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Wheat Supply to Remain Plentiful

CONSUMERS should not be disturbed by actions to reduce the size of next year's wheat crop and to support prices at higher levels. There will be plenty of wheat, and prices will stay under parity.

Wheat is an export crop for this country. There is no likelihood that Americans will eat as much wheat as we grow.

Back in 1910, when there were 93 million people in the United States, we consumed around 500 million bushels of wheat yearly, mostly as home-baked bread, pancakes and pastries. Flour was sold in barrels and in large cloth sacks.

Estimated consumption of wheat for food in the United States for 1976-1977, with a population of 215 million, is 553 million bushels. We eat about half as much wheat per person, mostly as bakery goods and cereals, as our grandparents did.

Grocers now stock flour only in small packages, and consumers are deprived of flour sacks that made handy kitchen towels or garments for family members.

About half of our wheat is sold abroad or given away as foreign aid. We had cleared out our surpluses, but big crops here and elsewhere have put government back in grain storage.

Government manipulation of prices is apparent in negotiations with other world powers to establish an international food reserve and in the decision to cut acreage for 1978 wheat by only 20 per cent. Many farmers favored greater cut-backs in hope of getting higher prices for what they grow.

On the domestic scene, if wheat production were to be reduced enough to bring supply into balance with demand, wheat prices might go above \$3.50 per bushel. This would be politically unpopular, so administration officials set acreage limits high enough to allow for comfortable, price-depressing surpluses.

On the international scene, talks are to resume in London this month, with participating nations asked to agree to hold certain grain

stocks for emergency use. This idea has considerable appeal until underlying factors are considered.

One of these is that the nations also expect to agree on minimum and maximum prices for wheat. If the world wheat price should go up to the limit, each nation would be obliged, under the proposal, to start selling stocks to depress prices.

If world prices should hit bottom, each nation would have to start buying wheat in order to bolster prices. This would be price control on a global scale.

American consumers have no need to fear that we will run out of wheat or that bread prices will become exorbitant as long as the free enterprise system is allowed to operate. There will be plenty for ourselves and for our export markets.

Danger of hunger and high prices exists. These could become realities if the United States is "suckered into" an international combine with price control and distribution powers.