

Several Grocery And Food Companies Continue To See Increased Profits Off The Backs Of Further Price Hikes In Q1 2024

Summary: On May 22, 2024, the US Senate Banking Subcommittee on Economic Policy will hold a hearing titled "[Protecting Consumers' Pocketbooks: Lowering Food Prices and Combatting Corporate Price Gouging and Consolidation](#)." Although the rate of inflation for food at home is expected to slow as the year goes on, the US Department of Agriculture still [projected food prices to increase](#) in most categories, with all food prices expected to increase by 2.5% and food-at-home prices to increase by 1.6%. Meanwhile, food companies nationwide continue to hike prices [above the national rate of inflation](#) and spend lavish amounts on its shareholders through a combination of cash dividends and stock buybacks, even as they recognize that it [may drive away low-income customers](#).

Top grocery store chains like Kroger, Walmart, Target, and Costco Wholesale have reported consistently high profits and net incomes year over year:

- As previously reported by Accountable.US, **Kroger** [reported \\$736 million](#) in Q4 2023 profits, as the Federal Trade Commission (FTC) [filed](#) a lawsuit blocking a proposed merger with competitor Albertsons.
- During its Q1 FY 2025, ending April 30, 2024, **Walmart** saw its "consolidated net income" [climb](#) to over **\$5.1 billion**, a **205.1%** increase YoY, as the grocery giant [spent \\$1.6 billion](#) on cash dividends and **\$1.1 billion** on stock buybacks.
- During its Q2 2024, **Costco Wholesale** [reported](#) an almost **19%** increase in net income YoY, from **\$1.4 billion** to more than **\$1.7 billion**, as it [spent \\$8 billion](#) on cash dividends and **\$322 million** on stock buybacks during the first half of its FY 2024.
- In Q4 2023, **Target** saw its net earnings [top \\$1.3 billion](#), a **57.8%** increase YoY, as it [spent \\$508 million](#) on cash dividends.

Fast food companies have also reported consistently high price hikes, with top offenders such as McDonalds, Popeyes, and Taco Bell increasing prices by [100%, 86%, and 81%](#) respectively over the last ten years. As well, McDonald's, Domino's, and Yum! Brands have reported steady increases in YoY net income and invested millions in shareholder rewards and stock buybacks:

- **McDonald's** saw its net income [increase 7%](#) YoY to **\$1.9 billion** as the company spent a combined **\$2.1 billion** on its shareholders through a combination of cash dividends and stock buybacks, with CEO Chris Kempczinski touting the company's "30% growth over the last 4 years." Notably, Kempczinski said that the average check grew thanks to higher menu prices, but raising prices has [also scared away](#) some of its low-income customers.
- **Domino's Pizza**—which [previously announced](#) plans to hike prices "in the low-single-digit percentage range"—saw its net income for Q1 2024 [increase 20%](#) YoY to **\$125.8 million**, with the company rewarding shareholders with **\$368 million** through a combination of cash dividends and stock buybacks.
- **Yum! Brands**—operator of popular fast food chains KFC, Pizza Hut, and Taco Bell—saw its net income [increase](#) to **\$314 million** during Q1 2024, a **5%** increase YoY and spent **\$189 million** on shareholder dividends, as a recent March 2024 analysis found Taco Bell has hiked its prices [81%](#)

since 2014.

- As well, prominent beverage company **Coca-Cola** saw its net income [climb](#) slightly, after the company hiked prices by **13% YoY**, netting **\$3.18 billion** in income while spending **\$801 million** on **its shareholders** through a combination of dividends and share repurchases.

In April 2024, The U.S. Department Of Agriculture (USDA) Projected Food Prices Would Climb 2.5% During 2024, Including Food-At-Home Expected To Increase 1.6%, While A March 2024 Report Found Many Of The Top Fast Food Chains Have Hiked Prices Well Above The National Rate Of Inflation, With McDonald's Increasing Its Prices 100% Since 2014.

The U.S. Department Of Agriculture (USDA) Expects Food Prices To Jump 2.5% During 2024, With "Food-At-Home" Expected To Also Climb 1.6%.

March 2024: The U.S. Department Of Agriculture (USDA) Released Its 2024 Forecast Estimating That Food Prices Will Increase 2.5% With Food-At-Home Going Up 1.6%. "The rate of food inflation for food at home is expected to slow as the year goes on, but prices in most categories will still rise. The U.S. Department of Agriculture has released its forecast for 2024 that shows all food prices are expected to increase 2.5% while food-at-home prices are predicted to go up 1.6%." [Supermarket News, [03/28/24](#)]

Meanwhile, A March 2024 Report From FinanceBuzz Found That Fast Food Chains Have Significantly Hiked Prices Over The Previous Decade, Well Above The National Rate Of Inflation At 31%, With Staples Like McDonald's, Popeyes, And Taco Bell Hiking Prices By 100%, 86%, And 81%, Respectively.

March 2024: A Report From FinanceBuzz Found That The Prices For Fast Food Chains Over The Past Ten Years Have Risen Significantly Higher Than The Rate Of Inflation, With McDonald's Hiking Prices Three Times Higher Than The National Rate Of Inflation. "Recently, personal finance outlet FinanceBuzz collected and compared several major fast food chain's prices over the past decade — to find which fast food restaurants raised prices the most. Price increases were also compared against the overall inflation of the same time period, which was a 31% rise in the cost of goods since 2014. [...] As FinanceBuzz explains, over the past 10 years, prices at the restaurants studied grew at nearly double the national rate of inflation. In the case of the first five chains that ranked at the top, prices increased at more than double — and McDonald's prices grew more than three times —the national rate of inflation." [Fox 59, [03/29/24](#)]

Other Companies That Hiked Prices At High Rates Include Popeyes, Taco Bell, Chipotle And Many Other Fast Food Chains:

Here's the rate of inflation at fast food restaurants seen since 2014:

- McDonald's — 100%
- Popeyes — 86%
- Taco Bell — 81%
- Chipotle — 75%
- Jimmy John's — 62%
- Arby's, Burger King, Chick-fil-A and Wendy's — 55%
- Panera — 54%
- Subway and Starbucks — 39%

[Fox 59, [03/29/24](#)]

As Previously Reported By Accountable.US, Kroger Reported \$736 Million In Q4 2023 Profits, As The FTC Filed A Lawsuit Blocking A Proposed Merger With Albertsons.

In Q4 2023, Kroger Reported \$736 Million In Profits.

Q4 2023: Kroger Reported \$736 Million In Profits. “Today, Kroger reported \$736 million in Q4 2023 profits with annual profits of over \$2.1 billion—sky-high totals that comes after last month's Consumer Price Index report revealed that cooling inflation was stilted by stubbornly high food prices.” [Accountable.US, [03/07/24](#)]

In February, The FTC Filed A Lawsuit To Block The Proposed Merger of Kroger And Albertsons.

February 2024: The FTC Filed A Lawsuit To Block The Proposed Merger Of Grocery Giant Kroger And Albertsons. “In February, the Federal Trade Commission's (FTC) filed a new lawsuit seeking to block the proposed merger between grocery giants Kroger and Albertsons, a move Accountable.US praised as a major step towards cracking down on big food industry price-gouging.” [Accountable.US, [03/07/24](#)]

During Its Q1 FY 2025, Ending April 30, 2024, Walmart Saw Its "Consolidated Net Income" Climb To Over \$5.1 Billion, A 205.1% Increase YoY, As The Grocery Giant Spent \$1.6 Billion On Cash Dividends And \$1.1 Billion On Stock Buybacks.

During Its Q1 FY 2025, Walmart's "Consolidated Net Income" Increased 205.1% YoY To \$5.1 Billion As The Company Spent \$1.6 Billion On Dividends And \$1.1 Billion On Stock Buybacks.

During Its Q1 2025, Walmart's "Consolidated Net Income" Increased Significantly To \$5.1 Billion, A Staggering 205.1% Jump YoY:

Three Months Ended		
April 30,		
2024	2023	Percent Change

[...]

Consolidated net income attributable to Walmart

\$ 5,104 \$ 1,673 205.1 %

[Walmart, [05/16/24](#)]

- **CNBC Reported Walmart's Net Income Was \$5.1 Billion.** [CNBC, [05/16/24](#)]

In Its Q1 2025, Walmart Spent \$1.6 Billion On Stock Dividends...

Cash flows from financing activities:

Net change in short-term borrowings	4,585	1,343
Proceeds from issuance of long-term debt	–	4,967
Repayments of long-term debt	(1,574)	(1,784)
Dividends paid	(1,671)	(1,538)

[Walmart, [05/16/24](#)]

... And \$1.1 Billion On Stock Buybacks:

Balance Sheet and Liquidity

- Cash and cash equivalents of \$9.4 billion
- Total debt of \$50.1 billion³
- Operating cash flow of \$4.2 billion, a decrease of \$0.4 billion
- Free cash flow of negative \$0.4 billion², a decrease of \$0.6 billion
- **Repurchased 18.0 million shares⁴, or \$1.1 billion**
- Inventory of \$55.4 billion, a decrease of \$1.6 billion

[Walmart, [05/16/24](#)]

In Q2 2024, Costco Wholesale Reported An Almost 19% Increase In Net Income YoY, From \$1.4 Billion To More Than \$1.7 Billion, As It Spent \$8 Billion On Cash Dividends And \$322 Million On Stock Buybacks During The First Half Of Its FY 2024.

In Q2 2024, Costco Saw An 18.8% Increase In YoY Net Income, Growing To More Than \$1.74 Billion, As The Grocer Spent \$8 Billion On Shareholder Dividends And \$322 Million On Stock Buybacks During The First Half Of Its Fiscal Year.

During Its Q2 2024, Costco's Net Income Increased 18.8% To \$1.74 Billion...

**COSTCO WHOLESALE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
(dollars in millions, except per share data)
(unaudited)

	12 Weeks Ended		24 Weeks Ended	
	February 18, 2024	February 12, 2023	February 18, 2024	February 12, 2023
REVENUE				
Net sales	\$ 57,331	\$ 54,239	\$ 114,048	\$ 107,676
Membership fees	1,111	1,027	2,193	2,027
Total revenue	58,442	55,266	116,241	109,703
OPERATING EXPENSES				
Merchandise costs	51,140	48,423	101,597	96,192
Selling, general and administrative	5,240	4,940	10,598	9,857
Operating income	2,062	1,903	4,046	3,654
OTHER INCOME (EXPENSE)				
Interest expense	(41)	(34)	(79)	(68)
Interest income and other, net	216	114	376	167
INCOME BEFORE INCOME TAXES	2,237	1,983	4,343	3,753
Provision for income taxes	494	517	1,011	923
NET INCOME	\$ 1,743	\$ 1,466	\$ 3,332	\$ 2,830
NET INCOME PER COMMON SHARE:				
Basic	\$ 3.93	\$ 3.30	\$ 7.51	\$ 6.37
Diluted	\$ 3.92	\$ 3.30	\$ 7.49	\$ 6.37
Shares used in calculation (000s):				
Basic	443,892	443,877	443,859	443,857
Diluted	444,754	444,475	444,579	444,503

[Costco, [03/07/24](#)]

...As The Company Spent A Staggering \$8 Billion On Shareholder Dividends And \$322 Million On Stock Buybacks During The First Half Of Its FY 2024:

	24 Weeks Ended	
	February 18, 2024	February 12, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 3,332	\$ 2,830
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,015	917
Non-cash lease expense	148	216
Stock-based compensation	580	549
Impairment of assets and other non-cash operating activities, net	(7)	145
Changes in working capital	314	1,145
Net cash provided by operating activities	5,382	5,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of short-term investments	(719)	(396)
Maturities and sales of short-term investments	1,029	512
Additions to property and equipment	(2,071)	(1,947)
Other investing activities, net	9	(34)
Net cash used in investing activities	(1,752)	(1,865)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(409)	(520)
Proceeds from short-term borrowings	383	479
Proceeds from issuance of long-term debt	498	—
Tax withholdings on stock-based awards	(292)	(302)
Repurchases of common stock	(322)	(284)
Cash dividend payments	(8,012)	(400)
Financing lease payments	(94)	(158)
Other financing activities, net	(2)	(30)
Net cash used in financing activities	(8,250)	(1,215)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
Net change in cash and cash equivalents	15	45
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	(4,605)	2,767
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 9,095	\$ 12,970

[Costco, [03/07/24](#)]

In Q4 2023, Target Saw Its Net Earnings Increase To \$1.3 Billion, A 57.8% Increase YoY, As It Spent \$508 Million On Cash Dividends.

In Q4 2023, Target Saw A 57.8% Increase In YoY Net Earnings, Growing To More Than \$1.3 Billion, As It Paid \$508 Million To Shareholders In The Form Of Cash Dividends.

In Q4 2023, Target's Net Earnings Increased 57.8%, To More Than \$1.3 Billion...

Operating income	1,865	1,159	60.9
Net interest expense	107	129	(17.7)
Net other income	(28)	(13)	97.3
Earnings before income taxes	1,786	1,043	71.1
Provision for income taxes	404	167	141.1
Net earnings	\$ 1,382	\$ 876	57.8 %

[Target, [03/05/24](#)]

...As They Spent \$508 Million On Shareholder Dividends. “The Company paid dividends of \$508 million in the fourth quarter, compared with \$497 million last year, reflecting a 1.9 percent increase in the dividend per share.” [Target, [03/05/24](#)]

McDonald's CEO Chris Kempczinski Touted The Company's "30% Growth Over The Last 4 Years" After Price Increases Helped The Chain To Increase Its Net Income By 7% YoY To \$1.9 Billion While It Rewarded Shareholders With \$2.1 Billion Through A Combination Of Stock Buybacks And Cash Dividends.

In Q1 2024, McDonald's Saw Its Net Income Increase 7% YoY To \$1.9 Billion As The Company Spent A Combined \$2.1 Billion On Its Shareholders Through A Combination Of Cash Dividends And Stock Buybacks, With CEO Chris Kempczinski Touting The Company's "30% Growth Over The Last 4 Years."

In Its Q1 2024 Earnings Release, McDonald's CEO Chris Kempczinski Touted The Company's "13 Consecutive Quarters Of Positive Comparable Sales Growth With 30% Growth Over The Last 4 Years." "Our global comparable sales growth in the first quarter marks 13 consecutive quarters of positive comparable sales growth with 30% growth over the last 4 years,' said CEO Chris Kempczinski." [McDonald's, [04/30/24](#)]

During Q1 2024, McDonald's Saw Its Net Income Increase 7% To Over \$1.9 Billion, With Its Revenues Increasing 5% To Over \$6.1 Billion:

	2024	2023	Inc/ (Dec)
Revenues	\$ 6,169	\$ 5,898	5 %
Operating income	2,736	2,532	8
Net income	1,929	1,802	7

[McDonald's, [04/30/24](#)]

Meanwhile, McDonald's Spent \$1.2 Billion On Shareholder Dividends And \$921 Million On Stock Buybacks. "During the quarter, the Company paid a quarterly dividend of \$1.67 per share, or \$1.2 billion. Additionally, the Company repurchased 3.2 million shares of stock for \$921 million." [Securities and Exchange Commission, [04/30/24](#)]

During Its Q1 2024 Earnings Call, McDonald's Told Investors It Lost Some Of Its Low-Income Customers To Price Hikes, With A March 2024 Report Finding That McDonald's Has Hiked Its Prices More Than Three Times The National Rate Of Inflation Since 2014.

During Its Q1 2024 Earnings Call, McDonald's Said That The "Average Check Grew Thanks To Higher Menu Prices," But Warned Some Price Hikes Lost The Company Low-Income Consumers. "McDonald's reported U.S. same-store sales growth of 2.5%, missing expectations of 2.6%. The chain said that the average check grew thanks to higher menu prices. But by raising prices, McDonald's has also scared away some of its low-income customers." [CNBC, [04/30/24](#)]

March 2024: According To FinanceBuzz, McDonald's Has Hiked Menu Prices More Than Three Times The National Rate Of Inflation Since 2014. "As FinanceBuzz explains, over the past 10 years, prices at the restaurants studied grew at nearly double the national rate of inflation. In the case of the first five chains that ranked at the top, prices increased at more than double — and McDonald's prices grew more than three times —the national rate of inflation." [Fox 59, [03/29/24](#)]

Popular Items At McDonald's Have Climbed Exorbitantly, Including The McChicken Which Is Nearly 200% More Expensive Than In 2014 And A Medium Fry Costing 138% More In 2024:

Restaurant item	2014 Price	2024 Price	Difference	Percent increase
McDonald's McChicken sandwich	\$1.00	\$2.99	+\$1.99	+199%
McDonald's Quarter Pounder with cheese meal	\$5.39	\$11.99	+\$6.60	+122%
McDonald's 10-piece chicken nugget meal	\$5.99	\$10.99	+\$5.00	+83%
McDonald's Filet-O-Fish	\$3.49	\$5.49	+\$2.00	+57%
McDonald's Big Mac	\$3.99	\$5.99	+\$2.00	+50%
McDonald's medium fries	\$1.59	\$3.79	+\$2.20	+138%

[Fox 59, [03/29/24](#)]

Domino's Pizza—Which Previously Announced Plans To Hike Prices "In The Low-Single-Digit Percentage Range"—Saw Its Net Income For Q1 2024 Increase 20% YoY To \$125.8 Million, With The Company Rewarding Shareholders With \$368 Million Through A Combination Of Cash Dividends And Stock Buybacks.

During Q1 2024, Domino's Pizza Saw Its Net Income Climb By 20% YoY To \$125.8 Million, As The Company Spent \$343 Million On Shareholder Dividends And An Additional \$25 Million On Stock Buybacks.

During Q1 2024, Domino's Saw Its Net Income Jump By 20% To \$125.8 Million, A 20% Increase YoY:

	First Quarter		Increase/ (Decrease)
	2024	2023	
Net income	\$125.8	\$104.8	+ 20.1%

[...]
[Domino's Pizza, [04/29/24](#)]

During Q1 2024, Domino's Rewarded Its Shareholders With \$343 Million In Dividends, Up By \$254 Million From Q1 2023:

	Fiscal Quarter Ended	
	March 24, 2024	March 26, 2023

[...]

Payments of common stock dividends and equivalents	(343)	(89)
--	-------	------

[Domino's Pizza, [04/29/24](#)]

Domino's Also Spent \$25 Million On Stock Buybacks, With A Remaining \$1.12 Billion Left On Its Share Repurchase Program:

Share Repurchases

During the first quarter of 2024, the Company repurchased and retired 56,372 shares of common stock for a total of \$25.0 million. As of March 24, 2024, the Company had a total remaining authorized amount for share repurchases of \$1.12 billion.

[Domino's Pizza, [04/29/24](#)]

In February 2024, Domino's CFO Sandeep Reddy Told Investors That The Company Would Hike Prices "In The Low-Single-Digit Percentage Range," With Reddy Later Saying In April Domino's Would Hike Them By "High-Single Digits" In California After The State Raised The Minimum Wage For Fast Food Workers.

February 2024: During Its Q4 And FY 2023 Earnings Call, Domino's Chief Financial Officer Sandeep Reddy Said The Company Would Plan To Hike Prices "In The Low-Single-Digit Percentage Range" In 2024. "The company also plans to raise prices in the low-single-digits percentage range in the U.S. this year, CFO Sandeep Reddy said, in a bid to shield margins from the impact of the wage raises set to take effect in California in April." [Reuters, [02/26/24](#)]

April 2024: Reddy Said That Domino's Would Hike Prices By "High-Single Digits" In California After The Passage Of Its Minimum Wage Increase For Fast Food Workers. "So, we essentially would have had to -- we had to increase our prices in California to address the wage increases that we saw over there. Our price increase is probably in the high-single digits, but we will modify it if we need to actually adjust to what the competitors are doing." [Seeking Alpha, [04/29/24](#)]

Yum! Brands—Operator Of Popular Fast Food Chains KFC, Pizza Hut, And Taco Bell—Saw Its Net Income Increase To \$314 Million During Q1 2024, A 5% Increase YoY And Spent \$189 Million On Shareholder Dividends, As A Recent March 2024 Analysis Found Taco Bell Has Hiked Its Prices 81% Since 2014.

Yum! Brands Operates Popular Fast Food Chains KFC, Pizza Hut, Taco Bell And The Habit Burger Grill.

Yum! Brands Owns Popular Fast Food Chains KFC, Pizza Hut, Taco Bell And The Habit Burger Grill:



[Yum! Brands, accessed [05/01/24](#)]

During Q1 2024, Yum! Brands Saw Its Net Income Increase To \$314 Million, A 5% Increase YoY, While It Spent \$189 Million On Cash Dividends.

During Its Q1 2024, Yum! Brands Saw Its Net Income Increase 5% YoY To \$314 Million:

	Quarter ended		% Change B/(W)
	3/31/24	3/31/23	
Net Income	\$ 314	\$ 300	5

[Yum! Brands, [05/01/24](#)]

Meanwhile, Yum! Spent \$189 Million On Shareholder Dividends:

	Quarter ended	
	3/31/24	3/31/23
Dividends paid on Common Stock	(189)	(169)

[Yum! Brands, [05/01/24](#)]

A March 2024 Analysis Found That Taco Bell Has Hiked Its Prices 81% Since 2014, Well Above The National Rate Of Inflation.

Since 2014, Taco Bell Has Hiked Prices The Third Highest Of Any Fast Food Restaurant, With Prices Increasing 81%, Well Above The National Rate Of Inflation:

Here's the rate of inflation at fast food restaurants seen since 2014:

- McDonald's — 100%
- Popeyes — 86%
- Taco Bell — 81%

[Fox 59, [03/29/24](#)]

During Q1 2024, Coca-Cola Saw Its Net Income Climb Slightly, After The Company Hiked Prices By 13% YoY, Netting \$3.18 Billion In Income While Spending \$801 Million On Its Shareholders Through A Combination Of Dividends And Share Repurchases.

During Q1 2024, Coca-Cola Saw Its Net Income Climb Slightly To \$3.18 Billion While It Rewarded Shareholders With \$801 Million Through A Combination Of Stock Buybacks And Cash Dividends.

During Q1 2024, Coca-Cola's Net Income Increased Slightly To \$3.18 Billion:

	Three Months Ended	
	March 29, 2024	March 31, 2023
Operating Activities		
Consolidated net income	\$ 3,185	\$ 3,113

[Coca Cola, [04/30/24](#)]

During Q1 2024, Coca-Cola Rewarded Shareholders With \$801 Million Through A Combination Of Stock Buybacks And Cash Dividends:

	Three Months Ended	
	March 29, 2024	March 31, 2023
[...]		
Purchases of stock for treasury	(702)	(848)
Dividends	(99)	(101)

[Coca Cola, [04/30/24](#)]

At The End Of Q1 2024, Coca-Cola's Prices Increased 13% From Q1 2023, With The Company Expecting "Organic Revenue Growth Of 8% To 9%, Up From Its Prior Range Of 6% To 7%."

At The End Of Q1 2024, Coca-Cola's Prices Were Up 13% From Q1 2023, With The Company Expecting Organic Revenue Growth Of 8% To 9%, Up From Its Prior Range Of 6% To 7%. "Coke's overall prices were up 13% compared with the year-ago period, but about half of that came from hyperinflation in certain markets, like Argentina. For the full year, Coke is now expecting organic revenue growth of 8% to 9%, up from its prior range of 6% to 7%. The company said it anticipates price hikes in certain markets experiencing 'intense inflation,' leading in part to its new outlook." [CNBC, [04/30/24](#)]