U.S. DVD Sales Continue to Slide as Digital Viewing Soars

By Christopher Palmeri
January 6, 2015

U.S. spending on movies and TV shows for home viewing fell 1.8 percent to $17.8 billion last year, as soaring outlays on digital products failed to counter the continued decline of DVDs. The drop accelerated in the fourth quarter, when sales of DVDs fell 16 percent to $2.34 billion and rentals shrank 8.5 percent to $833 million, according to the Digital Entertainment Group, a Los Angeles-based consortium founded by the studios. Digital spending, including rentals, purchases and streaming services, grew 16 percent to $2.12 billion.

Home entertainment is a major source of revenue for Hollywood, with sales 70 percent larger than the box office in the U.S. The business has been buffeted by change as online viewing and purchases have grown and spending on DVDs withered. Total home entertainment spending shrank 4.1 percent in the fourth quarter to $5.3 billion, a reflection of those trends.

"Consumers embraced the convenience and accessibility of purchasing and collecting digital content, while studios reaped higher margins from these digital sales," according to the statement.

Oil price falls to six-year low on supply glut

By Henning Gloystein
January 14, 2015 | 14:32 IST

Oil prices slid in early Asian trade on Wednesday after touching their lowest in nearly six years the previous session, with analysts predicting further falls as supply glut plagues the market.

Oil prices tumbled by 5 per cent to near six-year lows on Tuesday, with the Brent crude international benchmark briefly trading at par to US prices for the first time in three months as some traders moved to take advantage of ample US storage space.

February Brent crude prices had dropped by 40 cents since its last settlement to $46.19 a barrel by 08:08 am. US crude for February was trading 29 cents lower at $45.60 a barrel.

Analysts said prices would stay under pressure as oversupply of oil hurts both the American WTI contract and globally traded Brent, with some traders beginning to book ships for oil storage.

"Our latest forecast calls for Brent oil to average $45 per barrel during 1Q15 (the first quarter of 2015)," Nomura bank said on Wednesday.

Oil storage trends also imply further price falls, with US stocks possibly approaching 80 per cent of capacity by the upcoming spring season, according to US-based PIRA Energy Group.

"The last time the United States built inventories in December was in the middle of the financial crisis in 2008," the energy company said.

Outside the United States, some of the world's biggest oil traders have booked supertankers to store at least 25 million barrels at sea in recent days, seeking to take advantage of the crash in crude oil prices and make a profit down the line.

"Once floating storage starts, there is very little support on the downside for Brent spreads," Energy Aspects said.

US crude prices have been cheaper than Brent almost without interruption as soaring North American shale oil production pulled down prices while the rest of the world market remained more tightly supplied.

(Reuters)

Fewer People Are Going to the Movies Because Ticket Prices Are Just Too High

By David Stout
Jan. 14, 2015

Revenues at movie theaters in the U.S. shrunk by 21 percent year-on-year over the summer

People are less likely to go to the movies because they think tickets are overpriced, according to analysts

Box office revenues in the U.S. nosedived last summer by 21 percent when compared to the same period in 2013, and experts say high-ticket prices are the main culprit, according to consulting firm PricewaterhouseCoopers (PwC).

In surveys conducted by the firm, 53 percent of respondents cited increasing ticket costs during the past five years as one of the chief reasons why they opted to skip out on the cinema.

“Despite advanced technology, better seating, improved concessions and the return of 3D movies, the negative of higher ticket prices is difficult to counter-act,” said PwC in a report released this week.

Consumers Buying Fewer Donuts

By Charlotte Libov
Monday, 29 Dec 2014 10:48 AM

Pre-packaged desserts that are high in sugar and saturated fat, like donuts, are the scourge of nutritionists and dieters alike, but there's heartening news that Americans are eating about one-quarter less of them today than in years past.

Such "ready-to-eat grain-based desserts" are pre-packaged consumer baked goods such as cakes, cookies, pies, doughnuts, and pastries, which are often referred to as "empty calories," because their significant amount of sugar, and saturated fat to Americans' diets lead primarily to weight gain.

Researchers from the University of North Carolina decided to examine the issue from two vantage points; they wanted to see if manufacturers had lowered the sugar and fat content of these foods, making them more healthful, and they also wanted to find out if there was any change in quantity of them that was being consumed.

They surveyed consumer purchases of these products between 2005 and 2012 and found that little had been done to make these products more nutritious. But, on the other hand, they found that purchases had decreased by 24 percent.

The study also shows that the marketing of these products should be continually monitored to make sure that manufacturers do not try to use misleading labeling to fool consumers into thinking these products are healthy, said Dr. Kevin Mathias, the study's lead author.

Hold the fries: We're eating less fast food, study says

By Steve James, NBC News contributor
Feb. 21, 2013

Americans' love affair with fast food may be far from over, but there are signs we may be cutting down on French fries, greasy burgers and other artery-clogging food, according to a new study.

A survey released on Thursday by the Centers for Disease Control and Prevention shows that, on average, adults consumed about 11.3 percent of their daily calorie intake from fast food in the 2007-2010 period – a drop from 12.8 percent in 2003-2006.

The CDC noted that more frequent fast-food consumption is associated with higher energy and fat intake and lower intake of healthful nutrients.

During 2007–2010, the highest percentage of calories from fast food was consumed among adults aged 20–39, the survey said. But among non-Hispanic black adults in that group, 21 percent of their calories were consumed from fast food. Cheryl Fryar, one of the authors of the study, said that while calorie intake was higher in young blacks than young whites, there was little racial or ethnicity differences in older Americans. She noted that the percentage of fast-food calories in the diet dropped to as low as 6 percent in the 60-plus age group. There was little difference between men and women, she said.

Bethene Ervin, the other author of the CDC survey, declined to draw any conclusions from the results. "We do not do public health," she said. "(But) the lower calories from fast food may indicate that the public health messages are getting through." Other nutrition experts said it might show that Americans are eating more salads and other healthy alternatives offered by fast-food chains…

Fernstrom said the second significant finding was that the fast-food calorie intake dropped dramatically as people age. "It could be cost related, or is it because people are becoming more health conscious?" She said it was expected that there would be higher calorie consumption in the 20-39 age group as younger people do not think so much about the health effects of food.

"Maybe you don't listen at 30, but you do at 60 when you are more vulnerable to clogged arteries of high blood pressure…"

"It's no longer about where you eat, it's about what you choose when you're there. I can't say for sure, but I believe McDonald's is still doing robust business, and if more of that is coming from lower-calorie foods, salads, fresh fruit, etc., then that's terrific," Ayoob told NBCNews.com.

Chocolate lovers: prices could go up (again)!

by Patrick Gillespie @CNNMoneyInvest
June 23, 2015

Chocolate lovers, beware: prices could go up this summer just like last year.

There's an unsavory forecast for one of chocolate's key ingredients: cocoa. Bad, dry weather conditions are shrinking the cocoa supply, which eventually affects American consumers.

The price of cocoa is up 12% so far this year. That eats into the profits of chocolate makers and forces them to consider hiking prices on chocolate bars, balls, sauce and everything else.

It's deja vu from last year. Cocoa prices were up 13% in the first half of 2014. That -- along with rising milk and nut prices -- prompted Hershey (HSY), Lindt and other chocolate makers to raise their prices about 8% on average last July.

To be clear, no major chocolate brands have announced additional price hikes this year. And you might think, "8% price hike, so what?"

Related: Bacon is now 25% cheaper

But this price-hike problem could be a continuing trend. Part of the issue: location. The majority of the world's cocoa supply is in two tiny countries: Ghana and the Ivory Coast in western Africa. Cocoa production in Ghana alone is down 22% from last year. If something happens there -- such as another Ebola outbreak or bad weather -- it sends ripples across the chocolate industry.

Once chocolate prices go up, it's unclear if they will ever come back down. With a limited supply of cocoa and rising global demand for chocolate, particularly in China, chocolate makers have some ability to keep prices higher.

Consider this: 10 years ago, a ton of cocoa beans cost $1,571. Right now it costs double that, $3,244, according to the International Cocoa Organization. The ICCO projects that cocoa production will be down 4% this year compared to last.

So an 8% chocolate price increase probably didn't hit your wall hard last year, but further price hikes could add up. Prices may not go up as much this year since milk is actually a little cheaper than a year ago. But cocoa -- the stuff that makes chocolate taste great -- continues to become more expensive.