

Price of Bread to Jump Due to Russia's Weakening Ruble

By [The Moscow Times](#)

December 11, 2014



The price of bread will increase 5-10 percent in the near future.

Despite a bumper wheat harvest this year, the cost of bread is set to rise sharply as the tumbling value of the ruble currency stokes food price inflation, business daily Kommersant reported on Thursday.

The price of bread will increase 5-10 percent in the near future due to the "rising price of flour, grain, sugar, foreign raw materials, packing supplies and transportation costs," Artem Glushchenko, head of communications for O'Key supermarkets, told the newspaper.

Retailers have begun receiving notifications of price rises from suppliers, he said.

Grain prices are linked to the international dollar-denominated market, the head of Russia's Grain Union, Arkady Zlochevsky, told Kommersant. With the Russian ruble down 40 percent against the dollar this year and still falling, prices inside Russia are rising.

Grain sellers are also responding to the ruble's slide by holding back supplies to boost revenues, he said.

The cost of flour has risen particularly steeply — increasing 22 percent during November, according to the paper.

There is no question of a poor harvest: In his state of the nation address last week, President Vladimir Putin cited 2014 as a banner year for Russian wheat production.

Rising inflation, the ruble's fall and restrictions on food imports have created price hikes on other food staples this year, including apples, sunflower oil, buckwheat, rice and pasta.

The Central Bank said Thursday that inflation would hit 10 percent by the end of this year.

Original url:

<https://www.themoscowtimes.com/2014/12/11/price-of-bread-to-jump-due-to-russias-weakening-ruble-a42215>