

D'ough!

An increase in the cost of wheat sends bagel and pizza prices rising

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Take a spoonful of population growth. Add a pinch of ethanol. Throw in a weak U.S. dollar and a drought in Australia. That's the recipe for a staggering increase in wheat prices, which has caused the cost of bagels and pizzas — to name just a few edibles — to shoot through the roof. And it's not coming down any-time soon.

The price of a plain bagel has jumped more than 10 percent at many stores, and some shop owners are afraid they won't be able to stay in business.

"For the past four or five months, it's going crazy," said Joe Assemi, owner of Cup O' Joe Bagels in Huntington. "Pretty soon I'll have to shut the door and go home."

Store owners have seen flour prices double and even triple in the past year due to fluctuations in the wheat market. Increasing demand and poor weather in Australia and South America are just two of the factors driving prices up.

"We've had two years of horrible weather that has reduced [wheat] stocks dramatically," said Joe Sowers, senior market analyst for U.S. Wheat Associates, a trade group in Washington, D.C.

While their overseas counterparts deal with bad weather and export restrictions, many U.S. wheat farmers have switched to

growing corn to meet demand in the expanding ethanol market, Sowers said. The full impact of the wheat shortage hasn't yet reached Main Street, he said. "It will get much, much worse," he said.

That's bad news for Adam Rosner, owner of Bagel Boss, who said the price of a regular bagel at his 12 Nassau and Suffolk stores has risen to 90 cents from 75 cents a few weeks ago. Customers have changed their spending habits, he said.

"They're not buying dozens now; they come in and say, 'Give me six bagels,'" Rosner said.

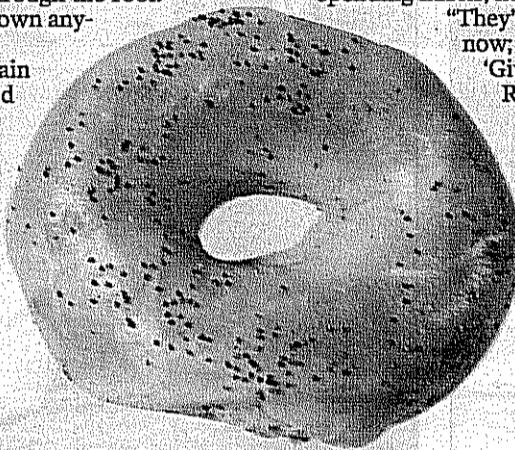
At Michael's Pizza in Farmingville, owner Michael Perrino is contemplating raising the price of a slice from \$2 to \$2.25. Perrino said the 50-pound bag of flour that cost \$16 a few weeks ago will cost \$30 next week. "Now it's like you're working for nothing," he said.

Business is off 2 percent to 3 percent at A&S Bagels in Franklin Square, said president Antonino Scolieri.

"We figure by middle of March we're going to go up another 5 to 10 cents per bagel," he said. "There's no end in sight at this point."

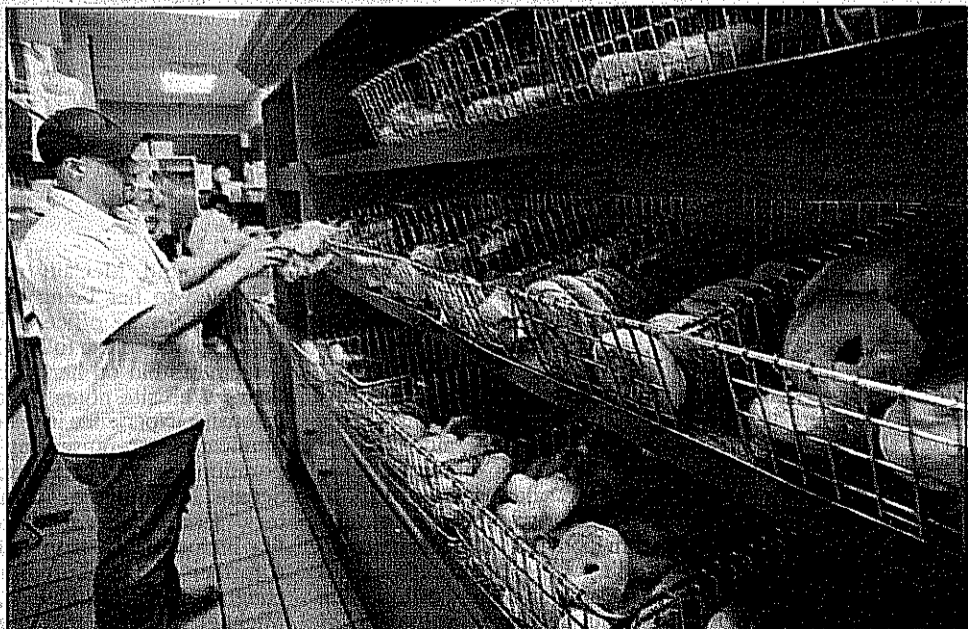
Scolieri said he will join bakers from around the country in Washington on March 12 to plead for help from federal agriculture officials and Congress.

"I've been in this business since 1963. I've never seen nothing like this in my life," he said.



Rising prices at Bagel Boss

100 lbs of flour	Regular bagel
\$17 OLD	75¢ OLD
\$47 NEW	90¢ NEW



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At Bagel Boss in Hewlett, where Frankie Hveen is manager, bagels are up 15 cents.