

NYTimes  
Low Reserves of Wheat  
By Spring Are Foreseen

By SETH S. KING

Special to The New York Times

CHICAGO, Jan. 23—Supplies of wheat now held in American elevators will be drawn down to dangerously low levels before the harvest of the 1974 crop begins in mid-May.

But Middle Western grain dealers insisted today that there was no reason to expect a serious shortage of flour or bread between now and early summer, though the price of both may rise again by then.

One industry source estimated that bread prices would rise by only one or two cents a loaf.

In this time of shortage-psychology, when such items as toilet tissue are being hoarded, market analysts are not advising consumers to go fill their freezers with 45-cent-a-loaf bread.

"We still have as much wheat in our elevators now as we've had at this time of year any time in the past 10 years," said Jim Jordon, Kansas City Board of Trade representative for Union Equity Cooperative Elevators, one of the largest handlers of winter wheat in the nation.

He said that because of high export demands "there is a possibility of using almost all the winter wheat we have before June, leaving us with little reserve. But I think it will be impossible to run clear out. The price for it is high now, and if it goes up any more, it will ration itself."

"The flour millers can still buy as much as they are willing to pay the price for," he said in a telephone interview.

Consumers were startled last

Continued on Page 48, Column 4

Continued From Page 1, Col. 7

week by warnings from the American Bakers Association that wheat was disappearing and bread might go to \$1 a loaf before summer. The association demanded export controls, which would halt shipments of wheat abroad and bring down the domestic price.

The Agriculture Department quickly discounted any possibility of bread prices rising that high. With wheat at \$5.70 a bushel this week, there was roughly 7 cents worth of wheat in a loaf of 45-cent bread. For bread prices to rise to \$1 a loaf, wheat would have to reach more than \$10 a bushel,

which no one here could imagine.

Nonetheless, department officials conceded that they were seeking to end United States quotas on Canadian wheat in the hope that imports would fill any gap.

Despite these moves, the Agriculture Department is still estimating that there will be about 200 million bushels of

wheat, roughly equivalent to a seven-week domestic and export supply, left over from the 1973 crop at the time the 1974 crop starts coming in. This would be the lowest carry-over since 1946.

While some Middle Western grain dealers believed this estimate was too optimistic, they said they were certain that there would be enough wheat to last through July 1, the end of the 1973 crop year.

"We're not going to run out of wheat," said Joe Gregg of Morriston, Gregg & Mitchell, a Kansas City-based company that operates grain elevators in parts of Kansas, Nebraska, and Missouri.

"Many of our elevators near Kansas City have pretty much sold out their wheat," Mr. Gregg said. "But in the big farm country in northwest Kansas, they have about the same amount as last year. Many farmers in those areas are still holding their 1973 wheat to sell it this year and pay 1974 taxes on it. That wheat will be avail-

able for sale when they think the price is right.

"Now if the supply should drop down much below 200 million bushels by early May, it will mean the wheat is scattered in a lot of smaller elevators and it may be harder for a miller to find," he went on. "But we certainly won't have run out."

Even mentioning the encouragement of imports is ironic to anyone involved in raising and selling wheat.

#### Largest Exporter

The United States is the world's largest exporter of wheat for bread. In 1973, American farmers raised the largest wheat crop on record. Based on winter wheat plantings already in the ground and spring wheat plantings expected — and assuming the weather is near normal — the total 1974 crop is now estimated at 2 billion bushels, about 16 per cent more than was grown in 1973.

"We've got good moisture here in Kansas right now and we should have a good crop in