capita over a ten-year period, so that estimates rely mainly on cross-country differences; the focus of the data on the sales of major companies, which may underrepresent informal and small-scale operators, particularly in lower-income countries; and heterogeneity across countries within segments that a single slope cannot capture. Future analyses could be strengthened by extending the country and time coverage, complementing commercial data with census, tax or household survey data that capture informal outlets, measuring concentration at subnational levels where consumers actually shop, and using alternative indicators, such as the Herfindahl-Hirschman Index or firm-level prices and markups, that speak more directly to market power.

The central finding is not that increases in average income are unrelated to concentration, but that the relationship differs by segment. Structural transformation reshapes each market according to its own economic forces. Formats that rely more heavily on scale, capital, procurement networks, or standardized operations may consolidate. Markets characterized by local differentiation and relatively low entry barriers may remain fragmented or become less concentrated.

Figure 3. Relationship between GDP per capita and market concentration across food market segments



NOTES: Points show segment-specific marginal effects of a one-unit increase in log GDP per capita on the four-firm concentration ratio (CR4), estimated from a pooled OLS regression that interacts log GDP per capita with food-market segment indicators. The model controls for log population and year fixed effects. Horizontal bars represent 95 percent confidence intervals. Standard errors are clustered at the country level. Data cover 54 countries over 2015–2024. Estimates represent conditional associations and should not be interpreted as causal effects.
SOURCE: Authors' calculations based on Euromonitor International data.

5. Conclusions

Downstream agrifood markets became more concentrated between 2015 and 2024 across all income groups, but the picture changes markedly depending on how the relevant market is defined and which segment is considered. Global indicators understate the concentration that consumers and suppliers face in national markets, and the relationship between income and concentration differs in sign and magnitude across retail and food service segments.

These findings caution against one-size-fits-all policy responses. Treating food retail or food service as a single market, or relying on global or aggregate indicators, risks overlooking high concentration in specific national segments, or, conversely, targeting segments where large formats bring lower prices and greater product variety. Because high concentration is not by itself evidence of market power, concentration measures should be combined with case-specific assessment of prices, margins, entry conditions and supplier relations in properly defined markets.

Future research should measure concentration at subnational levels, capture informal and traditional outlets more fully, and link concentration to outcomes such as consumer prices, product diversity, farm-gate prices and employment. This would help establish when downstream concentration harms, and when it benefits, food security and nutrition.

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Appendix

Table A1. GDP per capita and market concentration

Panel A. Food Retail

Variables	**(1) Baseline**	**(2) + Population**	**(3) + Urbanisation**	**(4) + Employment**	**(5) All controls**
Log GDP per capita	0.0493**	0.0014	0.0765***	0.0478**	0.0270
	(0.0186)	(0.0204)	(0.0274)	(0.0182)	(0.0273)
Log population	—	−0.0634***	—	—	−0.0646***
		(0.0175)			(0.0175)
Urbanisation	—	—	−0.2841	—	−0.3043*
			(0.1937)		(0.1716)
Employment	—	—	—	0.1308	0.2139
				(0.2586)	(0.2311)
Year fixed effects	Yes	Yes	Yes	Yes	Yes
Observations	527	527	527	527	527
R-squared	0.1036	0.2819	0.1390	0.1077	0.3301

Panel B. Food Service

Variables	**(1) Baseline**	**(2) + Population**	**(3) + Urbanisation**	**(4) + Employment**	**(5) All controls**
Log GDP per capita	−0.0055	−0.0145	−0.0041	−0.0041	−0.0118
	(0.0132)	(0.0143)	(0.0134)	(0.0128)	(0.0139)
Log population	—	−0.0118**	—	—	−0.0114**
		(0.0054)			(0.0055)
Urbanisation	—	—	−0.0146	—	−0.0097
			(0.0811)		(0.0784)
Employment	—	—	—	−0.1234	−0.1134
				(0.1850)	(0.1859)
Year fixed effects	Yes	Yes	Yes	Yes	Yes
Observations	527	527	527	527	527
R-squared	0.0839	0.1073	0.0843	0.0975	0.1191

NOTES: The dependent variable is the CR4 market concentration ratio. OLS estimates are reported, with standard errors clustered at the country level in parentheses. All specifications include year fixed effects and are estimated on a common sample within each sector. * p < 0.10, ** p < 0.05, *** p < 0.01.

Table A2. Definitions of food retail and food service segments

Segment	**Description**
Food retail	
Convenience retailers	Aggregation of convenience stores and forecourt retailers. Convenience stores are chained grocery outlets, usually under 400 m² of selling space, with extended opening hours, typically in residential neighbourhoods. Forecourt retailers are grocery outlets (usually

	under 400 m²) located on petrol or service station forecourts.
Hypermarkets	Chained or independent outlets with over 2,500 m² of selling space, selling both grocery and non-grocery merchandise; often on out-of-town sites or as anchor stores in shopping centres.
Small local grocers	Mostly independent, family-owned or individually run outlets (under 400 m² of selling space), kiosks, market stalls or street vendors whose primary focus is food, drinks, tobacco and other groceries. Also includes ethnic grocery and health food stores, registered mobile shops, and retail sales by farmers' markets and farms.
Street stalls	Small, sometimes mobile food service providers with a limited product offering and low prices, including street stalls, street hawkers and kiosks or carts where food is prepared and served over a counter or through a hatch to take away. Euromonitor classifies this channel under consumer foodservice.
Supermarkets	Chained or independent outlets with 400–2,500 m² of selling space and a primary focus on food, drinks, tobacco and other groceries; may also sell some non-grocery items.
Warehouse clubs	Chained outlets with over 2,500 m² of selling space, typically out of town, selling a wide variety of merchandise. Customers pay an annual membership fee; prices are kept low through a no-frills format and large-volume packs. Excludes cash-and-carry and wholesale outlets.
Food service	
Chained consumer food service	Food service outlets belonging to chains of ten or more units, across all food service types. International chains with fewer than ten units in a country are also counted as chained.
Online ordering	All delivery and takeaway orders placed over the internet (computer, mobile phone or other device), through restaurants' own (first-party) or third-party platforms, regardless of how payment is made.
Full-service restaurants	Sit-down establishments focused on food rather than drink, with full table service (wait staff take orders at the table) and menus that typically require more complex preparation than quick-service outlets.
Limited-service restaurants	Fast-food and 100 percent home-delivery/takeaway outlets with limited, standardized menus of quickly prepared items; customers typically order, pay and collect at a counter.
Self-service cafeterias	Outlets with no or limited service, where customers take full meals from serving counters and pay at a check-out or a flat rate; often in shopping malls, department stores and travel locations. Fully captive contract catering (e.g. staff canteens) is excluded.

NOTES: Descriptions summarize the channel definitions in the Euromonitor International Passport Help Centre (Retail and Consumer Foodservice definitions), available to Passport subscribers at https://help.passport.euromonitor.com. Selling-space thresholds refer to the outlet's selling area.