Down as much as 70 cents

Food chains drop sugar prices to get shopper's dollars

NEW YORK (AP) — Food stores fighting for the holiday shopper's dollar have dropped supermarket sugar prices as much as 70 cents per five-pound bag.

Shoppers in the Northeast who bought sugar Friday for $3.29 per five-pound bag found the same bag Monday would cost $2.79 in many stores.

Some supermarkets felt that luring customers from rival stores was worth lowering the price 49 cents a five-pound bag under current $3.28 per-bag wholesale levels.

"This is one of those items that's created a furor and it appears that a low price pulls customers into the store," said a spokesman for Supermarkets General Corp., which operates Pathmark stores.

In weekend advertisements in newspapers here, Pathmark was among the first chains to announce it would lower its $3.49 price for the five-pound bag.

Such stores as Shop Rite Foods, Inc., Grand Union Co., and Sloan's Supermarkets said they would also lower their prices.

Great Atlantic & Pacific Tea Co. said it would post the lower price today only in A&P stores in the New York area, "to keep up with the competition."

Referring to the metropolitan New York area, an A&P spokesman said, "There's a lot of below-cost selling of sugar around the country due to the consumer backlash, but I don't know of any place where it is this great."

Consumer resistance to sugar prices that skyrocketed in the past year from less than $1 to $4 a five-pound bag was credited with the recent decline in refiners' prices that was followed by a decrease in retail sugar prices.

And stores say they expect another price cut from refiners this week on the wholesale prices.

However, some stores could not decide whether to take the loss on sugar.

"I don't want to quote you a price for this week because I might change my mind at any minute. I haven't made that decision yet," an executive for Shopwell, Inc., said Monday. Shopwell, Inc., operates the Daitch-Shopwell chain.