

# Star-Telegram

## At grocery stores, shoppers are paying the same for less

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Shoppers might not be handing over more money at the supermarket checkout, but their bags of groceries probably feel lighter as national brand makers put less product in identical-looking packaging.

And major food retailers like Kroger, Safeway, Tom Thumb and Albertsons acknowledge downsizing their private-label items in tandem with the big brands.

"There seem to be fewer chips in the bag and more air," said April Shelton, 24, a student at Southwestern Baptist Theological Seminary in Fort Worth.

Olivia Camarena of Mansfield said, "I've switched the brand of paper napkins when the number went down."

Dot Howell of Benbrook said: "Coffee keeps going down in size, and my three-ply toilet paper is smaller than it was last time," she said outside a Fort Worth supermarket. "It makes me mad. It's just ridiculous that they do it."

They do it because of rising commodity costs and as an alternative to a sudden price spike, said George Haley, who was reared in San Antonio and is a marketing professor and director of the Center for International Industry Competitiveness at the University of New Haven's College of Business.

### More air in cheese

"They're taking a few ounces out of a product, putting in fewer potato chips and putting more air in cheese and ice cream," Haley said. "Usually it's done because producers don't want prices hitting the point where they feel consumers would reject the product."

And it's likely to become even more common. The Agriculture Department says food prices will rise 2 to 3 percent in 2011 compared with 0.3 percent last year.

"As ingredient cost, raw material or labor costs increase, the food producer can either pass on the cost increase, or they can provide less product per unit sold," said Susan Fisher, associate professor of foods and nutrition at Meredith College in Raleigh, N.C. "Thus the consumer might have paid \$6 a pound for coffee now still pays \$6 but for three-quarters of a pound.

"The per-ounce price has increased, but that escapes the consumer who sees the unit as a bag of coffee rather than the number of servings per bag," Fisher said. "Commercial providers and those filling large coffee urns are not as easily duped. Sugar used to be sold in 5-pound bags, but now the consumer pays the same money for 4 pounds. Cereals have also done this for years."

Commodity prices are rising around the world, sometimes because of weather, such as flooding in South Asia, or politics, like the decision by some major chocolate manufacturers to stop buying cocoa from Ivory Coast until a contentious presidential succession is sorted out. London's *Financial Times* reported this month that some agricultural commodity prices have hit a 30-year high.

"In times when costs -- commodities, fuel, transportation costs, etc. -- are rising fast and over extended periods, inevitably consumers will eventually see the impact," said the Grocery Manufacturers Association, an industry group. "Some companies raise the price of their products, some companies choose to slightly reduce the size of their product and keep prices stable. Each company makes its own decisions about how to adjust and accommodate."

### Same size, less filling

Apparently, some major U.S. brands have begun repackaging to meet higher costs.

In its January issue, *Consumer Reports* magazine found these reductions:

**Kraft American cheese:** 22 slices per packet instead of 24, down 8.3 percent

**Tropicana orange juice:** 59 ounces per carton instead of 64, down 7.8 percent

**Classico pesto sauce:** 8.1 ounces per jar instead of 10, down 19 percent

**Ivory dish detergent:** 24 ounces per bottle instead of 30, down 20 percent

**Hebrew National hot dogs:** 11 ounces per pack instead of 12, down 8.3 percent

"Companies often hide their handiwork when they shrink their packages," said *Consumer Reports*, which is owned by the nonprofit watchdog Consumers Union. "Indenting the bottom of containers, making plastic wrappers thinner or whipping air into ice cream are a few subtle ways companies downsize their products."

But " *CR* doesn't have a take on whether or not it's a deceptive practice, just that it happens," spokeswoman Linda Zebian said.

Haley says the downsizing, repackaging or aerating is kosher as long as the new weight and nutritional labeling conform to FDA regulations. "It would make it unethical if they reduced serving size," he said.

"The reason they maintain the same size packaging is because the size of a package dominates a shopper's perception," Haley said. "When they go down a supermarket aisle, it looks the same and they get the feeling it's the same amount they've bought before."

Representatives for Kroger, Tom Thumb and Albertsons said their house brands can shrink when well-known brands do.

"If a national brand changes the size of its packaging, then eventually the store brand will follow suit, which is an industry practice that is not unique to Albertsons," spokeswoman Christine Wilcox said. "This offers consumers an 'apples to apples' comparison of our product's value versus the national brand."

While Kroger has changed the sizes of its house products to match the national brands' in some cases, spokesman Gary Huddleston said Kroger's new house brand paper towel and toilet paper, Home Sense, has a higher count than comparable national brands.

Product downsizing is not new, and "there never has been any real serious consumer backlash because everyone does it at about the same time and consumers really have no alternative," Haley said.

Retired teacher Linda Harville of Fort Worth says she's noticed the shrinking size of paper products.

But "that's just the way it is."

Similarly accepting is Mansfield retiree Kay Henrich, who believes that the cartons of her favorite cereal are smaller. "They've got to do what they've got to do to keep their profits in line," she said.

*Consumer Reports* did note one instance when customers complained to Pepperidge Farm about a "new smaller, more expensive" wheat bread.

The company brought back a larger loaf -- briefly.

"It has since been discontinued," *Consumer Reports* said.