



Strong Canadian dollar has offset price hikes

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Escalating rice prices could soon catch up to the Toronto consumer.

Although the price of long-grain rice has almost doubled on the wholesale market in one year, the strong Canadian dollar has largely offset the increase, rice importer Ali Bilgen said yesterday.

Most rice sold in Canada comes from Arkansas and California, followed by Thailand (Jasmine rice), India and Pakistan (Basmati) and Italy (Arborio), he said.

"Consumers have not seen (the increase) at the supermarket yet," said Bilgen, president of A&BB Rice Inc., the country's top rice importer with headquarters in Toronto.

"I don't think we're in danger of running out of product but there is a danger of prices going even higher," he said.

The most recent price increases have been the sharpest. Since September, a 40-kilogram bag of U.S. rice has risen to \$35 (U.S.) from \$21 (U.S.) wholesale, Bilgen said.

Customers at the five Toronto-area T&T Supermarket outlets, catering especially to Asian customers, can expect to see a small spike in rice prices today, marketing and planning manager Stephen Pang said.

"We will have to increase prices on certain (types of rice)," he said, "but we want to do it gradually, depending on our stock supplies."

A bag in the popular 8 kilogram size will increase \$1 to \$2, depending on type, he said. The company imports its rice directly from overseas suppliers, the most popular types being scented and calrose rice.

Food-price inflation will almost certainly continue, importer Bilgen said, partly because of a growing interest in ethanol and biodiesel production to lessen Western dependency on Middle East oil.

"We have to decide what is more important – grow food for feeding people or grow food to run our cars and SUVs," he said. "There is not agricultural land to do both."

Rice is cheap compared with other grains, Bilgen also said. Chicago Board of Trade listings since last Nov. 1 show wheat futures up 58 per cent, soybean futures up 45 per cent and corn futures up 38 per cent, he wrote in a company newsletter last month.