Agriculture by Marcia Merry

Fat years, lean years

Unfortunately, EIR*'s warnings of food shortages are being borne out by current farm trends.*

The U.S. Department of Agriculture (USDA) has requested public comment by July 1 on its wheat-reduction program and its plans for 1985. The department should be read chapter and verse of the Biblical lessons of the seven fat years and seven lean years. The combination of the new interim 1984-85 farm law, in effect as of April 10, and USDA policies will bring down certain food shortages upon this nation, possibly by as early as 1985.

As of mid-May, most of the national crop sowings are retarded because of prolonged wet weather, except in the Southwest: in southern Texas and coastal California, drought has meant disaster for dryland farming.

Increased soil moisture was essential over the winter to counteract the record crop-destroying drought of 1983; nevertheless, spring plantings have gone slowly, and yields can be expected to drop under any adverse summer weather. Despite this prospect—and the need for vastly increased world food supplies—the USDA is continuing full force with its State Department-dictated policies of acreage reduction, crop reduction, and refusal to grant emergency measures to save farms.

As of May 1, the USDA reported that only 5% of the nation's corn crop had been planted, compared with a yearly average of 13% on that date. In North Carolina, about one-third of the crop was in the ground, where on average 69% is planted by May. Only 1% was planted in Ohio and Illinois, where the average is normally 12-15%.

The new farm law seeks to induce or coerce farmers to take more acreage out of production. The sign-up period for the Payments in Kind (PIK) program for wheat was extended until May 4, and the USDA hoped for 60% of the nation's wheat farmers to participate in this agreement to contract production in exchange for entitlement to sell others' "surplus" crops. Cash premiums were added to PIK.

Meanwhile, target prices (crop price levels employed to trigger financial support payments to farmers when crop prices drop) were lowered and frozen for 1984 and 1985. Farmers can become eligible for such "assistance" and for loans and crop insurance by agreeing to idle crop acreage.

An estimated 24 million acres of grain will be taken out of production this year, over 11% of the U.S. grain acreage base. Compared with last year's PIK programs, which idled over 80 million acres—one-third of the national base—this may seem small. Yet national and international grain stocks are being depleted.

Corn stocks will drop to an estimated to 520 million bushels at the end of the 1984 marketing year, as compared with 1,618 million bushels at the end of the 1980 marketing year. The United States in recent years has grown about half of all the world's corn, a key animal feed. Falling production and stocks in the United States marks a danger signal worldwide. Global meat consumption per capita is falling.

America's wheat yields per acre are expected to be down this year compared to last. Although fewer acres may be idled the total output—an estimated 1.98 billion bushels—will be less than last year. The crop in Kansas is estimated at 395.5 million bushels this year, compared to 448.2 million bushels last year.

Worldwide, grain output per person is falling from about 18 bushels per person to under 16 bushels, when there should be 24 bushels produced per capita globally to guarantee a healthful diet of cereals, meat, and milk.

According to the USDA and the national media, however, we are in for a "bumper crop" and more "problem surpluses." They predict a "whopping" 1.6 billion metric ton world grain output in 1984, which, in real terms, is *half of what the world really needs*.

This "bumper crop" is nothing but hype on behalf of the State Department and the international grain cartel companies (Cargill, Continental, Bunge, Louis Dreyfus, and the rest), which are bent on creating food shortages and at the same time paying farmers less for what they produce. It is expected that the price of wheat per bushel will drop to $3.20 by the end of the harvest, from a low $3.50 at present. A fair parity price—covering the farmer's production and investment costs—is at least twice this amount.

The added guarantee of national food crisis is the rate of farm bankruptcy now under way. Farmland values are collapsing, as dozens of farms go onto the market every week in counties across the farm belt. Farmland values have plunged at least 30% in Texas, for example. The rural suicide rate is soaring. What is being killed are not only once-productive citizens, but the nation's food supply.