

The Virgin Islands Consortium

Prices Have Gone Down At Plaza East, But Taxes, WAPA Prevent Further Customer Savings, Owner Says (Pt.1)

Business / **Published On March 20, 2015 01:20 AM /**

Ernice Gilbert **March 20, 2015**



Yusuf Yusuf, the son of the man who founded Plaza Extra in the late 1970s in St. Croix and owner of the supermarket's East location, spoke to *VI Consortium* on Thursday as part of an investigative report on the quality of food found in local supermarkets in the Virgin Islands.

During the sit-down interview, Yusuf veered into the subject of food prices in the territory when he said, "It's not only the product we try to keep going, it's also the pricing."

The statement was in reference to fresh produce being sold at Plaza East. He added,

"It's very important that we try to be very competitive or even beat our competition in our pricing."

However, Yusuf's assessment that prices remain competitive at Plaza East stands in contrast to what some consumers who frequent the supermarket say.

Charlene Jones told *VI Consortium* that prices at Plaza have continued to increase, while noting that wages remain unchanged for many Virgin Islanders.

That's why the supermarket business is fun. It keeps you busy -- *Yusuf Yusuf, Owner, Plaza Extra East.*

"[I've been shopping at Plaza] for a very long time, and the prices are very high," Jones said. "And they keep going up all the time, and we're not getting raises in the Virgin Islands. It's difficult and hard to make ends meet with the prices that are on the food products."

When asked what he thought of customer complaints of high prices in his store, Yusuf said Plaza East isn't the only store that has raised prices. He went on to explain the products in the territory.



2lb Uncle Ben's rice for \$5.99

"I'm a consumer just like they are," he began. "Every place has went up. If it's general merchandise pricing, K-mart has gone up, gas stations have gone up, many people have gone up because of the barrel of oil.

"You've got the storms that destroy the crop -- there are a lot of factors that come in. Everybody's badgering HOVENSA for closing down, but it's not only the refinery we have a problem with. You have everything in the U.S. that affects us. Whatever affects the U.S., we get affected," Yusuf said.

But the price of oil has seen drastic declines in the U.S., with a barrel, once sold for more than \$100, now being purchased at \$55. Yet, the territory's residents [have not seen those savings reflected at the pump](#).

He continued: "I will contest that with [customers] because we have adjusted prices. See, you have to understand, not because today you see the barrel goes down, tomorrow the price goes down across the whole market. No, you would see that in gas prices before you see that in milk, because every supplier, every vendor, has to adjust in order to pass that savings to me, so that way I can pass it on to the customers.

Everybody must eat. Any savings that's passed on to me, I pass them to my customers. If I don't have customers, I don't have employees, and I can't pay my WAPA bill.

"There's always a delay in every change," Yusuf continued. "If the vendor doesn't pass on the savings to me, I can't pass it on to the customers. Now, if I see that my competition is becoming competitive, I find another source, and that's what we always go with."

VI Consortium pressed Yusuf further, asking when was the last time he lowered prices in



Onions on display at Plaza Extra East

"Let me give you an example. The strawberries used to be \$6.99, now it's \$4.99," Yusuf said.

Jones, who had pointed out that prices had generally seen increases at Plaza East, except for sales and promotions, also realized the price of strawberries had gone down.

Yusuf continued: "Just last week, I had 3 lb. onions at three for \$5, regular price is usually \$2.69. A 5 lb. bag of potatoes I usually have at \$2.99, [and] I was selling it for two bags for \$5. And that's not to just draw people in, because when the [supplier] adjust their price, if I could be able to buy at the bulk price, I can pass on the savings on, and that's what's important."

Yusuf also told *VI Consortium* that taxes, including inland freight, excise and gross receipt are factors when determining the prices of goods. He said Plaza East's WAPA bill is high, although he refused to reveal how much he pays for power.

The businessman said that at the end of the day, it's about his employees and his customers, and wherever savings can be passed down, they are.

"Everybody must eat," he said. "Any savings that's passed on to me, I pass them to my customers. If I don't have customers, I don't have employees, and I can't pay my WAPA bill," he said.