

# Wheat Shortages Loom for U.S. and World

by **Pete Hardin**

If anything, recent USDA reports on grain understated the severe shortage of wheat facing this nation and the world.

The government doesn't want to panic the public into fears that a simple food commodity like wheat could run out. Scarcity-driven food price spikes for Americans would not look very good in an election year, on top of runaway gasoline and diesel fuel prices.

But wheat shortages cannot be denied. In recent weeks, governments in Argentina, China and Ukraine have invoked restrictions on wheat and grain exports from their countries. Such actions may be in violation of World Trade Organization rules ... but what's a little ignoring of globalist rules if the alternative to wheat export embargoes may be breadlines of angry consumers?

No abundance of soft analyses by USDA can cover up growing concerns that the world faces a

severe wheat shortage in 2008, at least before the northern hemisphere's winter wheat harvest enters the grain pipeline to millers and bakers.

USDA's latest grain reports (issued on Friday, January 11) understated domestic wheat problems for 2008. Acreage reports on winter wheat for states such as Kansas, Oklahoma and Texas reported a slight decline in plantings. But USDA's focus on acreage ignores weather-related problems with a significant portion of the winter wheat problem in those states. Weather problems from last fall will obviously constrict the per-acre yields of winter wheat in those states.

USDA's accuracy and intentions aside ... the market place cannot ignore the reality of scarce wheat supplies. Watch wheat prices skyrocket as concerns about available supplies mount. Does the "Free-Trade"-lovin' White House have the testicular fortitude to follow suit with Argentina, China and Ukraine to restrict wheat exports???