

## **FEATURE – FOOD PRICES GOING UP**

INTRO: U-S consumers are not going to get any relief on food prices any time soon. The U-S-D-A's Bob Ellison has more. (1:23)

RETAIL FOOD PRICES ARE RISING AT A RATE NOT SEEN IN TWENTY YEARS AND THAT TREND DOES NOT SHOW SIGNS OF SLOWING DOWN. THE U-S DEPARTMENT OF AGRICULTURE'S ECONOMIC RESEARCH SERVICE SAYS FOOD PRICES WENT UP FOUR PERCENT LAST YEAR AND SHOULD GO UP FIVE TO SIX PERCENT THIS YEAR.

Ephraim Leibtag, USDA Economic Research Service: It may not be over in oh-eight. We have some forecasts of increases in two thousand nine above normal levels as well.

LEIBTAG SAYS THE BOTTOM LINE IS THAT PRODUCING THE FOOD ON GROCERY SHELVES COSTS MORE THAN IN THE PAST.

Ephraim Leibtag, USDA Economic Research Service: The biggest factors in the retail food prices increasing have been the inputs, the commodities, the ingredients that go into food production. Things such as wheat, soybeans and corn, which have risen quite dramatically in the last year and a half or so and of course energy prices have also gone up quite a bit.

ANOTHER FACTOR IS DEMAND FOR FOOD IN OTHER COUNTRIES. AS FOREIGN ECONOMIES IMPROVE, DEMAND FOR FOOD INCREASES.

Leibtag: Even if we have a relatively weaker economy here, other countries that are doing okay or even better are better able to afford to import our products and so demand for food products outside the U-S raises prices here as well.

LEIBTAG SAYS U-S CONSUMERS SHOULD START SEEING AN INCREASE IN MEAT PRICES.

Leibtag: Meat products that were relatively stable for the first half of this year have started to increase due to the much higher feed costs.

IN WASHINGTON D-C FOR THE U.S. DEPARTMENT OF AGRICULTURE, I'M BOB ELLISON.