

Causes Of Rising Food Prices Revealed

The rising costs of food are still weighing heavily on consumers, it has been revealed.

June 23, 2008 (FPRC) -- According to Johnny Stern, director of mySupermarket, People are finding more and more that food prices are getting higher. This was partly blamed on recent bad weather conditions resulting in a bad yield of various produce and causing a shortage in supply. However, it was indicated that overall rise in demand has meant and that in particular 'basic products' have gone up.

He commented: "On the one hand you've got increased demand for a lot of these basic products and - on the other hand - from the supply side you've got a shortage of supply due to a bad crop of various products, due to certain weather conditions and it's the combination of the demand reasons and the supply reasons which has caused the increase in the price of basic products - a double whammy effectively."

Furthermore, it was said that the continued increase in the cost of oil is impacting upon food values. One way in which this has occurred has involved the rising cost of transporting raw products to distribution outlets. Here retailers have been sighted as shifting the effect of rising transport costs on to the consumer. Meantime, it was stated that as oil prices go up, more effort is being directed towards research into alternative resources. And although at first consumers might believe that this means food prices will reduce, Mr Stern announced that this is not the case. It was claimed that some of the more staple food products are now not just sought after to be eaten but are also being used to provide an alternative energy source, something which again drives up demand and costs for such produce.

In addition to price increases - not only in food but additionally in areas such as petrol - it is quite plausible that Britons discover themselves struggling with greater difficulty to cope with the many constraints on their expenditure. This may mean that making repayments on mortgages and loans, meeting the cost of household bills and transport expenses also become harder to cope with.

Mr Stern's comments come after a recent study carried out by Verdict revealed that the "typical basket" of 100 grocery items was 5.8 per cent more expensive in May as opposed to the beginning of this year. In the firm's report it was also indicated that the cost of fruit and vegetables has risen by 16 per cent since January, with dairy produce showing an increase of 6.2 per cent. However, it appears that people may see the cost of grocery shopping having a bigger effect on their expenditure as it was stated food price inflation will be strong over the remainder of this year and into 2009.

In the face of rising food costs, those consumers worried about their ability to keep tabs on their money over the coming months might wish to consider making use of cheap loans. By doing so it is quite plausible borrowers can meet numerous money constraints at once, leaving them with just one affordable monthly repayment to make. Getting a loan for the intentions of supplementing expenditure as living costs surge may also be recommended after TheEnergyShop reported that price rises by Britain's six major fuel providers saw the average utilities bill add to by 14 per cent during the first few months of 2008.

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For more information contact Abbi Rouse of All About Loans (<http://www.allaboutloans.co.uk>)

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