



Supermarket Survey

Experts are predicting a sharp rise in food prices in 2013, but the CAI has found that grocery prices in supermarkets have already increased significantly since it last carried out its supermarket survey in 2011.



REPORT by *Clodagh O'Donoghue*

At a glance

- Survey findings
- 2013 vs 2011
- Price matching

A range of organisations, including the World Bank and the United Nations, has warned of sharply rising world food prices in 2013 due to global weather upsets affecting farmers in 2012. Wet weather in this part of the world, and in particular in the U.K., which saw its second wettest year on record, resulted in poor yields for wheat and some vegetables. The heavy rainfall ruined many crops and farmers were unable to plant as much as they wanted for 2012. Meanwhile, the U.S. and a number of other leading food exporters, including Russia and the Ukraine, experienced drought conditions last year that have led to a bad global 2012-2013 harvest. Tight global markets are set to drive up food costs in the coming year.

However, as the Consumers' Association of Ireland (CAI) has found, the cost of the weekly shop has already risen in the 20 months since its last supermarket basket survey in 2011. Since 2000, when the then Office of the Director of Consumer Affairs (ODCA, now the National Consumer Agency) asked the CAI to conduct a nationwide price survey of typical grocery goods, this organisation has tracked supermarket prices every two or three years.

Data on price trends are compiled based on the contents of a basket, which was agreed with the ODCA in 2000, and which remains a very good representation of what constitutes an average basket today. According to the Consumer Price Index compiled by the Central Statistics Office, consumer prices on average were 1.2 percent higher in December 2012 compared with December 2011. Food & Non-Alcoholic Beverages prices rose by 0.6 percent in the month and by 1.6 percent in the year to December 2012, with "price increases across a wide range of products." This is borne out by a look at the prices of grocery items in our basket compared with the cost of the same goods in 2011.

About the survey

The CAI priced the items in the basket between January 15th and 18th, 2013. Prices were sourced from the online and brick-and-mortar outlets of the four major supermarket retailers – Dunnes Stores, Superquinn, Supervalu, and Tesco – and the average price was then calculated from these findings. Occasionally, a supermarket did not stock a product in the particular size specified in the basket, and

in this instance we calculated the average price from the other stores' offerings. As far as possible, the goods we priced in 2013 are directly comparable with the goods priced 13 years ago, when the survey began. However, there have been some slight changes in the sizing of the products: since the 2011 survey, Fairy washing-up liquid has come in a 433-ml bottle, down from a 500-ml bottle, whereas the size of the Head and Shoulders shampoo bottle increased from 200ml to 250ml. In our 2013 survey, we judged the Irish Pride sandwich pan to be the closest offering to the family pan tracked in previous surveys. When recording prices, we disregarded temporary discounts, as by the time you read this, they will no longer be valid. As the focus of this survey was to compare the prices of mostly branded goods in the main supermarket chains over an extended period of time, we have not included Lidl and Aldi in this research. See our table for extracts of our survey findings.

2013 Vs. 2011

In our last basket survey in 2011, we found that prices had risen and fallen in almost equal measure compared with the 2008 survey,

with the result being that the cost of the overall basket was very much the same. A comparison of prices charged for our basket of goods between 2000 and 2011 showed that there had been huge price inflation between 2005 and 2008 but that this levelled off between 2008 and 2011. Sadly, this price inflation appears to have returned. One of the most striking things about the 2013 survey is that prices have risen almost uniformly. Only one item on our table costs on average less than in 2011, (Avonmore full fat fresh milk, 1 litre, down to €1.14 from €1.16), and two items have the same average cost (stores' own brand fresh milk, 2 litres and Brennans family pan, white sliced bread, 800g). The other 16 products all saw price increases, with some of the price hikes being quite significant. For example, the average price of a 1-kg bag of Siúcra granulated sugar, which had fallen

to €1.05 in 2011, is now €1.45, representing a percentage increase of 38 percent. The average price of Lyons Gold Label tea bags, 80 pack, is currently €0.54 cent higher than it was in 2011. A pack of Denny Gold Medal sausages, 227g, costs, on average, €0.30 cent more than in 2011, which is a 19 percent hike, and the cost of 433ml of Fairy liquid has risen 29 percent to €1.54 from €1.19. Taking all these average prices, the total of these 19 goods in 2013 is €41.06, compared with a total of €36.45 in 2011. This represents a percentage increase of 12.6 percent in less than two years. And for 12 of our 19 products, they are currently at the highest price they have ever been in the 13 years since the survey began.

Price matching

Another very striking finding is the extent to which the supermarkets are engaging

in price matching. This was also noticeable in the 2011 survey and it is a trend that has continued. For many of the products in our basket, the retailers were charging identical prices. It seems the major retailers would rather match each others' prices than try to beat them. A calculation of the total price of the goods on our table charged by each of the retailers shows how little difference there is between them. (For this calculation, we have omitted the Lyons Gold Label tea bags, Siúcra granulated sugar, and Birds Eye frozen peas as the specified sizes were not available in one or more of the stores.) Adding up the prices for the remaining 16 products reveals that there is just 51 cents in the difference between the four stores. Superquinn's total is €33.62, coming just ahead of Tesco and Dunnes Stores, which both had a total of €33.71, having priced each of the 16 items identically. Supervalu's total price is the highest at €34.13, but it should be noted that Supervalu also has the highest number of lowest prices among the four retailers for some of the goods in our basket. These totals, as we have mentioned, do not take into account any temporary price discounts, but in all four supermarket chains it should be possible to reduce your spending by taking advantage of various promotions. Retailers will say that these price increases are due to a rise in wholesale prices, and suppliers will say that they have to charge more to retailers because of higher costs incurred. Although this may be the case, it is consumers who are ultimately footing the bill.



Choice Comment

The results of this price comparison will do little to boost the confidence of a nation that has been consistently told they must do more with less. Simple arithmetic and perusal of the survey results here show how the reality is that consumers are spending more despite having less money to begin with. Moreover, they are spending it in the stores they believe are giving them the best value their money can buy. Household budgets cannot, in any way, benefit from pricing patterns that are totally devoid of competition on products that are household staples. We acknowledge that there are many highly publicised and advertised weekly 'price-battles' from all of the retailers quoted within our report. Few are sustained and, from the results here, the questions of loss leaders, below cost selling and subsidisation arise, again. This is all about the focus upon footfall and customer retention and, clearly, that Nirvana of competitive and true, sustained, price reduction remains a distant hope. Finally, the slogan that they will not be beaten on price means what it says and, clearly, is interchangeable and for all to use!



With supermarket prices on the rise again, we cannot afford to be throwing food away and yet the Environmental Protection Agency's Stop Food Waste campaign suggests that as much as a third of all food bought by Irish consumers ends up in the bin. That represents somewhere between €700 and €1,000 per household - a cost that, as we have seen, is rising all the time. For suggestions on how to shop more sensibly, store more savvily, and cook more cleverly see the stopfoodwaste.ie website. And for the household organic waste you can't avoid throwing away, there is always composting. The Stop Food Waste site has advice on what you can compost and how to get started.

Supermarket Survey 2013

| Products | Average price 2000 | Average price 2002 | Average price 2005 | Average price 2007 | Average price 2008 | Average price 2011 | Average price 2013 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Chilled Products | | | | | | | |
| Avonmore full fat fresh milk, 1 litre | 0.79 | 0.85 | 0.88 | 0.90 | 1.14 | 1.16 | 1.14 |
| Kerrygold butter foil wrapper, 1lb, 454g | 2.05 | 1.99 | 1.83 | 1.84 | 2.38 | 2.67 | 2.95 |
| Denny Gold Medal (not skinless) sausages, 227g, 1/2 lb | 1.08 | 1.14 | 1.39 | 1.49 | 1.75 | 1.55 | 1.85 |
| Frozen products | | | | | | | |
| Birds Eye frozen garden peas, 450g | 1.54 | 1.61 | 2.12 | 1.83 | 2.23 | 1.86 | 2.08 |
| Donegal Catch cod, 450g | 3.33 | 3.58 | 3.99 | 4.28 | 4.99 | 5.01 | 5.40 |
| Dry grocery products | | | | | | | |
| Kellogs corn flakes, 500g | 2.12 | 2.11 | 2.16 | 2.24 | 2.28 | 2.55 | 2.84 |
| Lyons tea bags, Gold Label, 80 pack | 2.34 | 2.47 | 2.85 | 2.78 | 3.19 | 3.24 | 3.78 |
| Siúcra granulated sugar, 1kg | 1.13 | 1.14 | 1.13 | 1.09 | 1.09 | 1.05 | 1.45 |
| Brennans family pan premium white sliced bread 800g | 1.11 | 1.17 | 1.29 | 1.35 | 1.59 | 1.58 | 1.58 |
| Batchelors baked beans, 420g | 0.65 | 0.66 | 0.72 | 0.86 | 0.77 | 0.85 | 0.93 |
| Cadbury dairy milk chocolate bar, 100g, large | 1.04 | 1.08 | 1.22 | 1.27 | 1.57 | 1.63 | 1.72 |
| Squeez pure premium orange juice (original) 1 litre | 1.32 | 1.38 | 1.52 | 1.64 | 1.17 | 1.39 | 1.60 |
| Heinz squeezable tomato ketchup, 460g | 1.47 | 1.57 | 1.66 | 1.68 | 1.68 | 2.29 | 2.58 |
| Erin traditional country vegetable packet soup, 68g | 0.95 | 0.86 | 0.94 | 0.96 | 1.06 | 1.09 | 1.18 |
| Kitchen and bathroom products | | | | | | | |
| Fairy original washing up liquid, 500ml (433ml since 2011)* | 1.55 | 1.60 | 1.53 | 1.49 | 1.36 | 1.19 | 1.54 |
| Head & Shoulders Classic Clean, 200ml (250ml since 2011)* | 3.26 | 3.64 | 3.49 | 3.39 | 3.59 | 3.03 | 3.86 |
| Additional products | | | | | | | |
| Fresh milk 2 litre, store's own brand | 1.29 | 1.29 | 1.22 | 1.19 | 1.65 | 1.49 | 1.49 |
| Irish Pride family pan, 800g (sandwich pan since 2013) | 1.12 | 1.13 | 1.21 | 1.34 | 1.47 | 1.53 | 1.68 |
| Domestos bleach, original (blue), 750ml | 1.70 | 1.86 | 1.73 | 1.68 | 1.63 | 1.29 | 1.41 |

*So you can compare the prices of these products against the earlier surveys, the following are the adjusted prices for these items in 2013
 Fairy original washing up liquid, 500ml would cost €1.77 at the 2013 average price
 Head & Shoulders Classic Clean, 200ml would cost €3.09 at the 2013 average price