

Why are grocery prices rising so much faster in Massachusetts?

One possible answer: The state lacks a supermarket chain with enough size in the region to drive down prices, especially during high inflation, experts say

By [Thomas Lee](#) Globe Staff, Updated May 20, 2024, 5:36 a.m.



"We never buy meat anymore," said Karla Cohen, an artist and college admissions consultant who lives in Lincoln. ERIN CLARK/GLOBE STAFF

No, it's not just you. Those trips to the supermarket are indeed testing our collective pocketbooks — and patience.

Grocery bills in Massachusetts, especially the Boston area, have been rising faster than in most of the country, even as overall inflation has cooled. Bay Staters are often paying more for beverages, meat, cereal, and vegetables, whether they shop at Market Basket, Stop & Shop, Shaw's, or Whole Foods.

For example, five years ago at this time, consumers could buy Florida Natural orange juice for \$1.99; today the same product goes for \$4.49.

"The prices are insane," said Karla Cohen, 46, of Lincoln.

Consumers who live in cities with higher costs of living tend to pay more for groceries. But over the past 15 months, shoppers in Boston have seen their grocery bills rise considerably faster compared with other metro areas across America. And grocery prices have risen faster than overall inflation.

The nagging inflation demonstrates Massachusetts' particular challenges, such as high transportation and energy costs and the lack of a large grocery retailer with enough size and clout to cut prices across broad food categories and force others to do the same. As a result, the extra costs have eroded consumers' purchasing power, prompting residents to forgo or reduce purchases of foods to save money.

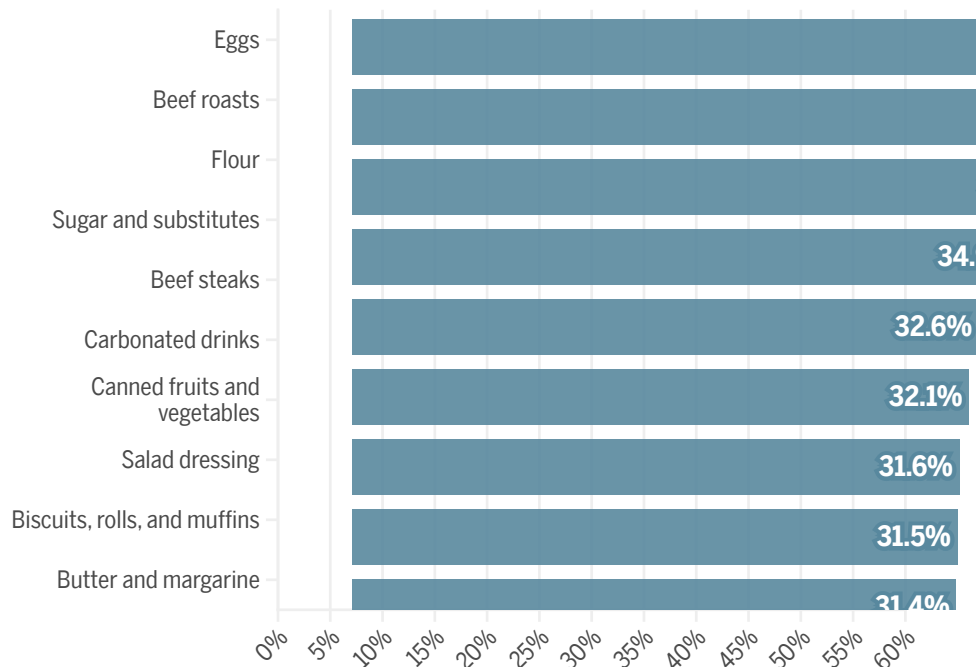
"We never buy meat anymore," said Cohen, an artist and college admissions consultant. "That's a luxury we save for special occasions."

A study by Consumer Affairs found that grocery prices in Massachusetts as of last November rose 6.6 percent over a 12-month period, the sixth-highest rate in the country.

Since January 2023, the Boston metro area experienced sharper increases in grocery prices versus other high-cost cities, including New York, Chicago, San Francisco, and Los Angeles, according to the Consumer Price Index, the government's primary inflation gauge.

“It’s mind-numbing to see the increases over the past few years,” said Edgar Dworsky, a former Massachusetts assistant attorney general in consumer protection who founded Consumer World, an advocacy website.

Grocery item price inflation in the US since March 2020



Source: [Trace One](#)

 A Flourish chart

Factors such as supply chain problems, drought, and global conflict, including the war in Ukraine, play a role in rising prices. But experts say what also makes Boston and Massachusetts feel inflation more intensely is the region’s highly fragmented market.

The metro area is home to a plethora of local, regional, and national chains, each controlling only a relatively modest piece of consumers’ grocery dollars.

Normally, competition means lower prices. But sometimes, there can be too much competition. In other words, Boston lacks a chain with enough size and market power to reduce prices and pressure others to follow suit.

“Boston is a unique market,” said Jeff Bornino, a former supply chain executive at Kroger and Giant Eagle who is now North American president of TMX Transform consulting firm. “There’s no big consolidated national chain” that can really move the price needle, he said.

At the same time, fast-growing, ultra-low-cost retailers like Aldi and dollar stores, formats that have upended traditional chains elsewhere, have yet to really expand into Boston.

Most grocery chains contacted by the Globe declined to comment or did not respond to requests for comment.

“I do hear from members throughout the retail and nonretail sectors that costs have risen in the supply chain since the pandemic and have not ceased in every aspect from farm to table,” Brian Houghton, the top lobbyist for the Massachusetts Food Association, wrote in an email.

Since the pandemic, which broadly disrupted international supply chains, grocery prices across the country have shot upward. In addition, specific commodities have faced their own supply challenges.

For example, Russia’s 2023 invasion of Ukraine, which produces 10 percent of the world’s grain supply, sent global wheat prices soaring.



Karla Cohen in Lincoln put away her groceries after shopping Friday. ERIN CLARK/GLOBE STAFF

More frequent droughts, the result of climate change, have meant fewer pastures for cattle to graze on, forcing ranchers to limit beef production. And in 2022, the United States suffered its worst outbreak of avian flu, affecting more than 80 million chickens, turkeys, and other birds, which severely reduced the supply of poultry and eggs.

But Massachusetts' circumstances have also contributed to more expensive food. The state lacks a large agriculture industry, so it must import meat, fruits, and vegetables from places such as California and Texas.

The state is also plagued with some of the highest energy prices in the country. Supermarkets' reliance on refrigerators and freezers means high electric bills, costs they pass onto consumers.

Regulatory laws can also contribute to rising costs, Dworsky said. In 2016, four years before the global pandemic, Massachusetts voters overwhelmingly approved the [Act to](#)

[Prevent Cruelty to Farm Animals](#), which required eggs, veal, and pork sold in the state to meet animal welfare standards.

Meat and egg prices have risen, but a Globe analysis of CPI data from January 2023 to March 2024 for the Boston-Cambridge-Newton area found that the categories experiencing the largest and most consistent price increases were cereal and bakery, dairy, and nonalcoholic beverages.

Lee Williams, 57, a tutor who lives in Chelmsford, said she buys less meat and cooks from scratch instead of buying processed foods. She adds fewer portions of chicken to her stir-fries, hoping to “stretch out the meat” for two or three weeks.

“I don’t like to pay more than what is needed,” Williams said.

Economists and industry analysts also say a region’s competitive landscape can determine if retailers can shield consumers from price hikes.

Since the 1990s, two of the most disruptive forces in retail have been Walmart and Amazon. Both companies were able to rapidly expand because they were willing to lose money at first by charging prices significantly lower than competitors, eventually putting many out of business. These retail giants also use their enormous size to pressure suppliers into selling products to them at big discounts, which they would theoretically pass on to consumers.


But aside from acquiring Whole Foods, Amazon has [struggled](#) to build a grocery business, analysts say. And Walmart has had a harder time penetrating denser urban markets like those in the Northeast. The company operates about 20 stores near Boston in suburbs such as Lynn, Framingham, and Quincy.

Walmart, the nation’s largest grocery chain, actually trails Market Basket, based in Tewksbury, and Stop & Shop for local market share, according to Chain Store Guide. The

rest of the grocery market is divided among a hodgepodge of national and local chains, each controlling a relatively modest piece of the pie.

Largest grocers by market share percentage in the Boston area

Source: Chain Store Guide, Axios

 A Flourish chart

What's especially surprising is that Shaw's, owned by Albertsons, and Stop & Shop, owned by Dutch firm Ahold Delhaize, are exactly the type of middle-market supermarkets that Walmart normally puts out of business, said David Livingston, a veteran grocery consultant and analyst. Despite rapid consolidation in the grocery industry nationwide, the two chains have defied the odds by remaining in business, he said.

What's missing is a chain that dominates enough of the region's market share that it can command buying power over suppliers and pass those savings to consumers, Livingston

said. Then other competitors would have to match, driving down prices.

“Maybe it takes a dynamic retailer to come in here and really blow people’s socks off,” Dworsky said.

To cope with higher prices, consumers have been changing their shopping habits, such as stockpiling groceries or buying cheaper brands, according to a recent survey by Coresight Research.

Stephanie Cunha, a spokesperson for Stop & Shop, said shoppers redeeming points via its loyalty program, which offers savings for groceries and gas, is up 10 percent compared with last year.

“That’s a strong number for a mature loyalty program regardless of economic environment,” Cunha said.

Some consumers, however, say they have either reduced their purchases of certain foods or given them up altogether.

Joan Leclair, 68, of Medford said she has stopped purchasing meat, seafood, and cookies because they have gotten so expensive.

“It gets me real mad,” she said. “It’s ridiculous.”

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