

## £2 A LOAF AS RISE IN OIL PRICE HITS FOOD



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### **FOOD prices are set to soar as the Libya crisis forces up transport bills.**

Experts say that a pint of milk, currently on average 45p, could soon reach £1 and a loaf of bread, around 70p now, could top £2.

Oil peaked at \$119.79 a barrel at the end of last week and Japanese bank Nomura has predicted that the price could reach \$220.

Kate Gibbs of the Road Haulage Association said: "Every time fuel goes up that is the cost that hauliers have to pass on to their customers and at the end of the chain is the consumer.

"We never thought we would see that day when bread would be a luxury item. But now it is just a matter of time."

Frozen and chilled food suppliers are likely to be the worst hit.

Dairy UK said that for every \$10 increase in the price of a barrel of oil, the British dairy industry would see additional annual costs of £48million.

Economist Jonathan Davis said: "Prices will double and in some cases triple and some previously everyday goods will become the preserve of the rich only. Milk for example will go up to £1 a pint."

Packaging materials are also derived from oil and have risen by 20 per cent in a month, said soft drink maker Britvic.