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Salvaging Deals

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In this photograph taken on Friday, May 22, 2009, Friday Store owners Martin Palumbo, left, and his wife, Jo, bag groceries for shoppers in Arvada, Colo. Sales at the suburban Denver store have surged in recent months, mirroring the trend at so-called salvage grocers nationwide, as the recession makes frugal living appealing to more Americans. (AP Photo/David Zalubowski)

Often, grocery shoppers will move aside a dented can of food fishing deeper within the shelf in hopes of finding that one perfect canister.

The food inside both cans are most likely of the same quality, but, for some patrons, getting their

money's worth extends to the packaging.

However, a growing number of shoppers have started to trade their need for package perfection in favor of discounts.

Recently, as more wallets have fallen victim to the recession, some salvage grocery stores have posted slightly stronger sales gains compared with traditional markets, Bob Gorland said.

Gorland is the vice president of the Harrisburg office of Matthew P. Casey & Associates, a firm that specializes in supermarket feasibility studies and operations. "It's not booming," he said. "Those types of stores are not for everyone. But, some of them are doing well. It's because of the economy and that people are looking for the best deal they can get."

Basically, a salvage grocery is a store that typically sells products that scratched, dented or damaged at a discounted price, Gorland said.

The shelves are usually lined with products from a manufacturers overstock or with damaged goods that wouldn't sell at normal prices at other markets.

Often, the stores feature minimal or no fresh meat or produce and sell products that might be fast approaching their best quality dates, Gorland said.

"The drawbacks of going to a salvage grocer is that shoppers may not be able to do all their shopping in one store," he said.

While not billed as a salvage grocer, New Holland-based Amelia's Grocery Outlet does operate as a closeout discounter, said Mike Mitchell, president of the company.

In February, the company will open a 21,000-square-foot store in the Gabriel Brothers Shopping Center near Interstate 83 and Mount Rose Avenue in Springettsbury Township.

The store discounts its stock based on the deals it gets from its vendors, Mitchell said.

"Consumers are really seeking us out," he said. "Our same store sales are up 15 percent this year compared to last year. That is evidence of rapid growth." A majority of the company's stock comes from manufacturer product overruns in which supply outweighs demand.

"If Tropicana squeezes too much orange juice and makes too much for demand, we may get a deal and pass that savings on to customers," Mitchell said.

Also, the company does sell products that might have been slightly damaged.

For example, let's say a case of Kellogg's cereal is bumped at the manufacturer, Mitchell said.

"You may have one box in that case that is damaged," he said. "We buy the case at a significant deal and pass that savings on."

While most of Amelia's products carry the same date as those found in other stores, about 5

percent of its stock from manufacturers closeouts contain fast approaching expired "best quality dates," Mitchell said.

Aside from baby formula and over-the-counter medications, regulators aren't worried about sell-by dates as long as food has been stored properly, said Stephanie Kwisnek, a spokeswoman for the U.S. Food and Drug Administration.

Dates placed by manufacturers don't imply when something is safe to eat but rather when the quality is best.

Mitchell said some customers come to his store looking for products with short best-quality dates knowing that they will get a deal.

"People can save 70 percent to 80 percent off the normal retail price," he said.
