

CROP SHORTAGE

Wheat products soon may cost more

Saturday, October 27, 2007 3:40 AM

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Wheat is in short supply because of weather around the world, and the dearth is driving up prices for flour and other products.

The development is good for Ohio farmers, whose wheat is worth double this year what it was last year, but bad for businesses such as bakeries.

And customers could soon begin feeling the pinch, because some local businesses say they can't wait much longer to pass on the price increases.

"This wheat thing is like a nightmare right now," said Steve Block, owner of Block's Bagels in Columbus. Block said his flour prices recently increased 35 percent in one week after his wholesale supplier could no longer hold prices steady.

Wheat sold in Ohio fetched \$7.29 per bushel in September, up from \$3.12 at the same time last year -- a 134 percent increase. Experts expect that the high prices will prompt the state's farmers to increase the amount of wheat planted this year. Ohio State University Extension is estimating that more than 1 million acres of wheat will be planted, up from 820,000 acres in 2006.

Most of the shortage is the result of bad weather across many countries, said Ed Allen, an economist with the U.S. Department of Agriculture's Economic Research Service. There's also a longer-term trend of less wheat planted in the U.S. and Canada because other crops are more profitable, he said.

The U.S. had a poor wheat crop in 2006, and this year's crop was adequate but "not a bin buster," Allen said. At the same time, demand for the U.S. crop has been high, because the other top wheat-producers -- Australia, Canada and the European Union -- have had very poor production for a few years.

Wheat stocks, a measure of how much is available for sale, are down 31 percent in Ohio compared with last year, according to the National Agricultural Statistics Service. The U.S. wheat stock has decreased 2 percent compared with the same time last year.

The soft red winter wheat grown in Ohio is used in cakes, pastries, flatbreads and crackers.

Bryan Tyler, owner of Bread Basket Family Bakery in Gahanna, said that when he started his business three years ago, he paid \$9 for a 50-pound bag of flour. That price has risen to more than \$14.

"I'm absorbing (the increase) right now but we can't do it much longer," Tyler said. He anticipates upping the price for a loaf of bread by about 25 cents.

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