

Major Food Companies Are Continuing To Profit As Consumers Still Struggle With Inflated Food Prices

In January 2023, Food Insecurity Was Worsening—With Higher Numbers Of Food Stamp Recipients Skipping Meals, Eating Less, And Going To Food Banks—After Food Corporations Continued Hiking Prices In Late 2022 Despite Elevated Profits.

Food-Equity Advocates Warned That “Food Insecurity For Millions Of American Consumers Is Worsening” Despite Overall Inflation Easing, With Higher Numbers Of Food Stamp Recipients Reporting “Skipping Meals, Eating Less And Going To Food Banks To Manage Costs” In January 2023.

February 2023: Food-Equity Advocates Argued That “Food Insecurity For Millions Of American Consumers Is Worsening” Even As Overall Inflation Was Starting To Ease. “As President Biden addressed the nation in his annual State of the Union speech on Tuesday evening, food-equity advocates said the increasingly critical issue of food insecurity should be given more airtime. Overall inflation may be starting to ease, they say, but food insecurity for millions of American consumers is worsening.” [MarketWatch, [02/09/23](#)]

An Increased Number Of Food Stamp Recipients Reported “Skipping Meals, Eating Less And Going To Food Banks To Manage Costs” In January 2023. “But food-equity advocates said it’s also a crucial time to be talking about how food is still too expensive for millions of Americans, the rise in food insecurity in the U.S. — and what can be done about it. More Americans who use food stamps reported skipping meals, eating less and going to food banks to manage costs last month, according to the latest monthly survey by Provider, an app for SNAP users by Propel, an app that aims to help low-income Americans improve their financial health.” [MarketWatch, [02/09/23](#)]

January 2023: 29.2% Of Food Stamp Users Reported Skipping Meals, 3 Percentage Points Higher Than In December 2022. “In January, 29.2% of 4,184 survey participants said they have skipped meals, up 3 percentage points on the prior month.” [MarketWatch, [02/09/23](#)]

January 2023: About 20% Of Food Stamp Users Reported Relying On Family And Friends For Food, Up 9 Percentage Points From December 2022. “A fifth said they rely on family and friends to sustain themselves, up 9 percentage points from December, and nearly a third said they have eaten less to manage food costs, up 2 percentage points on December.” [MarketWatch, [02/09/23](#)]

January 2023: Nearly A Third Of Food Stamp Users Reported “They Have Eaten Less To Manage Food Costs,” 2 Percentage Points Higher Than In December 2022. “A fifth said they rely on family and friends to sustain themselves, up 9 percentage points from December, and nearly a third said they have eaten less to manage food costs, up 2 percentage points on December.” [MarketWatch, [02/09/23](#)]

January 2023: 23.5% Of Food Stamp Users Reported Visiting A Food Bank In The Past Month, 2.5 Percentage Points Higher Than In December 2022. “Close to a quarter (23.5%) said they have visited a food bank in the past month, up from 21% in the prior month.” [MarketWatch, [02/09/23](#)]

December 2022: Food Prices Were Up By Over 10% Year-Over-Year, With Food At Home Prices Rising By 11.8% Nationwide And Food Away From Home Prices Rising By 8.3%.

December 2022: Food Prices Were “Up More Than 10% Year-Over-Year,” With Food Price Increases Slowing Only “Slightly.” “The meteoric rise in food prices slowed slightly in December, per a new Axios analysis — but prices were still up more than 10% year-over-year, as groceries and restaurants gobbled up a larger-than-usual amount of Americans’ spending.” [Axios, [01/30/23](#)]

The Cost Of Food Prepared At Home Rose 11.8% And The Cost Food Away From Home Rose 8.3%. “By the numbers: Nationwide, the cost of all foods was up 10.4% year-over-year in December, per the U.S. Bureau of Labor Statistics. [...] The cost of food prepared at home was up 11.8%, while food consumed at restaurants was up 8.3%. [...] Those are all down just slightly from recent highs set towards the end of 2022.” [Axios, [01/30/23](#)]

Dallas, The Twin Cities, And Baltimore Saw “Some Of The Country’s Highest Food Price Inflation Rates,” As High As 14.1%, While Cities On The Lower End—Washington D.C., Chicago, And Miami Still Saw Prices Rise By 7% To 8.8%. “Zoom in: Dallas, the Twin Cities, and Baltimore are suffering some of the country’s highest food price inflation rates, at 14.1%, 13.7%, and 13.5%, respectively. [...] By comparison, food prices are up 7% in Washington, D.C., 7.7% in Chicago, and 8.8% in Miami.” [Axios, [01/30/23](#)]

Late 2022: Americans Were Opting To Buy Fewer Groceries Overall As Food Companies Continued To Hike Prices “Even After Their Own Inflation-Related Costs Have Been Covered”—Critics Argued The Hikes Were “All About Increasing Profits, Not Covering Expenses.”

Amid Continued Food Price Increases In Late 2022, Americans Were Opting To Buy Fewer Groceries Overall After Earlier Inflation Made Them Change The Types Of Items They Bought. “Americans are buying fewer items at the grocery store, as food prices surge, a new survey finds. [...] Why it matters: We’re at a turning point when it comes to food shopping. For a while, inflation was mainly changing what types of items consumers bought — more generics, and different cuts of meat. [...] Now Americans are starting to simply buy less, says Emily Moquin, food and beverage analyst at Morning Consult, which conducted the survey.” [Axios, [10/18/22](#)]

Late 2022: Food Companies And Restaurants “Continued To Raise Prices On Consumers Even After Their Own Inflation-Related Costs Have Been Covered.” “Some companies and restaurants have continued to raise prices on consumers even after their own inflation-related costs have been covered.” [The New York Times, [11/01/22](#)]

- **Headline: Food Prices Soar, and So Do Companies’ Profits** [The New York Times, [11/01/22](#)]

Critics Said Food And Restaurant Companies’ Continued Price Hikes Were “All About Increasing Profits, Not Covering Expenses.” “But amid growing concerns that the economy could be headed for a recession, some food companies and restaurants are continuing to raise prices even if their own inflation-driven costs have been covered. Critics say the moves are all about increasing profits, not covering expenses. Coca-Cola, PepsiCo and Chipotle did not respond to requests for comment.” [The New York Times, [11/01/22](#)]

Several Of The Nation's Largest Food Companies Have Continued To Report Increased Profits Amid Continued Inflation, Allowing Them To Spend Billions On Stock Buybacks And Shareholder Dividends With Several Companies Increasing These Payouts By Triple-Digit Percentages,

- McDonald's—the [largest](#) U.S. food company by market cap—[reported](#) an 18% decrease in net income for FY 2022, largely due to the negative impact of its sale of the company's business in Russia. Despite this, McDonald's spent nearly \$4 billion on stock buybacks, a 306% increase from 2021, and \$4.1 billion on dividends.
- Mondelez—the [second](#) largest U.S. food company by market cap—[reported](#) a 14% increase in net income for FY 2022, allowing it to spend \$2 billion on stock buybacks, a slight decrease from 2021, and just under \$2 billion on dividends.
- Archer Daniels Midland—the [fifth](#) largest U.S. food company by market cap—[reported](#) \$4.3 billion in net earnings for FY 2022, a 60.2% increase from 2021. Meanwhile, the company spent \$1.45 billion on stock buybacks after reporting no buybacks in 2021. The company also spent nearly \$900 million on shareholder dividends, a 7.8% increase from 2021.
- General Mills—the [sixth](#) largest U.S. food company by market cap—[reported](#) a 16% increase in net earnings in the first half of its FY23 ending December 2022. Over this same period, General Mills [spent](#) \$901 million on stock buybacks, compared to just \$375 million in FY22, a 140% increase.
- Chipotle—the [seventh](#) largest U.S. food company by market cap—[reported](#) nearly \$900 million in net income in 2022, a 37.7% increase from 2021. Meanwhile, Chipotle increased stock buybacks to over \$830 million, a 59% increase from 2021.
- In FY22 ending November 2022, Tyson Foods [reported](#) earning \$3.25 billion in net income, a 6% increase from FY21. These earnings [allowed](#) the company to spend \$702 million on stock buybacks and increase its quarterly dividends.
- In November 2022, Hormel Foods [reported](#) “record sales and double-digit earnings growth in fiscal 2022,” with net earnings increasing 10% year-over-year. In FY 2022, Hormel was proud to [announce](#) a record \$558 million in dividends paid.