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Special Report

RESPONSE TO DATELINE NBC PROGRAM SEGMENT: “IS THE MEAT, POULTRY AND FISH YOU BUY AS FRESH AS YOU THINK?”

ARLINGTON, Virginia (May 23, 2002) – The success of the grocery industry is based on consumer confidence that retailers will sell only safe and wholesome food. The National Grocers Association, as a spokesman for the independent community-focused retail sector, works to ensure that consumer confidence in the industry remains strong. The Dateline NBC program segment “Is the meat, poultry and fish you buy as fresh as you think?” did a disservice to the American consumer. Instead of giving a balanced and factual report to the viewers, Dateline NBC misled the American consumer with inaccurate, sensationalist and dangerously biased journalism.

Let’s start with a crucial Fact #1: The U. S. supermarket industry is committed to providing the American consumer with competitively priced food that is the safest, and of the highest quality and best variety in the world. The U.S. industry is justifiably proud of that record.

Second, the inference that the supermarket industry is operating to deceive the consumer is absolute nonsense. In addition, there is certainly no intent to sell bad product to the consumer. The exact opposite of both presumptions is true. Supermarket retailers are in the business of gaining and retaining consumers. It is counterproductive to lose a customer by selling \$5 of spoiled meat, when that customer could spend \$1,000 during the next three months. Supermarket operators know this and act accordingly. This is why many grocers offer double money-back guarantees on the meat products.

Third, the issue of sell-by date changes is considerably more complex than the program presented it to be. Operationally, when operators bring in meat, they typically put on a shorter sell-by date than the actual shelf life. They want to sell only fresh product to the shopper, but understand that forecasting consumer buying behavior is not an exact science. As a result of a dozen different factors, from the weather to community events, a store will have more or less product than demanded. In the case of a shortage, the customer must select an alternate product or go elsewhere. In the case of excess inventory, managers must promote the product to ensure its sale, and do this most often by reducing the price. An interesting note here is that, according to the Dateline website, a majority of re-dated items in the program were also reduced in price.

Fourth, the base question is not whether companies are selling product that has been re-dated, but rather are they selling product that is spoiled and potentially harmful to consumers. The clear answer to that question is no, as the network’s own expert admitted, albeit in a very brief interview. The safety of the product is further guaranteed when prepared in accordance with government cooking temperature guidelines.

Finally, often a closer examination of this type program reveals “The Story Behind the Story.” We must question the motivation of the broadcaster in presenting this story while certain marketers of beef have moved away from in-store butcher shops to case-ready meat, who investment analysts have said is one beneficiary of the Dateline program. As such, certain questions must be asked, including who may have the motivation to support case-ready meat, and who may have a vested interest in taking away an important differentiation that their competitors have with them. If such a company is a major advertiser on NBC, it’s not too difficult to believe that a conflict of interest could exist.

The Dateline NBC story did a disservice to the American consumer as well as the U.S. supermarket industry as a whole. All Americans, including the U.S. supermarket industry, should be justifiably proud to live in a country that has produced the safest food supply in the world.

N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. An independent retailer is a privately owned or controlled food retail company operating in a variety of formats. Some are publicly traded but with controlling shares held by the family. Most independent operators are serviced by wholesale distributors, while others may be partially or fully self-distributing. Independents are the true “entrepreneurs” of the grocery industry and dedicated to their customers, associates, and communities. N.G.A. members include retail and wholesale grocers and their state associations, as well as manufacturers and service suppliers.