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PRESS RELEASE

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FTC SUES PEPSI OVER ALLEGED PRICE DISCRIMINATION

The Federal Trade Commission is taking Pepsi to court after filing a lawsuit that alleges the well-known soda company gave price advantages to big-box retailer, Walmart.

The federal lawsuit accuses Pepsi of seeking to drive smaller retailers out of business by giving Walmart an unfair price advantage. The Federal Trade Commission alleges that such price discrimination has been ongoing for years.

Pepsi's unethical conduct has led to inflated consumer prices and made it difficult for rival retailers to price Pepsi products competitively. Though Walmart has been named the big-box store Pepsi favored, only PepsiCo has been implicated in wrongdoing.

Of the lawsuit, FTC chair Lina M. Khan explains "When firms like Pepsi give massive retailers a leg up, it tilts the playing field against small firms and ultimately inflates prices for American consumers." She emphasized that "The FTC's action will help ensure all grocers and other businesses—no matter the size—can get a fair shake and compete on the merits of their skill, efficiency, and talent."

Pepsi is no stranger to controversy, having been most recently sued in October of 2024 by the county of Los Angeles, which stated Pepsi was misrepresenting the environmental impact of plastic beverage containers. What is unique about the current lawsuit is that it is only the second case the FTC has filed which falls under the Robinson-Patman Act. This act was implemented to

prevent price discrimination among competing retailers. In Pepsi's case, they are alleged to have violated the act by favoring their largest customer with price advantages.

The lawsuit couldn't come at a worse time for Pepsi, who plans to release a new permanent flavor in stores soon. However, the release will move forward on schedule. Meanwhile, the company remains adamant that the FTC is "wrong on the facts and the law," and is looking forward to defending itself in court.

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For media inquiries contact: Summer Owens, summerowens@gmail.com

Notes to editors:

- For more information on the Robinson-Patman act visit: <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/price-discrimination-robinson-patman-violations>
- For more information on the ongoing lawsuit filed by Los Angeles County visit this link: <https://lacounty.gov/2024/10/30/la-county-sues-pepsi-and-coca-cola-over-plastic-beverage-pollution-and-deceiving-public-on-plastic-recycling/>