Sugar Dip: How Sweet It Isn’t!

By ROBERT GLASS
Associated Press Writer

Although the price of sugar has dropped 30 per cent since November, a survey shows the housewife is still paying as much, if not more, for baked goods, soft drinks and other sugar-vital grocery items.

“We’re talking about a 30 per cent decline in sugar prices and that’s not enough to make retail prices come down,” said a spokesman for the Coca-Cola Co., headquartered in Atlanta, and one of the world’s largest sugar users.

“Until the price of raw sugar goes down to more than offset the other costs that are going up, you’re not going to see any decrease,” says Richard Harmon, executive vice president of Coca-Cola Bottling Co. in Philadelphia.

ITEMS MORE COSTLY

Other food industry officials say continued increases in the cost of labor, transportation and other ingredients—at both the production and marketing level—have forced the grocery shelf price of products higher.

“The cost of sugar as it inches down probably will not have an appreciable effect unless other contributing factors also go down,” says Glenn Craig, a spokesman for the National Biscuit Co. (Nabisco).

Amstar Corp., producers of Domino brand sugar, and National Sugar Refining Co., manufacturer of Jack Frost brand, say that the price they’re paying for wholesale sugar has declined significantly since last November when it peaked at $71.95 a hundredweight.

By the end of January, a hundredweight sold for $49.40, and officials credited a sharp decline in consumer demand, coupled with the normal seasonal slump.

Yet at the supermarket other market basket items containing sugar are holding the price line, or going up.

For example, Coca-Cola sold for $1.66 for a package of eight 10-ounce bottles in the Philadelphia area last November. Today, the same eight-pack costs $1.79.

Oreo, a popular Nabisco brand cookie, sold for 87 cents for a 15-ounce box in November. Now it is 89 cents.

M&M’s candies shot up a dime to $1.19 for 12 ounces while sugar-frosted breakfast cereals and powdered gelatins remained unchanged.

In Atlanta, a spot check showed that while no items went down in price and some were unchanged, many went up. Like Smucker’s grape jam from 58 to 62 cents and Dolly Madison chocolate zingers from 26 to 23 cents.

Curtis Driskell, spokesman for Atlanta’s Colonial supermarkets, said the reason shelf prices are unchanged or going up is because they reflect costs when sugar prices were high.

Len McHerron, district administrator for Safeway markets, said retail prices shot up about three weeks after sugar prices climbed.

“Prices are leveling off,” McHerron said. “None of the products has declined. Maybe one in a group.”

Henry Gai, who runs a Seattle bakery, said that although sugar prices declined, retail prices won’t fall because of higher taxes and wage increases.

Coke’s Harmon agrees and says his soft-drink company is now paying $6.94 for a gross of bottles, compared with $5.69 a year ago. Harmon says recent pay hikes translate into a cost per case of 7 to 8 cents more than last year.

Irving Brodwin, vice president in charge of product management for Whitman Candy Co., says his industry had been particularly hard hit by sugar prices because many people consider candy a luxury.

Last August the company raised the price of the one-pound box of Whitman Samplers from $2.86 to $3.25. But the company hasn’t slashed the price yet.

“We’d like to have the lowest prices on the darn things that we can,” Brodwin says, admitting that higher prices hurt business.