Larry Sly made a disturbing discovery the other day: the price of celery had increased by 20 percent since his last purchase. That may not put much of a dent in a typical household budget, but when your fresh produce purchases are measured in the hundreds of pounds, it's not a welcome development.

Sly is the executive director of the Food Bank of Contra Costa and Solano counties, and he worries that this may be the first sign of a jump in food prices brought on by the drought that's plagued California farmers.

According to the U.S. Drought Monitor -- yes, there really is one -- two-thirds of the state have been subjected to "extreme" or "exceptional" drought conditions. Central Valley farmers have been limited to 5 percent of their normal State Water Project allocations, and the results are about what you'd expect. National Public Radio recently interviewed a sixth-generation farmer who has been forced to allow one-fifth of his 11,000 acres to go fallow.

Reduced production translates to less supply, and that means higher prices. Sly expects the cost of fresh fruits and vegetables to increase by as much as 20 percent, so he needs come up with more money or cut back on the food distributed to low-income families.

"We know that costs are going up for canned fruits and vegetables," he said. "Our person who does our purchasing has bought as much as possible of the current stock. We try not to buy from Chinese or Mexican canneries -- we try to buy domestic -- but that may not continue."

Fresh produce is an even bigger concern, because it accounts for about half of all groceries the Food Bank buys and distributes.

"Our state association has gone to packing sheds for the last four or five years to ask about unmarketable produce -- nothing wrong with it; just not market-standard -- and see if we can buy it rather than the people who are going to make juice out of it. Recently, that's really worked well."
The produce market is always volatile -- McDonald's swept in one year and drove up apple prices by buying volumes of "peelers" for use in Happy Meal desserts -- but the drought figures to make things even worse.

It will also affect prices of meat, because livestock feed costs are rising. The Food Bank doesn't distribute much beef or pork, but poultry is a favorite. Add to those costs the rising price of gasoline -- trucks are needed to deliver produce to about 50 regional distribution sites -- and everywhere Sly looks he sees dollar signs.

"We're aware that impacts are going to be a little here and a little there, which ends up being a pretty significant total," he said, noting that the organization's current $10 million operating budget could need to be $2 million more next year.

That means generating more donations -- or dipping into reserves. Sly hopes the community will respond. Fundraising is always best during the winter holiday season -- and leanest in warmer months -- even though, he points out, "hunger doesn't go away because it's spring time."

One immediate boost is expected to come from the Food from the Bar Drive, beginning this week, when legal firms throughout the county hold fundraisers to see which can generate the greatest per-capita employee donations. Sly said he's grateful for the competitive spirit the lawyers exhibit during the annual event, but his organization needs more help.

He knew it did as soon as he saw the price of celery go up.

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