

MARCH 2024

# Unit Pricing Regulations

## a guide for grocery retailers



# Contents



<b>Introduction</b>	2
<b>Background</b>	3
<b>Who do the Regulations apply to?</b>	4
The ten specified product categories	4
Floor space requirement	5
Voluntary display of unit pricing	5
<b>When do sellers have to comply with the Regulations?</b>	6
In-store sellers	6
Online sellers	6
New stores or new online sellers	7
<b>Which types of products are required to display unit pricing?</b>	8
<b>Which types of products are not required to display unit pricing?</b>	9
Exempt grocery products	9
Products sold in a particular manner are also exempt	10
Individual items not sold by volume, weight, length or area	10
Bundled products	10
Promotions where different products are offered at the same price	10
Products sold from a vending machine and marked down products	11
Exceptions to the unit pricing requirements	12
<b>What unit pricing information must be displayed?</b>	13
Units of measurement for unit price	13
Specific rules for products sold in packaging	16
<b>How to display the unit price of a product</b>	17
Language used in display of unit pricing	17
Clear and legible, font size, prominent and proximate	18
What we think this means	18
<b>Commission enforcement</b>	19
<b>What might happen if you don't comply with the Regulations?</b>	19
False or misleading representations about price	20

## Introduction

These guidelines aim to help grocery retailers understand the unit pricing obligations for regulated grocery products under the [Consumer Information Standards \(Unit Pricing for Grocery Products\) Regulations 2023](#).

- 1 Unit pricing aims to help consumers make better informed purchasing decisions. It can help consumers more easily compare the prices of all types of different grocery products, especially where products are sold in different sized packaging, unpackaged and by different brands. It shows prices of products in terms of the same unit of measurement.

### EXAMPLE

This **example** illustrates how unit pricing helps consumers to better compare prices. While the selling price of the first bag of flour is more, the unit price (per 100g) is less.

- Where a 1.5kg bag of flour is sold for \$3.00, the unit price displayed would be \$0.20 per 100g.
- Where a 1kg bag of flour is sold for \$2.30, the unit price displayed would be \$0.23 per 100g.



- 2 [The Consumer Information Standards \(Unit Pricing for Grocery Products\) Regulations 2023 \(Regulations\)](#) came into effect on 31 August 2023, and introduce mandatory unit pricing to be displayed for regulated grocery products sold, offered for sale or advertised by retail stores and online sellers that meet certain criteria.
- 3 The Commerce Commission (**Commission**) enforces compliance with the Regulations under the [Fair Trading Act 1986](#).
- 4 The Regulations apply to regulated grocery products sold by in-store sellers from **31 August 2024** and online sellers from **31 August 2025**.

## Disclaimer

This document provides general guidance about the Regulations. This document may be revised from time to time to reflect changes in best practice, the law, the Regulations or our developing experience in monitoring and enforcing compliance with the Regulations.

This document is not exhaustive and is not intended to be legally binding. As the enforcement agency, the Commission cannot provide legal advice to individual businesses about specific scenarios. Ultimately, only the courts can decide if the Regulations have been breached. For specific advice about the application of the law, we recommend businesses seek legal advice. A relevant industry association may also be a source of useful information.

## Background

- 5 Requiring the consistent display of unit pricing for grocery products sold by certain retailers was one of the recommendations from the Commission's market study into the retail grocery sector to encourage grocery retailers to compete on pricing and transparency.
- 6 Retailers that are captured by the Regulations must display the unit price of all their 'regulated grocery products' close to the purchase price where the product is sold or advertised (apart from audio and video advertisements). **Regulated grocery products** include all grocery products, other than exempt products or products that fall within an exception.
- 7 The Regulations set out the standard units of measurement for unit prices and how the unit price must be displayed. Depending on the type of product, the standard unit of measurement may be by weight, volume, length, area or number.
- 8 The purpose of these guidelines is to provide information on:
  - whether your business is required to display unit pricing and, if so, by when;
  - which grocery products must have unit pricing and which grocery products are exempt from unit pricing;
  - the units of measurement required for unit pricing; and
  - how the unit price must be displayed.

## Who do the Regulations apply to?

- 9 The Regulations apply to retailers who sell goods to consumers in Aotearoa New Zealand.
- 10 Unit pricing is only mandatory for retailers that meet the 'Qualifying Criteria' (as defined below). These criteria differ between in-store and online retailers.
- 11 If a retailer meets the Qualifying Criteria, all of the regulated grocery products it sells must comply with the unit pricing requirements.
- 12 The **Qualifying Criteria** are:
  - **Online seller:** sells goods in **all** of the ten specified product categories.
  - **In-store seller:**
    - (a) sells goods in **all** of the ten specified product categories; AND
    - (b) the store has a floor space of 1,000 square metres or more.

### The ten specified product categories

- 13 The product categories that a retailer must sell goods in to meet the Qualifying Criteria are:

→ bread	→ meat
→ dairy products	→ fish
→ eggs or egg products	→ rice
→ fruit	→ sugar
→ vegetables	→ manufacturer-packaged food.

If you do not sell **all** of the goods in the above product categories, the Regulations do not apply to you.

- 14 The Commission interprets these product categories broadly as this aligns with the policy intent of the Regulations. For example, we consider that:
  - the 'meat', 'seafood,' fruit', and 'vegetable' categories include all varieties and forms of these categories, including fresh, dried, frozen, canned, loose, pre-packaged or vacuum packed;
  - the 'bread' category includes, for example, pre-cooked loaves and buns, leavened and unleavened breads, artisan breads, wraps and pita bread, but not packaged breadcrumbs, cakes or biscuits; and
  - the 'egg or egg products' category includes the contents of an egg derived from poultry in any form, including, for example, egg pulp, dried egg, liquid egg white and liquid egg yolk.

## Floor space requirement

- 15 The Regulations define 'floor space' as being the internal floor area of a store that is used for retail sale purposes and is open to consumers (other than any area provided for the consumption of food, such as café areas). The Commission considers that this does not include car parking facilities.

## Voluntary display of unit pricing

- 16 Sellers that have a store with a floor space of less than 1,000 square metres, but that sell goods in all of the ten specified product categories, may voluntarily display unit prices.
- 17 In this case, where the seller displays a unit price for a particular product, it must comply with the Regulations. For example, if unit pricing is voluntarily displayed in-store on a can of 'X' brand baked beans, the seller needs to comply with the Regulations in terms of how it calculates and displays the unit price for cans of 'X' brand of baked beans. This also applies to the advertising of such products (apart from audio and video advertisements).

### TIP

While the Regulations do not require this, where a unit price is voluntarily displayed for a particular product, we encourage sellers to display unit prices for all products of that type. In the example above, this would mean displaying unit prices on all other brands of baked beans sold in a manner consistent with the Regulations. This approach provides more useful information to consumers, by enabling them to easily compare products of the same type.



## When do sellers have to comply with the Regulations?

- 18 The Regulations provide for transition periods for in-store and online sellers to become compliant to allow time to update their systems.

### In-store sellers:

- 19 Where an in-store seller meets the Qualifying Criteria before 31 August 2024, the Regulations apply to it from **31 August 2024** for regulated grocery products.

### Online sellers:

- 20 Where an online seller meets the Qualifying Criteria before 31 August 2025, the Regulations apply to it from **31 August 2025** for regulated grocery products.

#### TIP

These dates for compliance apply to the display of unit pricing for products sold in-store or online, **and** any advertisements for that product (except audio or video advertisements).

For **example**, where an in-store seller advertises its products online (such as in a social media post), that advertisement must comply with the Regulations from 31 August 2024. However, if the online advertisement relates only to an online offering, it must comply with the Regulations from 31 August 2025.

## New stores or new online sellers:

- 21 There is a 12-month grace period for new stores and online sellers. This grace period only applies where the seller meets the Qualifying Criteria for the first time on or after 31 August 2024 or 2025 (depending on the type of seller).
- 22 This means that it is important for retailers to know when they *meet the Qualifying Criteria for the first time*. The effect being:
  - where an in-store seller meets the Qualifying Criteria for the first time on or after 31 August 2024, the seller will have a 12-month grace period to meet the requirements of the Regulations; or
  - where an online seller meets the Qualifying Criteria for the first time on or after 31 August 2025, the online seller will have a 12-month grace period to meet the requirements of the Regulations.

### EXAMPLE

An online seller currently sells goods in all of the ten specified product categories. Prior to 31 August 2025, it stops selling any bread products and no longer meets the Qualifying Criteria. After 31 August 2025, it starts selling bread products again such that it now meets the Qualifying Criteria. In this example, the 12-month grace period would not apply to the online seller as it has not met the Qualifying Criteria 'for the first time' on or after 31 August 2025.





## Which types of products are required to display unit pricing?

- 23 Any in-store or online sellers that meet the Qualifying Criteria above must display unit prices for all its regulated grocery products. This covers all grocery products (including products that do not fall within the ten specified product categories), other than exempt products or products that fall within an exception.
- 24 The requirement to unit price applies whether products are sold as individual items or packages of goods, subject to the exceptions and exemptions in the Regulations.

### EXAMPLE

For **example**, a watermelon sold by weight or a package of toilet rolls.

- 25 Individual items that are usually sold as a pair are treated as if they were an individual item, i.e. the unit price should be presented as if the pair were one item.

### EXAMPLE

For **example**, a pair of dish-washing gloves.

## Which types of products are not required to display unit pricing?

- 26 The Regulations exempt some types of products from having to display unit pricing, including products that are sold in a particular manner.

### Exempt grocery products

- 27 The following product types are exempt from the unit pricing requirements under the Regulations:

- (a) alcoholic beverages;
- (b) tobacco products and vaping products (both as defined in section 2(1) of the Smokefree Environments and Regulated Products Act 1990);
- (c) meals, snacks, and beverages prepared at a store for immediate consumption;<sup>1</sup>
- (d) books, magazines, and stationery;
- (e) flowers (including fresh, dried, and imitation flowers);
- (f) clothing, jewellery, and other fashion items (other than make-up);
- (g) household appliances and kitchen and bathroom utensils;
- (h) toys;
- (i) sports and camping equipment;
- (j) haberdashery;
- (k) manchester;
- (l) furniture;
- (m) home décor items;
- (n) computer, audiovisual, and telecommunications equipment and supplies;
- (o) audio and video recordings (in any media) and data storage devices;
- (p) electrical items (other than batteries and light bulbs);
- (q) photographic items and equipment;
- (r) hardware;
- (s) garden and pool items (including tools, equipment, maintenance supplies, and decorations);
- (t) vehicle and bicycle maintenance or repair items.

1. The Commission interprets 'immediate consumption' as only including food that is to be consumed either on the premises, or shortly afterwards, without any further preparation. This would not include, for example, pre-portioned meal kits, ready meals, or pre-cooked chicken. However, a pre-cooked pie or cafeteria food (if available) would be exempt from the Regulations.

## Products sold in a particular manner are also exempt

*Individual items not sold by volume, weight, length or area*

- 28 Unit pricing is not required for an individual item (not a package of two or more items) which is not sold by volume, weight, length or area.

### EXAMPLE

For **example**, a toothbrush or a light bulb.

*Bundled products*

- 29 Unit pricing is not required where a bundle of different grocery products is being sold for a single purchase price.

### EXAMPLE

For **example**, bodywash, shampoo and moisturiser sold together as a bundle for a total cost of \$20. The seller is not required to provide a unit price where the representation about the bundle's price is made, but it would need to provide a unit price for each of the individual (unbundled) products.

*Promotions where different products are offered at the same price*

- 30 A product is not required to be unit priced where it is one of a number of different products sold for the same purchase price (regardless of any differences in volume, weight, length, area or number of items in a package) and for which that price is displayed as applying to all of those products.

### EXAMPLE

For **example**, different products on a particular display shelf sold at one price, such as 'Everything on this shelf \$3'.

### TIP

The Regulations do not define what is meant by 'different products'. We encourage sellers to consider providing unit pricing where it is reasonably practicable and would provide meaningful information for consumers.

For example, if 1.5 litre bottles of different flavours of fizzy drink are priced at "3 for \$5", it is possible for the seller to display a meaningful (and accurate) unit price as the products are of the same size, with flavour being the only difference.

In other circumstances, it may not be sensible or meaningful to unit price products sold as a bundle. For example, where different types of biscuits with different pack sizes/weights are being sold as a bundle for a single purchase price.

*Products sold from a vending machine and marked down products*

- 31** A grocery product does not need to be unit priced if:
- sold from a vending machine; or
  - sold at a reduced price AND the reduced price is displayed (for example, by a sticker) where:
    - (a) the packaging is damaged;
    - (b) it is perishable and may need to be used by a particular date; or
    - (c) it is being discontinued.

The Regulations do not specifically require unit pricing when the selling price is the same as the unit price. For example, where the selling price of potatoes is already displayed as 'per kg'.

However, we encourage sellers to provide a separate unit price in circumstances where it would be useful for consumers to make a direct comparison.

## Exceptions to the unit pricing requirements

### *Non- monetary prices*

- 32 Unit prices are not required where the purchase price is wholly or partly in non-monetary form (such as loyalty points)

#### EXAMPLE

For **example**, if a product's purchase price is \$10 and 5 loyalty points, a unit price is not required.

- 33 Where two purchase prices are displayed for a product and one is wholly monetary, for example, \$25 and the other is wholly or partly in a non-monetary form, for example, \$10 + 5 loyalty points, then a unit price is only required for the \$25 and not for the \$10 +5 loyalty points.
- 34 A unit price is required where a purchase price is wholly monetary but limited to a particular class of persons.

#### EXAMPLE

For **example**, \$30 or \$25 for club members – unit prices are required for both the \$30 and \$25 purchase prices.

### *Video or audio advertisement*

- 35 A unit price does not need to be displayed in an audio or video advertisement. The Regulations define a video advertisement as an advertisement that uses visual images produced electronically and shown as a moving picture.

## What unit pricing information must be displayed?

The unit price means the purchase price (including GST) of a product per unit of measurement.

- 36 Sellers that are required to comply with the Regulations must display the unit price of all of their regulated grocery products close to the purchase price where the product is sold and in advertisements for the product (except in audio or video advertisements).
- 37 The Regulations set out the units of measurement that must be used for each type of grocery product and how the unit price must be displayed to ensure it is easy for consumers to notice, understand, and use.

### TIP

We consider that where there are two or more purchase prices, for example, a multi-buy promotion where customers have the option to purchase one product at a single item purchase price, or two of the same product at a discounted price, then a unit price should be displayed for both the single price and the multi-buy price. In our view, this provides the most helpful information for consumers.

### Units of measurement for unit price

#### *Rounding unit prices*

- 38 The unit price for a product must be calculated to the nearest cent (with 0.5 cents rounded upwards).

### EXAMPLE

For **example**, if the unit price of a product is calculated at \$0.515 per 100g, the unit price must be displayed as \$0.52 per 100g.

### Standard measurement units

- 39 The unit price of a product must be worked out using the unit of measurement set out in the table below.

#### 1) For products that fall into one of the following categories, the unit price must be worked out using the applicable unit of measurement set out below:

Meat or seafood sold by weight	Per kilogram
Fruit or vegetables sold by weight	Per kilogram
Herbs, spices, powdered sauces, or powdered stocks	Per 10 grams
Flavouring essences or food colouring	Per 10 millilitres
Beverages	Per litre
Nappies	Per nappy
Pet products (other than food) sold by weight	Per kilogram
Pet products (other than food) sold by volume	Per litre
Toilet paper and paper towels with perforated sheets	Per 100 sheets

#### 2) For any other products, the unit price must be worked out using the applicable unit of measurement set out below:

A product sold by volume	Per 100 millilitres
A product sold by weight	Per 100 grams
A product sold by length	Per metre
A product sold by area	Per square metre
A product sold by number of items, if displayed purchase price is for 40 or fewer items	Per item
A product sold by number of items, if displayed purchase price is for more than 40 items	Per 100 items

## EXAMPLE

For the first **example** below, cheese does not fall into one of the specific product categories listed in the first part of the table above. Therefore, as a product sold by weight it must be unit priced as 'per 100g'.

For the second **example**, bamboo skewers do not fall into one of the specific product categories listed in the first part of the table above. Therefore, as a product sold by item which has more than 40 items in the pack, it must be unit priced as 'per 100 items'. As illustrated in this example a unit price is required for both the loyalty and non-loyalty purchase price.



- 40 For the specific product categories in the first half of the table, the Commission interprets these broadly. For example, we consider that:
- 'herbs and spices' include both dried and fresh herbs and spices.
  - 'meat or seafood sold by weight' and 'fruit or vegetables sold by weight' include fresh, frozen, dried, loose, canned, pre-packaged or vacuum-packed products. It does not, however, include mixed ingredient products that would be considered more as 'ready meals'. As an example, a can of Irish stew which contains some meat but also a number of other ingredients would not be considered 'meat'. In comparison, a flavoured can of tuna is substantially comprised of tuna and would be considered 'seafood'.
  - mushrooms, peas and beans fall into the 'fruit and vegetable' category and 'meat' includes small goods and poultry meat. These products should be unit priced as 'per kg'.
- 41 In our view, a broad interpretation of these product categories allows consumers to make meaningful comparisons, not only by comparing like-for-like products (such as tinned tomatoes of different brands or varieties), but also enabling comparisons with products that are alternative options (for example, canned corn with frozen corn, tinned peaches with fresh peaches).



## Specific rules for products sold in packaging

- 42 Where a product is sold in packaging, it is sold by way of the measurement type displayed on its packaging. The **measurement type** means volume, weight, length, area or number.
- 43 However, if there is more than one unit of measurement on the product's packaging, the seller must use the unit of measurement that is most commonly sold to consumers.

### EXAMPLE

For **example**, an online grocery store sells tea bags by the number of bags in a box (box of 100 tea bags), also marked with weight (500 grams of tea bags). If tea bags are most commonly sold by the number of bags in a box, the seller should display the unit price for the tea as 'per 100 bags'.

If it is a box of 40 or less tea bags, the seller should display the unit price for the tea as 'per bag'.





## How to display the unit price of a product

- 44 The Regulations prescribe how the unit price must be displayed:
- Using numerals and a dollar sign (except where the unit price is less than \$1.00, then either in dollars and cents or in cents); AND
  - If the unit price is \$1.00 or more, in dollars and cents; AND
  - Using the unit of measurement required by Regulation 11 (as discussed above).

### EXAMPLE

#### Where the unit price is less than \$1.00

If a unit price is less than \$1.00, the unit price must either be:

<b>YOGHURT</b> 1kg  <b>\$0.44 per 100 g</b>	<b>YOGHURT</b> 1kg  <b>44c per 100 g</b>
<b>in dollars and cents</b>	<b>or in cents</b>

### Language used in display of unit pricing

- 45 Where the required unit of measurement for a product is 'per item', we consider sellers could use other language provided its meaning is already commonly understood by consumers. For example:
- the use of 'each' may be appropriate in certain circumstances; and
  - the type of item may be referred to in the unit price (such as 'per pod' for a pack of coffee pods).
- 46 We also consider that recognised abbreviations of units of measurement (such as 'kg', 'g', or 'L') may be used provided they are commonly or readily understood by consumers.

The Regulations require that the unit price for nappies must be 'per nappy'. In our view, referring to nappies as, for example, \$0.73/each (as opposed to \$0.73 per nappy) would be readily understood by consumers. However, we do not consider that this form of abbreviation would work in respect of toilet paper and paper towels with perforated sheets – it would not be clear to consumers whether 'each' refers to each roll or each sheet.



## Clear and legible, font size, prominent and proximate

- 47 Unit pricing is intended to help consumers make better informed purchasing decisions. Therefore, unit pricing should be easy for consumers to notice, read, understand and use.
- 48 The Regulations require that the unit price must be displayed:
  - Clearly and legibly; AND
  - In a font size no less than 25% of the font size in which the product's purchase price is displayed; AND
  - Prominently, and in close proximity to the purchase price, so that its connection to the product is clear.

### TIP

Just because the font size of the unit price is no less than 25% of the purchase price's font size, this does not automatically mean that the other requirements of 'clear, legible, prominent and proximate' are met.

## What we think this means

*Things to consider in ensuring unit pricing is 'clear, legible, prominent and proximate'*

- 49 Unit pricing should be clearly displayed in a consistent, unambiguous and legible manner – this means it can be easily seen and read by consumers (including those with impaired sight and/or restricted mobility) from normal viewing positions and distances.
- 50 While the Regulations set out the mandatory requirements, a number of factors can influence how easily consumers can notice, read, understand and use unit pricing. Below are some suggestions that we encourage sellers to consider when unit pricing, to help consumers compare value across similar items and to simplify their decision making.
  - *Viewing angle* – are all unit prices easy to notice and read when viewed from a normal distance and position for as many consumers as possible, i.e., not just when viewed from eye level.
  - *Contrast with background* – does the unit price contrast distinctly with the background of the label. How easily can coloured text be seen against the background. Consider the use of bold black text on a white background or another contrasting colour.
  - *Position on label* – is the unit price close to the purchase price, for example, immediately below or next to the purchase price.
  - *Font density, size and type* – consider the use of plain and simple font and whether the font size makes it easy to read. Will the use of line spacing or clear space around the unit price or the use of borders assist with clarity. If there is lots of pricing information near the purchase price, can the unit price be easily identified.

- *Consistency of format* – consider the use of the same format for the display of the unit price throughout a store or on a website, to make comparison easy for consumers. For example, if you present a product as ‘\$0.30 per 100g’ consider presenting all comparable items in this format rather than some items in a different format, for example, ‘100g = \$0.30’.
- 
- *Connection to the product* – are product names on pricing labels legible and contain adequate information for consumers to identify which product the price label relates to.
- 
- *Illumination* – is the illumination provided by daylight and artificial lighting in-store enough to allow shoppers to easily see the unit prices.
- 
- *‘Sort by lowest unit price’* function by online sellers – are you able to provide a product selection function that allows consumers easy access to a list of relevant items for unit price comparisons, and to then sort the items by lowest unit price.
- 

## Commission enforcement

- 51** The Commission enforces compliance with the Regulations under the Fair Trading Act. As the enforcement agency, the Commission can investigate alleged breaches and take appropriate enforcement action. You can find out more about how we investigate and what traders can expect to happen during an investigation in the Commission’s published investigation guidelines. The Commission cannot certify that any particular business’ unit pricing complies with the Regulations. Ultimately only the courts can decide whether a breach of the law has occurred. If you are unsure about your compliance, then we suggest seeking legal advice.

## What might happen if you don’t comply with the Regulations?

- 52** It is an offence under section 40(1B) of the Fair Trading Act to breach the provisions of section 28 of the Fair Trading Act by failing to comply with the Regulations. Following an investigation, if the Commission believes on reasonable grounds that an infringement offence (as defined under section 40B of the Fair Trading Act) has been committed, the Commission may:
- issue an infringement notice under section 40D of the Fair Trading Act to a business requiring the payment of an infringement fee of up to \$1,000 per offence; or
  - for serious non-compliance, choose to prosecute under section 40 of the Fair Trading Act. Companies may be fined up to \$30,000 for each offence, and individuals can be fined up to \$10,000 for each offence.

## False or misleading representations about price

- 53 It is an offence under section 13(g) of the Fair Trading Act to make false or misleading representations concerning the price of a product, or to engage in misleading conduct in relation to price. These provisions under the Fair Trading Act already exist and will continue to be enforced by the Commission alongside the Regulations.
- 54 On conviction of a breach of section 13 under the Fair Trading Act, companies may be fined up to \$600,000 for each offence and individuals can be fined up to \$200,000 for each offence.

© Commerce Commission 2024

This is a guideline only and the Commission's view. It is not intended to be definitive and should not be used in place of legal advice. You are responsible for staying up to date with legislative changes.

You can subscribe for information updates at [www.comcom.govt.nz/subscribe](http://www.comcom.govt.nz/subscribe)

---

Contact us with information about possible breaches of the laws we enforce:

**Phone:** 0800 943 600

**Write:** Enquiries Team, PO Box 2351, Wellington 6140

**Email:** [contact@comcom.govt.nz](mailto:contact@comcom.govt.nz)

**[www.comcom.govt.nz](http://www.comcom.govt.nz)**

---

ISBN 978-1-991085-95-5

