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## Business

Restaurants, bakeries cope with higher wheat prices

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### WASHINGTON -

Fueling your car and your appetite share a common bond these days — both are more expensive. Wheat prices have increased at least 50 percent in recent months. And local pizzerias, bakeries and cake shops, along with their customers, have had to bear the brunt of the subsequent flour price spike.

“People who sell bread-based products are feeling the pinch in a really bad way,” said Ron Newmyer, co-owner of two of Armand’s Chicago Pizzeria locations and co-franchiser of the remaining nine in the metro area. Newmyer has seen flour prices more than triple in the past six months, from \$9 to \$29 per 50-pound bag. Just three weeks ago, the surge in costs caused him to raise his pizza prices by 9 percent — the first increase in 8 years. “It’s helping us tread water but hasn’t translated into an increase in sales,” added Newmyer.

Wheat supplies have “dropped in half from what they were a year ago, and a year ago they were already tight,” said Shawn Hackett, president of Hackett Financial Advisors. Hackett, who follows the agricultural commodities market, said a poor harvest last year and the “drawdown away from wheat into corn for ethanol” are the why supplies are limited.

The collapsing U.S. dollar, which drives up the value of commodities priced in U.S. dollars, “clearly adds icing on the cake,” said Hackett.

“Only since this week, we’ve started to raise prices,” Greg Sinkovic, owner of the Bowie-based Cakery, said Friday. He’s seen a 50- to 75-percent spike in the price of flour since the beginning of January, with a 50-pound bag increasing from \$18 to \$30. He’s had to raise the price of breakfast pastries by 25 cents and may increase cake prices the next time he reprints menus. Some shops are still shouldering the full price burden, but it might not last that long. “I’m seriously contemplating it for our spring menu,” said Ed Hanson, owner of Ella’s Pizza in Chinatown. Tanya Logan, head baker at Cake Love’s U Street location, said that the bakery hasn’t had to increase prices at its four metro-area locations yet.

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