

News and Current Events :: Price of bread rising on wheat shortage

Price of bread rising on wheat shortage - posted by sermonindex (), on: 2008/2/23 19:10

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A worldwide shortage of wheat means shoppers will soon be shelling out more dough for a loaf of bread.

"Within a week, our prices will increase by about 30%," said Hilton Dinner, who owns west Edmonton's popular Bon Ton Bakery. "And I think the whole baking industry is in the same boat."

The price of flour has risen by 100% to 150% in the last seven or eight months, said Dinner, adding that he's never seen such a leap in his 19 years in the baking industry.

"Prices creep up seasonably. They might go up 10%, then down 5%. They never go back to where they started, but they creep. This is not creeping, this is drastic," he said.

The wheat shortage is being driven in part by a two-year drought in Australia that has diminished yields.

read more: <http://www.edmontonsun.com/News/Edmonton/2008/02/21/4864199-sun.html>

Re: Price of bread rising on wheat shortage, on: 2008/2/23 21:39

Greg quoted above:

"The wheat shortage is being driven in part by a two-year drought in Australia that has diminished yields."

Greg quoted below:

“There is no deficit of grain on the domestic market. According to the Ministry of Agriculture, Russia grew as much as 80 million tones of grain this year. That means it can export 12 million tones without harming the domestic market. And the current level of exports is well within this limit,” objected Nikolay Demyanov from International Grain Company.

Experts say higher duties may hold down prices and inflation, but only in the short term.

In the longer term exporters will decrease the price at which they buy grain from farmers, hurting Russian agriculture.

“We believe the overall impact of these measures will be negative. Farmers will lose money. To stabilise prices we need to support domestic production and right now we are destabilising it,” added Mr Demyanov.

Experts say grain represents only 25% of the cost of bread while retailers add another 40% hinting that the government may be **targeting the wrong people**.

(https://www.sermonindex.net/modules/newbb/viewtopic.php?topic_id22009&forum48&2) 2008/1/30 - Russians fear grain shortage, bread inflation (previous news forum thread)

Interesting.