

Drought could push food prices up by 3 to 5 percent next year, USDA warns

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By

CLEVELAND, Ohio -- This summer's record-breaking heat could push food prices up by 3 to 5 percent next year, nearly double the normal rate, according the latest projection from the **U.S.**

Department of Agriculture.

Expect to pay up to 5 percent more for beef, 4.5 percent more for dairy, 4 percent more for eggs and poultry and 3.5 percent more for pork because of soaring animal feed costs.

"It's all contingent on corn prices, and **here in Ohio**, corn is just now starting to come in," said Nate Filler, president and chief executive of the **Ohio Grocers Association** in Columbus, which represents more than 400 food retailers. "If corn prices head higher, you can expect higher prices."

As the hot, dry weather dries out fields and withers crops across 60 percent of the mainland U.S., the largest area since the epic droughts of the 1930s and 1950s, prices have risen for corn, soybeans and other crops used to feed livestock.

"It's a disaster," said Rick Tolman, chief executive of the **National Corn Growers Association**, according to the Associated Press.

Farmers started out anticipating a record 14 billion bushel corn crop this year, but the drought could cut production by roughly 3 billion bushels.

Steve Prochaska, an agronomy systems field specialist with the **Ohio State University Extension**, said that while drought conditions across Ohio vary from farm to farm, some growers are already seeing losses.



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Sue Ogrocki, Associated Press

Butcher Freddie Quina cuts meat at Super Cao Nguyen in Oklahoma City, on Wednesday. The record drought gripping half the country will help push food prices up by 3 to 5 percent next year, especially in the meat department, the U.S. Department of Agriculture said.

Henry and Wood counties in Northwest Ohio have some of the better growing conditions in the state, Prochaska said, but some of those farms have already lost up to 50 percent of their yield potential. If there isn't rain, it will continue to decline.

"Sadly, we can start to get some idea of where we stand," Prochaska said.

"For some farmers, there's just no way you can make up for the lost kernels that's on those ears. We're going to need timely rainfall to bring the rest of the crop in."

Depending on the farm, crops could still need up to 6 inches of rain to finish out the season.

Because Ohio's soil has been so dry, that water will need to come from rainfall, Prochaska said. And it has to be the right amount of rain over a longer period of time to be effective; otherwise, it just washes away.

Although the corn crop is suffering more than in past years, that doesn't necessarily equate to a noticeable impact on food prices, Tadd Nicholson, executive director of the **Ohio Corn & Wheat Growers Association**, said.

"To increase food prices on any one component is an oversimplification of a very complex process," Nicholson said.

The commodity price of corn has risen sharply, to \$8 a bushel, up from about \$5 a bushel in March, Prochaska said.

Corn is the major ingredient in animal feed, and higher corn prices due to lower crop yields could hurt a farm's profits, Nicholson said. But "impact to a farmer doesn't equal impact to the consumer," he said. Such losses are absorbed so that food prices can remain level.

Scott Boehnlein, with **New Creation Farms** in Geauga County, said there could be a livestock shortage later this year as farmers currently raising animals begin to sell their herds in anticipation of higher feed costs.

Dairy farmers sending their animals to slaughter in response to the drought will hurt milk production and could drive up prices at the supermarket by 10 percent or more, Ed Jesse, an emeritus professor of agricultural economics at the University of Wisconsin-Madison, told the Associated Press.

Also, cows give less milk when it's hot, and the milk they do produce is lower in proteins and butterfat, which means cheese and butter prices could also rise, he said.

Grocery store prices typically rise about 2.8 percent a year, USDA economist Richard Volpe said.

Filler's advice: "Take advantage of stock-up deals now while prices are low."

Plus, the higher prices rise this fall and next year, the more competitive grocers will have to be to keep people shopping in their stores, he said.

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