

Giant Food in the U.S. Keeps Propping Up Its Netherlands-based Parent

Thanks to enormous sales and profits generated by its U.S. holdings, the Dutch grocery firm Ahold has sailed right through a recession that continues capsizing working families here and around the world.

Royal Ahold International bought Giant Food in 1998, and since then the company's U.S. operations have been generating more than half the firm's volume and profits. Today, Ahold USA is one of the largest and most successful food retailers in the eastern United States.

In its 2010 Annual Report, Ahold reported \$29.5 billion (euros) equaling close to \$40 billion USD in sales, an increase over the previous year of 4.4%. Ahold USA, which owns three grocery chains in the United States, accounted for nearly two-thirds of that volume with sales of \$17.8 billion euros (around \$24 billion USD) an increase of 5.1%.

By comparison, sales for Ahold in 2010 in the Netherlands were \$10.1 billion euros (over \$13 billion USD) and other European operations contributed \$1.7 billion euros (close to \$3 billion USD). Sales in Europe actually declined 3.5%.

At the time, Ahold CEO Dick Boer said: "Everything we have achieved over the past year is thanks to the passion and commitment of the more than 210,000 employees in our stores, distribution centers, and offices on both side of the Atlantic."

Today, Ahold employs 213,000 grocery workers at 2,970 stores in the U.S., the Netherlands and in Europe. Some 571 of those stores are operated by two banners, with 86,000 employees in the Northeast and Mid-Atlantic regions of the U.S. — Giant-Landover and Stop & Shop, both heavily unionized.

Giant/Martins is a third "banner" in Ahold USA. It operates 180 stores with 30,000 employees in Maryland, Pennsylvania, West Virginia and Virginia. Its workforce is totally nonunion and despite the profit-generating success it has had with unionized stores, Ahold has been conducting a fierce anti-union campaign against the United Food and Commercial Workers union for years.

For the first quarter of 2011, the company overall continued to thrive. Sales were up 5.9% over the same quarter in 2010 to \$9.3 billion euros (around \$12 billion USD). Ahold USA accounted for a stunning \$7.6 billion (USD) of those sales, up 7.4%.

In the second quarter of 2011, sales for Ahold were \$6.9 billion euros (over \$9 billion USD), up 4.7%. Ahold USA accounted for \$5.8 billion (USD) and was up 5.3%.

Boer said: "We continued to perform well and grew market share in the United States and Canada."

In The Netherlands, where salaries for CEOs are regulated, Boer received \$2.731 million in total compensation in 2010. Outgoing CFO Kimberly Ross received \$2.94 million.