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Medvedev Warns Speculators After Food Prices Rise

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President Dmitry Medvedev eating a watermelon at the Grachinoye collective farm in the Saratov region Thursday.

SARATOV — President Dmitry Medvedev ordered law enforcement agencies on Thursday to prevent speculators from driving up food prices after the worst harvest in years and pledged help to ensure affordable food staples.

The government is worried that recent price rises for staples such as flour, buckwheat, pasta and meat following the worst drought in at least half a century could undermine the Kremlin's support ahead of the 2012 presidential election.

This summer's drought will lead to a "price shock" for three to six months, though inflation should be 7 percent for the year, Central Bank First Deputy Chairman Alexei Ulyukayev told a banking conference.

Medvedev, speaking to the State Council, complained that speculators were driving up prices for certain foods such as buckwheat.

"The speculators need to be caught," Medvedev said at the meeting in Saratov, a city on the Volga River in an agricultural region hit by the drought. "There are no objective reasons for the current changes in price" for food products.

"The situation should be kept under control by the government and regional leaders," he said. "If the situation changes, I will make the decision to ensure our citizens have quality and affordable food. ... This is a priority for the state."

Medvedev has toured villages, dairy farms and meat processing plants in recent days in an effort to reassure Russians, who still remember the empty shelves and soaring food prices leading up to and following the 1991 collapse of the Soviet Union.

Medvedev said he was particularly concerned about the price of buckwheat, which ordinary Russians like to eat as porridge or with mushrooms and onions.

"People are buying up this buckwheat from big retailers in the evenings, using sacks to fill up their trucks, and then selling it in small shops and markets," Medvedev said.

"Those who are involved in hiking up prices, those involved in earning unjustified profits, should be dealt with by prosecutors, by the police, by the anti-monopoly and tariff services," he said.

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