

World food production and stocks plunge

by Marcia Merry and Robert Baker

As drought persisted over the North American Plains this summer, U.S. government officials repeatedly announced that, despite low harvests this fall, food stocks will be sufficient to meet domestic and export needs as usual. However, as the corn harvest now begins in the Midwest, the low yields dramatize how government statements on corn and all other food supplies amount to the Big Lie. Even the statistics published by the Department of Agriculture show a dramatic plunge.

This is of global concern. On average, the United States and Canada in recent years have provided about 48% of all cereal grains exported annually. Therefore, the combination of low harvests in North America, and the decline in the high-productivity farm sector abroad, amount to a catastrophe.

So far, the "official" USDA opinion is that no special effort is called for. Grain and other staples will be adequate for national and international needs. Agriculture Secretary Richard Lyng has stated this repeatedly. However, even the statistics available from his own department show otherwise.

Food output less than consumption

On a world scale, this will be the third year in a row that tonnages of world cereals output will fall below world cereals consumption—without considering that the "consumption level" shown is way below the level adequate for nutrition.

The graph shows the levels of production and consumption of world cereals grains from 1970 up through the present crop year. The USDA estimates that the world cereals output will be 1.545 billion metric tons this year. *EIR* estimates that production will be even less, at least as low as 1.508 billion metric tons.

The current decline in world and U.S. grain stocks is shown in the bar diagram. The USDA figure for 1988-89

ending stocks of 288.5 million metric tons is even low, although based on an overstatement of harvests and stocks. *EIR* estimates world ending stocks at 249.65 million metric tons, with U.S. stocks falling toward record lows relative to need.

The USDA characteristically put out a high monthly estimate, and then alters it each month. The common quip is, "They'll get it right in five years." The July 10 USDA estimate predicted U.S. corn yields would be down by 23% this year. On Aug. 11 this was "revised" to 37%. On Sept. 10, expect another downward revision, although all along, something closer to the truth was known.

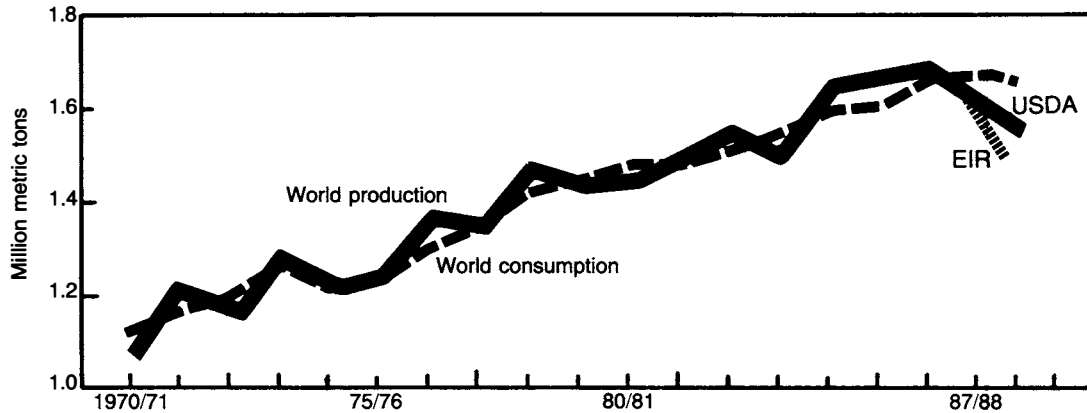
The world map identifies the major exporting nations that account for 75% of annual world cereals trade (coarse grains and wheat), identified by circles proportional to their export share. The United States and Canada alone account for 56%.

World stocks of all basic international grains and soybeans are plunging far below recent levels of use.

● **Feed Grains.** Annual world use has been about 800 million metric tons a year for three years. Production has dropped from 812 million tons in 1986, to 798 million tons last year, and will fall to about 680 million metric tons this year, although the USDA is overestimating the harvest to be 710 million tons. Stocks will fall to 100 million tons or less, though the USDA estimates 120 million or more. This is the lowest level of stocks relative to use in recent history.

● **Wheat.** Annual world consumption has been about 526 million tons in recent years. From 1984 to the present, annual wheat output was above consumption only in 1986. In 1987, production fell to 505 million tons, and may stay the same this crop year. Therefore, stocks have dropped drastically relative to use. In the United States, which accounts for 40% of annual world wheat exports, production

World grain production falls behind world consumption levels of recent years



has declined from about 2.8 billion bushels in 1982 to less than 2 billion at present (USDA estimate), or even 1.6 billion. The USDA estimates that wheat carryover may be at 597 million bushels this winter—a very high estimate given declining output and increasing exports.

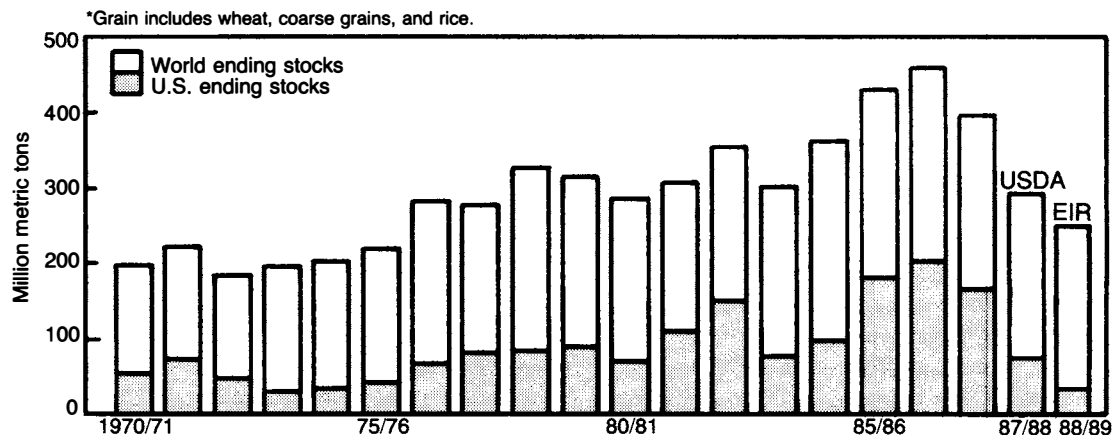
● **Soybeans.** The United States accounts for almost 70% of the world's soybeans exports, and annual use (domestic consumption plus exports) has exceeded production since 1986. Production has fallen from over 2.1 billion bushels in 1986 to less than 1.5 billion expected this crop season. This will leave stocks so low that there will not even be enough to feed the "pipeline" of soybeans through the food chain. Carryover may be down to 100 million bushels.

The soybean situation shows how inaccurate the USDA crop projections are. The USDA Aug. 1 estimate said the

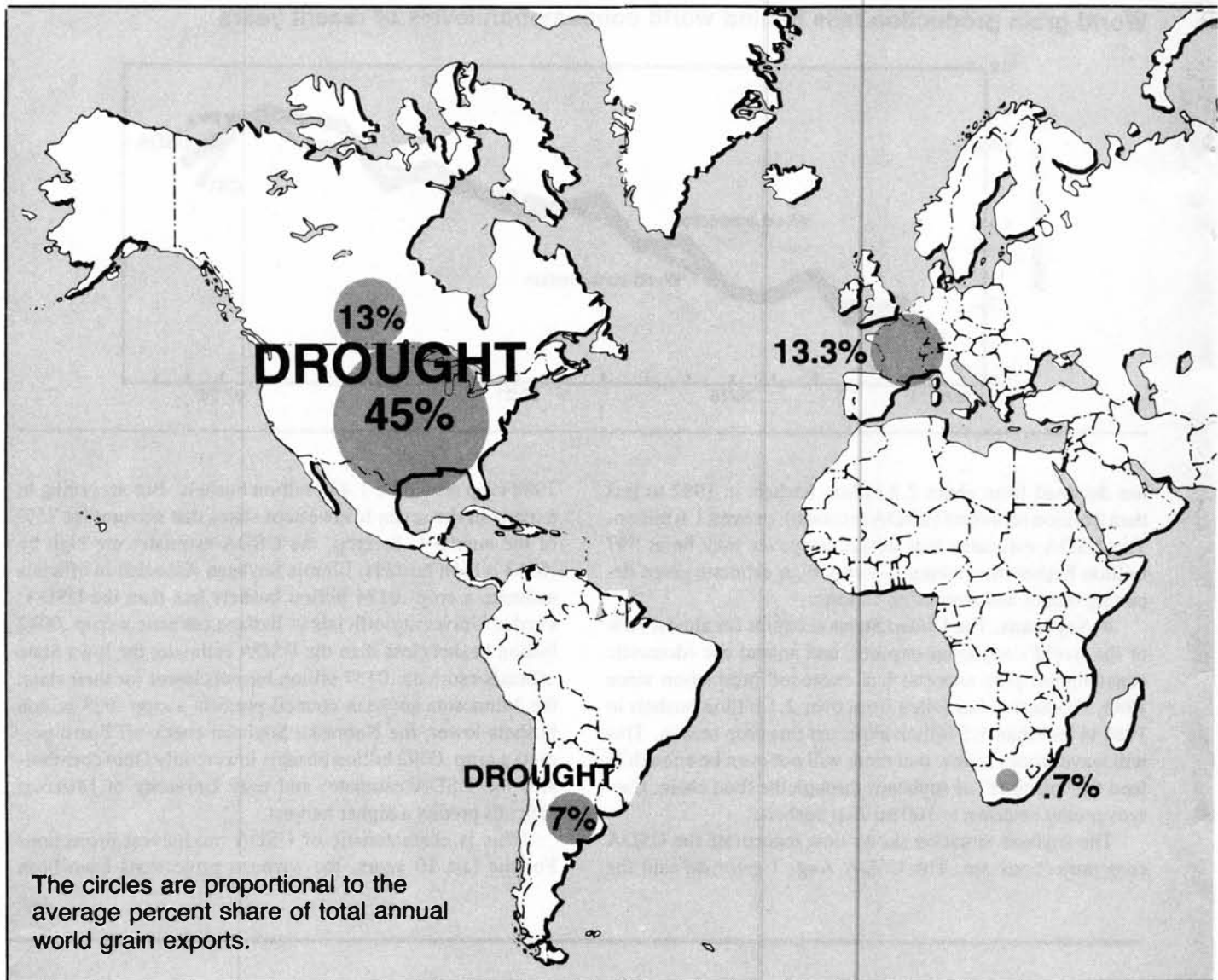
1988 crop would be 1.473 billion bushels. But according to experts in the seven Midwestern states that account for 75% of the annual U.S. crop, the USDA estimates are high by .0653 billion bushels. Illinois Soybean Association officials estimate a crop .0174 billion bushels less than the USDA; Purdue University officials in Indiana estimate a crop .0042 billion bushels less than the USDA estimate; the Iowa State officials estimate .0157 billion bushels lower for their state; the Minnesota soybean council predicts a crop .023 billion bushels lower; the Nebraska Soybean check-off board predicts a crop .0092 billion bushels lower; only Ohio corroborates the USDA estimate, and only University of Missouri officials predict a higher harvest.

This is characteristic of USDA pre-harvest projections. For the last 10 years, the soybean projections have been

World grain stocks are plunging*



Drought has hit major world food exporting regions



wrong 40% of the time—the same as the error rate for corn, rice, and oats. The USDA has been wrong 50% of the time for barley, and 80% of the time for sorghum.

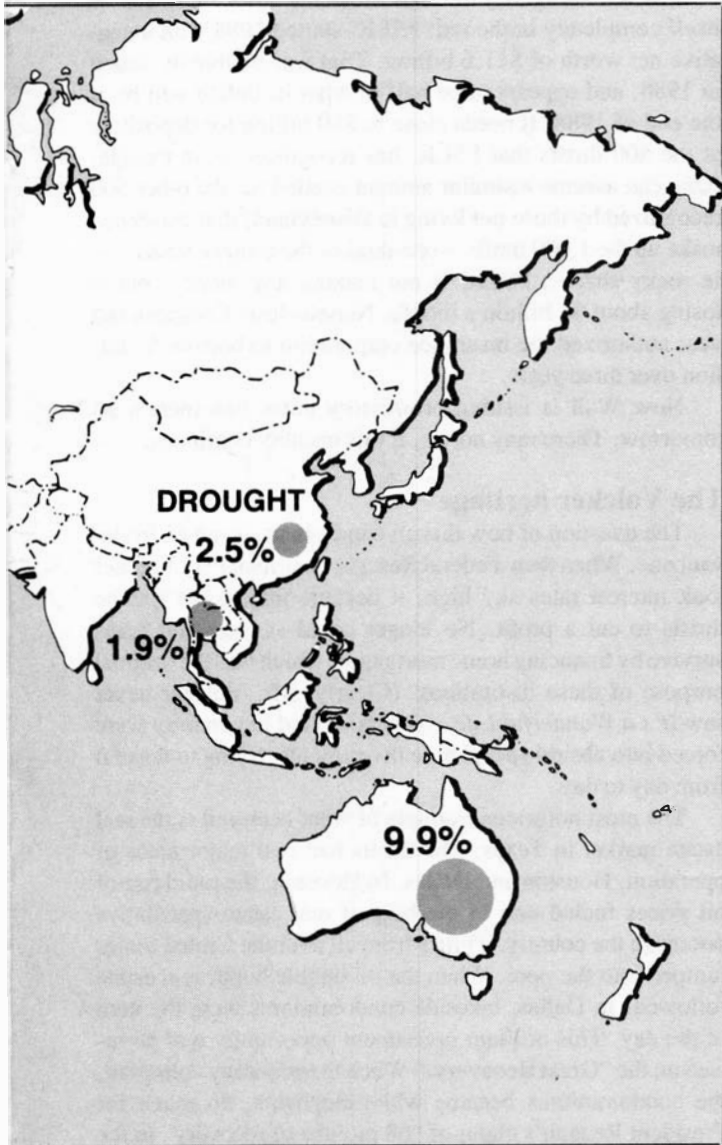
‘Plant for Peace’

What the graphs show is that an all out effort is required to resume adequate levels of food production, and in the meantime, to assay the amount and location of stocks, and to decide how to allocate scarce supplies.

One major factor in the decline in food output is the simple reduction in area planted, especially in the United States. Under U.S. federal land set-aside policies, 20% or more of U.S. cropland base has been idled for several years in the 1980s: 78 million acres in 1983, when the drought struck in mid-summer; 69 million acres in 1987; and over 80

million in 1988, the year of the killer drought. In other exporting regions, cultivated cropland has also declined, as for example, in Argentina.

The estimated wheat harvest acreage this year in the United States is about 52.9 million acres. However, the U.S. has had as much as 80.6 million acres under cultivation, which included certain fragile soil types in Colorado and elsewhere that were best left to grassland. If the wheat acreage harvested is not increased significantly next year, and wheat exports continue at the current rate, then there will be guaranteed absolute shortfalls—“negative stocks”—of wheat for carryover from 1989 to 1990. Planting 66 million acres—the average annual planting over the past 10 years—at an average per acre yield of 35.2 bushels per acre, will give an ending stocks figure of 430 million bushels (down from this winter’s



expected carryover by 167 million bushels).

Similarly for corn. This crop year, only 57.1 million acres were planted, in contrast to a recent high of 75.2 million. If only 57.1 million acres are planted next year, U.S. carryover corn stocks will continue to fall, even if yields go up from this year's disaster levels. However, if the yields do not, even if as many as 70 million acres are planted, there will be "negative carryover" of corn from 1989 to 1990; in other words, no stocks at all.

With the United States and Canada so marginalized in stocks, a "plant-for-peace" mobilization is required in all the crop zones worldwide, to increase the potential for food output in the short term, while longer range agriculture improvements can be made. As it is now, famine is guaranteed, along with social disintegration and war.

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