Grocery Market Alert
Minneapolis, MN

Grocery Market Insights

OVERVIEW & KEY TAKEAWAYS

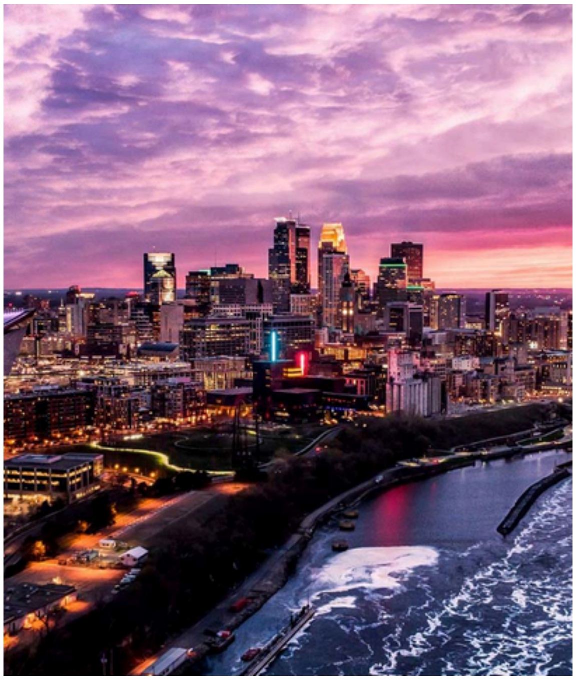
- The Minneapolis-St. Paul-Bloomington, MN-WI MSA is the 16th largest MSA in the nation, behind only Chicago and Detroit among the Midwestern states. It is comprised of 15 counties, two of which are in Wisconsin and the remainder in Minnesota. Of the 3.8 million people in the "Twin Cities" metro, almost 1.3 live in Hennepin County, whose seat is Minneapolis.

- The metro has seen modest growth, at about 1% over the past 2 years, but projections have its expected growth over the next five years at around 4%. Around 45% of the population has a Bachelor's or higher degree, far exceeding the national average. The median household income, at $108,000, also far exceeds the national average.

- Unlike many of the largest metros in the nation, the Twin Cities have a strong ethnic majority. Approximately 72% of the population is White, with Black, Asian, Hispanic, and Other splitting the remainder somewhat equally. Despite this statistical homogeneity, there are several concentrated pockets of diverse ethnic groups, notably from Somalia and Southeast Asia, that are making their own cultural impact on the region.

- The Minneapolis MSA has the 15th largest GDP in the country, at $287 billion, behind only Chicago of the Midwestern states, and just ahead of Detroit.[1] The economy has historically been tied to agricultural food production and distribution, and that still plays a major role today, but is also a major center for medical device manufacturing and banking.

- Fortune 500 companies headquartered in the Twin Cities include United Health Group, which is the 3rd largest nationwide on that list. Other well known names from that list are Target, US Bank, Best Buy, 3M, and General Mills. Private companies headquartered in the region include Cargill, a multinational food corporation and the largest privately held corporation in the US, and Anderson Windows.[2] Medtronic, the global leader in medical device technology with executive headquarters in Ireland, has its operational headquarters in Minneapolis. Coloplast, a Danish manufacturer of medical devices, has its North American headquarters in Minneapolis as well.



- The grocery environment is quite compact in terms of number of operators. Locally-founded Cub Foods leads the pack with 18% market share. Walmart falls in at second and Target is close behind at #3, which is an unusually high ranking for this retailer. Target often performs well enough as a retailer, but it is unusual to see it this high in terms of grocery market share. The reason for its success here lies, no doubt at least in part, on the fact that Target is a Minneapolis institution, and has been since 1962. Rounding out the top five grocers is Costco at #4 and Hy-Vee at #5.

- Grocery growth remains limited, with few major new stores projected in the market. Amazon Fresh has abandoned its plans for the Twin Cities. Most of the new stores that are planned or proposed are coming from the local and regional operators that currently have only one or two stores and a very small fraction of the market share. Hy-Vee is the single operator with the largest amount of prospective new square feet. Costco and Aldi are national chains with some potential activity, while Coborn's and Kowalski's are local operators with the same. Skogen's Festival Foods has a newly opened store in Hudson, WI; its first in the metro. Its acquisition by Schnucks in mid-September may result in additional financial resources that lead to more activity by the Wisconsin grocer in the Minneapolis metro, or at least perhaps elsewhere in Wisconsin. Note that Skogen's Festival Foods currently operates only in and throughout Wisconsin, while a separate grocer that also operates under the name Festival Foods is found solely in Minnesota. It operates six stores under that name, and another two under the Knowlan's banner.

CHAIN MARKET COMPARISON

Current (2025) Market Sales & Future Market Banner Growth

Chain Name	Number of Stores	Total Volume Weekly	Total Sales Area	Average Volume Weekly	Average Sales Area	Average $/Sq Ft	Total Annual Volume	Market Share	No. of Planned Stores	Added Sales Area	Chain Percent SF Change	Projected Number of Stores	Projected Sales Area
Cub Foods	68	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$2,451,540,000	18.24%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Walmart SC	29	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$1,379,040,000	10.26%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Target	55	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$1,336,920,000	9.95%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Costco	10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$1,100,320,000	8.19%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Hy-Vee	14	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$735,280,000	5.47%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Other	64	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$720,286,632	5.36%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Lunds & Byerlys	27	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$698,620,000	5.20%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Aldi	55	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$696,727,772	5.18%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sam's Club	8	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$369,720,000	2.75%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Coborn's	13	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$328,120,000	2.44%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Trader Joe's	9	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$305,760,000	2.28%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Kowalski's	11	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$250,380,000	1.86%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Whole Foods Market	7	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$227,240,000	1.69%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Festival Foods	6	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$125,060,000	0.93%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Country Market	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$114,920,000	0.86%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Fresh Thyme	7	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$102,440,000	0.76%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Mackenthun's	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$87,620,000	0.65%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Jerrys Foods	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$83,720,000	0.62%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Lakewinds Food Co-op	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$70,200,000	0.52%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Nilssen's Foods	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$24,180,000	0.18%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Knowlan's	2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$9,880,000	0.07%	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Totals	**400**	**$215,730,277**	**12,959,574**				**$11,217,974,404**	**83.47%**	**17**	**495,100**	**3.82%**	**417**	**13,454,674**
Averages				**$539,326**	**32,399**	**$16.65**							

Complete our brief Contact Us form to receive the full, unredacted report with detailed sales volumes.

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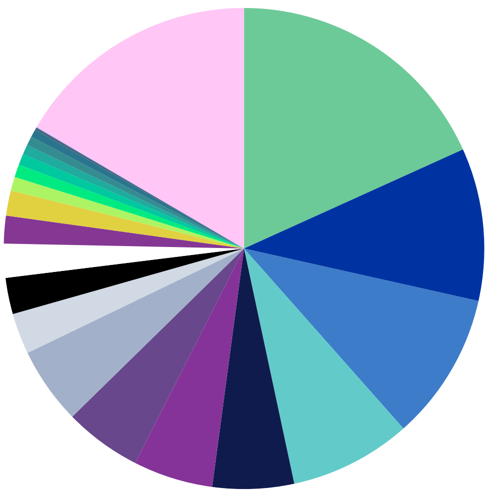
Note: All numbers reflect Food Group data only, and are as of 2025. Market share totals exclude leakage. Future store openings include rumored, planned, and proposed stores that are being monitored
(1) Source: "Real Gross Domestic Product (GDP) (Thousands of chained 2017 dollars)," Bureau of Economic Analysis 2023 data, 2024. [2] Source: Fortune, 2025.

CURRENT MARKET SHARE & EXPECTED GROWTH

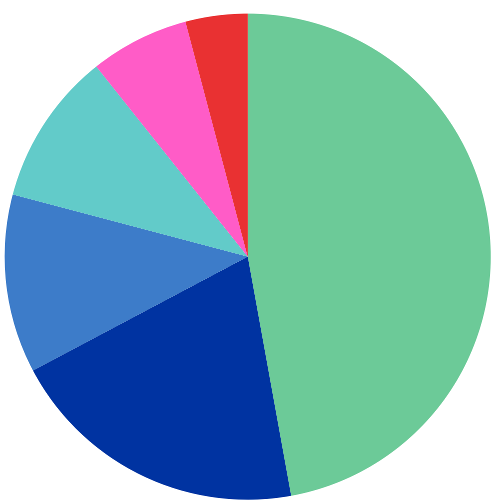
Share of Supermarket Sales, Current (2025)



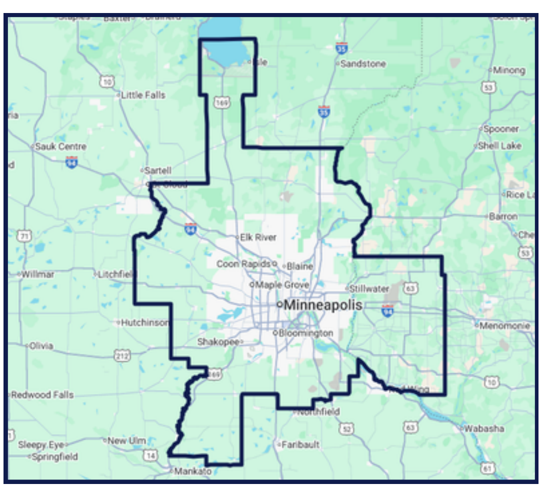
Banner	Market Share
Cub Foods	18.2%
Walmart SC	10.3%
Target	10.0%
Costco	8.2%
Hy-Vee	5.5%
Other	5.4%
Lunds & Byerlys	5.2%
Aldi	5.2%
Sam's Club	2.8%
Coborn's	2.4%
Trader Joe's	2.3%
Kowalski's	1.9%
Whole Foods Market	1.7%
Festival Foods	0.9%
Country Market	0.9%
Fresh Thyme	0.8%

Banner	Market Share
Mackenthun's	0.7%
Jerrys Foods	0.6%
Lakewinds Food Co-op	0.5%
Nilssen's Foods	0.2%
Knowlan's	0.1%
[Leakage]	16.5%

Growing Banners, by Sales Area



Other
Hy-Vee
Costco
Coborn's
Aldi
Kowalski's



Minneapolis, MN-WI, Metro Key Demographics

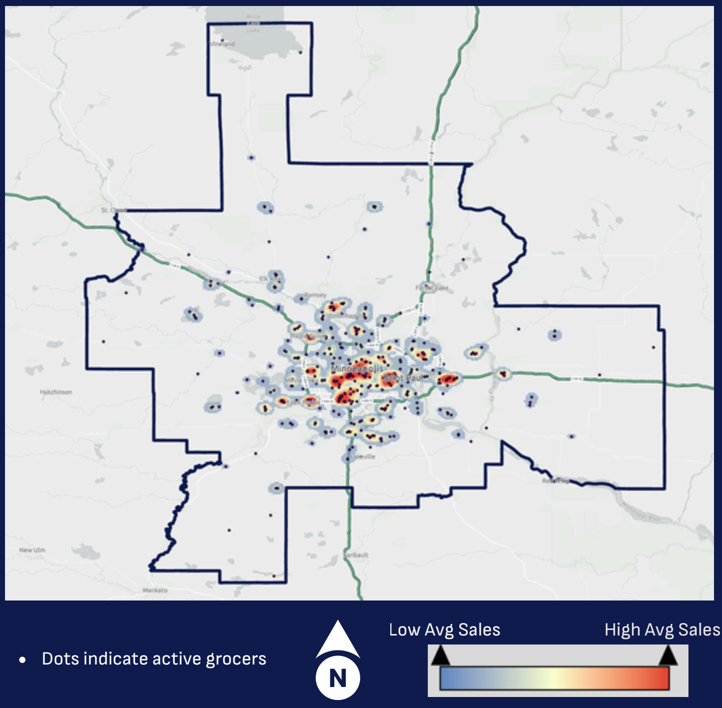
- Total Population: 3,800,852
- Projected Pop Growth (5yr): 4.0%
- Total Households: 1,477,972
- Median HH Income: $108,016
- Average HH Income: $143,246
- Bachelor's or Higher: 44.9%
- Total Number of Grocery Stores in Market (2025): 400
- Total Number of Projected Grocery Stores (2030): 417
- Major Grocer Weekly Sales in Market (2025): $215.7M

retailstat
LOCATION

Areas of High-Performing Grocers

- The best performing stores are concentrated around the urban core, most of which are within the IH494-IH694 beltway.
- The largest area crosses central Minnesota from Wolfe Park in the southwest, across downtown to the Windom Park area in the northeast. Several grocers that appeal to affluent shoppers populate this region, including two stores each for Fresh Thyme, Trader Joe's, and Whole Foods, and five of the local Quality/Service operator Lunds & Byerlys. Target and Cub Foods also have a presence here.
- A similar collection of high-end banners and local players form the nucleus around another hot pocket in Edina to the south. To the east, in western Saint Paul, Whole Foods and Trader Joe's are alongside Kowalski's and Target, and are accompanied by a wide array of local Asian banners.
- Further east still lies the last of the significant areas of high performance grocery. In Woodbury, where IH694 and IH494 meet at IH94, Whole Foods, Trader Joe's and Lunds & Byerlys once again highlight a cluster that also includes Costco, Sam's Club, Walmart, Cub Foods, Aldi, and a couple of Target stores.

Areas with Concentrated High Performing Stores



Grocer Spotlight: Target

Target is a national presence in the grocery market, but they tend to be modest in their impact in any given market. Here, in Target's hometown, Target ranks a strong third in market share, mere basis points behind Walmart. Their local store count is second only to Cub Foods, and is about the same as Aldi's. At just under 2 million square feet, Target's grocery area trails only Cub's 3.3 million

A Fortune 500 company, Target Corporation traces its origins to as far back as 1902, although the first Target store didn't appear until 1962. Stores sold apparel and general merchandise and didn't really enter the grocery market until the first SuperTarget opened in 1995. SuperTarget was a response to the Walmart Supercenter success. It built on the Target Greatland concept that was introduced in 1990, and included a full grocery department. These stores vary somewhat in terms of their size, but are about 180,000sf in total, with about 50,000sf dedicated to grocery.

In 2008, Target introduced the "PFresh" concept, which expanded the grocery selection in traditional Target stores, doubling the space allotted to grocery in many cases. Grocery departments include many of the same offerings as a conventional grocer, including produce, frozen foods, baked goods, and pre-packaged deli and meat, all with no or very limited counter service. These stores often dedicate about 25,000sf to grocery in their stores that total about 130,000sf. In 2012, small-format stores of about 80,000sf first appeared. These were labeled City Target and were followed a few years later by an even smaller format of 20,000sf or less, called TargetExpress.

Today, nomenclature has been standardized and all stores are called "Target," although footprints may scale up or down depending on the characteristics of the site and the trade area. The standard Target is about the range of the former Pfresh concept, with about 25,000sf of grocery sales area and an overall footprint of about 130,000sf. Food and grocery are delivered by company partners (unlike Walmart, which uses its own distribution centers), while pharmacy services are provided by CVS with in-store drugstores and MinuteClinics, a partnership that was first announced in 2015.

Target operates over 1,980 stores nationwide, with revenues over $106 billion last fiscal year, down to over $105 billion in the trailing 12 months ending July 2025. Transactions have dipped of late, as has average transaction expenditure, while digital sales have climbed slightly. Overall revenues are expected to be lower the remainder of this fiscal year, and the company is transitioning to new leadership, with a new CEO and COO taking over early next year.[1]

Quick Facts	
Headquarters	Minneapolis, MN
Established	1962
Ownership	Public: TGT
In the MSA:	
Date of Entry in Metro	1962
Number of Stores	55
Total Sales Area (sf)	[redacted]
Average Sales/Wk	
Highest Store Sales/Wk	
Lowest Store Sales/Wk	
Market Share	10.0%
Format	Supercenter

Besides Target, the other major player in the Minnesota market is Cub Foods, and one would be remiss not to mention them. They lead the grocery market with more than 18% share, 68 stores, and 1.7 times the area of the next largest grocer, Target. The grocer was founded in 1968 in nearby Stillwater by the owners of the now-defunct Hooley's Supermarket. It grew slowly in the metro, having only 5 stores in 1980 when it was bought by Minnesota-based SuperValu. The investment exploded the grocer's growth, with stores eventually in more than 10 states, including states as far away as Colorado and even in metro Atlanta and Nashville. In many of these remote locations, stores were operated by other grocers, such as WinCo Foods and Delhaize Group.

Cub Foods originated as a Discount grocer, but soon adopted the Conventional format. In 2018 the stores added additional general merchandise to better compete with Hy-Vee, Target, and Walmart, although stores still didn't quite fully adopt a Supercenter format. Today, the grocer operates almost exclusively in the Minnesota metro and, along with its parent company, Supervalu, is now part of the United Natural Foods corporation.

[1] Source: "Public Company Report," RetailStat, 2025..