

Crop disasters bring world food shortages

by Robert Baker

As weather conditions this past summer provided the driest crop growing conditions for North America in 58 years, the official lies about “overproduction” of food and “grain surpluses” were revealed as lies, as severe food shortages worsened throughout the world. On Dec. 19, the “Global Warning” office of the U.N. Food and Agriculture Organization in Rome issued a special alarm over the depleted conditions of world food stocks. Total world food reserves have fallen to 1970s levels, so that relative to the daily diet needs of today’s 5 billion people, the ratio of stocks to utilization has fallen to catastrophe levels.

The FAO cited 15 food import-dependent nations that are not getting food. The FAO warning stressed that world cereals output has been drastically reduced for the past 18 months by the series of droughts, floods, and the record plague of locusts now spreading from its North African breeding grounds. The map (next page) shows a summary picture of the disastrous harvests in 1988. At present, there are no food supplies to meet needs in 1989 arising from natural disaster.

In the face of this picture—which the FAO report diplomatically called “grim”—officials of the multinational grain companies (the cartel of Cargill, Bunge, Louis Dreyfus, André, Continental, ADM/Toepfer) and related financial institutions, are now coming to the fore to arrogantly present strategies for “restructuring and adjustment” for the independent farmer—such as worldwide reduction of national barriers to cartel “free” trade designs, that will supposedly secure more food for the consumer, but will actually shrink world food output and lead to famine.

During the 1980s, the food cartel used its influence in Washington, Brussels, and capital cities throughout the world to attempt to control the amount of food produced, how and

where it is distributed, who will be able to eat, and who will be allowed to raise grain and livestock. National mechanisms of cartel control have included such programs as quotas, mandatory land set-asides, fines, penalties, taxes, and other measures to prevent “overproduction.” These measures, combined with huge farm debt burdens, and artificially low farm commodity prices, have resulted in the dispossession of farmers now taking place on a mass scale in all food-exporting countries around the world.

Even before the “Killer Drought of ’88” hit the North American farmbelt, and the locust plague began in Africa, the preconditions were in place for a global food and farm crisis.

The year marked the third in a row that tonnages of world cereals output will fall below world cereals consumption. Yet even the average “consumption level” for the world, in recent years, is below a level adequate for proper nutrition. The graph shows the sharp decline in cereals per capita worldwide.

In the United States, total grain production in 1988 was reduced by about 33%; spring wheat was reduced about 50%, and soybean production is down at least 20% if not more. With continued strong demand, total grain use will far exceed production, and there will be a significant draw-down in inventories, which not only affects U.S. strategic reserves, but also food availabilities for other nations as well.

Corn ending stocks as projected by the USDA, will be almost 66% lower at the beginning of the next harvest, in fall 1989. Wheat stocks will be about 60% lower, and soybean stocks will be down 66%, the lowest level in 14 and 10 years, respectively.

On Dec. 1, at the USDA Outlook ’89 Conference, Assis-

tant Agriculture Secretary for Economics Ewen Wilson reported, "This '88 drought . . . has brought about the most severe, the steepest one-year decline in the world's grain stocks that's ever been recorded. . . . The age-old fears of global food scarcity have been resurrected in some quarters."

For the world, the USDA also projects that at the end of the 1988-89 season, world stocks of all grains will decline 127 million tons from the previous year, to end at 269 million tons or 16% of total annual use. This is the second lowest level since the USDA began keeping records.

Any large reduction in U.S. cereals output automatically means a big drop in world cereals supplies. The United States accounts for 40% of annual world wheat exports, 70% of world soybean exports, as well as the largest share of world corn exports.

Other factors were already at play in reducing the stocks before the onset of the drought. Between the one year acreage set-aside program (56 million acres) and the 10 year Conservation Reserve Program (24 million acres) a total of 80 million acres of cropland was taken out of production by USDA farm programs in 1988. The reasons given by the USDA were the standard excuses: "grain surpluses" and "overproduction."

In 1988, due to the idling of millions of acres of tillable land, and to the drought, U.S. farmers harvested only 284 million acres of cropland, out of a potential of close to 500 million acres. At the same time, recent government statistics show that the very amount of land in farms itself has declined to 999 million acres, falling below 1 billion acres for the first time in 100 years.

Climatic studies are now beginning to document how the world's weather patterns are worsening under conditions of such large-scale degradation of the density of groundcover in North America and other agriculture regions. This and the shift in the Amazon high pressure zone in the Atlantic, caused by the current deforestation of the rain forest, are destabilizing factors in the climatic envelope of the world's biosphere.

Food exports needed

Tonnages of unmet import requirements for African, Asian, Ibero-American, and Middle Eastern countries have not been met while Soviet Russia is buying U.S. and other Western grain at increasing rates. Since the height of summer drought heat wave, U.S. government officials have simply been repeating the line: "rationing by price" will take care of who gets scarce supplies. In September, the USDA withdrew sales of wheat to Egypt, Tunisia, and Jordan because those countries would not pay the price asked. Yet, the following day, the United States announced a new record wheat sale to the Soviet Union at subsidized prices. The Soviet Union is now in the midst of its worst food crisis since the dreadful early postwar years of 1946-47. This is being partially offset by unsustainable Soviet looting of Eastern Europe.

In early 1989, it is expected that the United States will

offer 4 million tons of highly subsidized wheat to Russia, under the new U.S.-Soviet two-year grain pact. Since 1985 and the new U.S. Export Enhancement Program, the food cartel companies have received \$2.1 billion worth of free U.S. government grain (Commodity Credit Corp.), to offer cheap deals abroad, mostly to the East bloc and China.

Ibero-American agricultural collapse

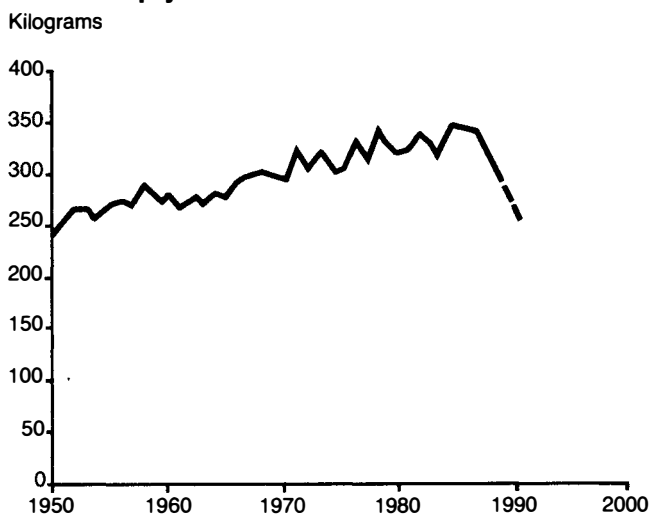
In Mexico, the food crisis is so severe that riots by farmers could erupt, given that President Miguel de la Madrid took action on Oct. 7, 1988 to set officially guaranteed prices well below production costs. The high inflation rate has driven production costs up by 104-215%. This is on top of the ravages of the drought, the floods, and Hurricane Gilbert.

In Brazil, food exports will reach \$12 to \$13 billion annually, while national nutrition levels plunge toward holocaust lows. This year 144 million Brazilians will consume the same amount of food as 123 million did in 1981. A basic marketbasket of food for four rose 368% in price in the year ending this July.

In Colombia, a recent report by the government's Statistical Analysis Department reveals that in the rural zones, 24.7% of the people suffer from severe malnutrition, and growth retardation affects 34%. Agricultural production since the beginning of 1988 fell due to a dramatic rise in the cost of production, inadequate credit for farmers, and IMF-dictated marketing arrangements.

Argentina, with the capability to feed all of Ibero-America, was hit this year by a severe drought that will dramati-

FIGURE 2
World grain production per capita
falls sharply in the late 1980s



Source: U.S. Department of Agriculture

cally reduce the country's 1988-89 grain harvest and its meat production. The number of cattle going to slaughter is 7% below last year, reflecting economic policies that have forced stock liquidation.

Droughts and floods, combined with lack of infrastructure, have raised the spectre of new famine in the People's Republic of China. Emergency measures were taken this fall to attempt to guarantee a minimum number of calories a day for 80 to 100 million Chinese resident in the worst hit regions, but as of this winter, even these minimum measures were not working.

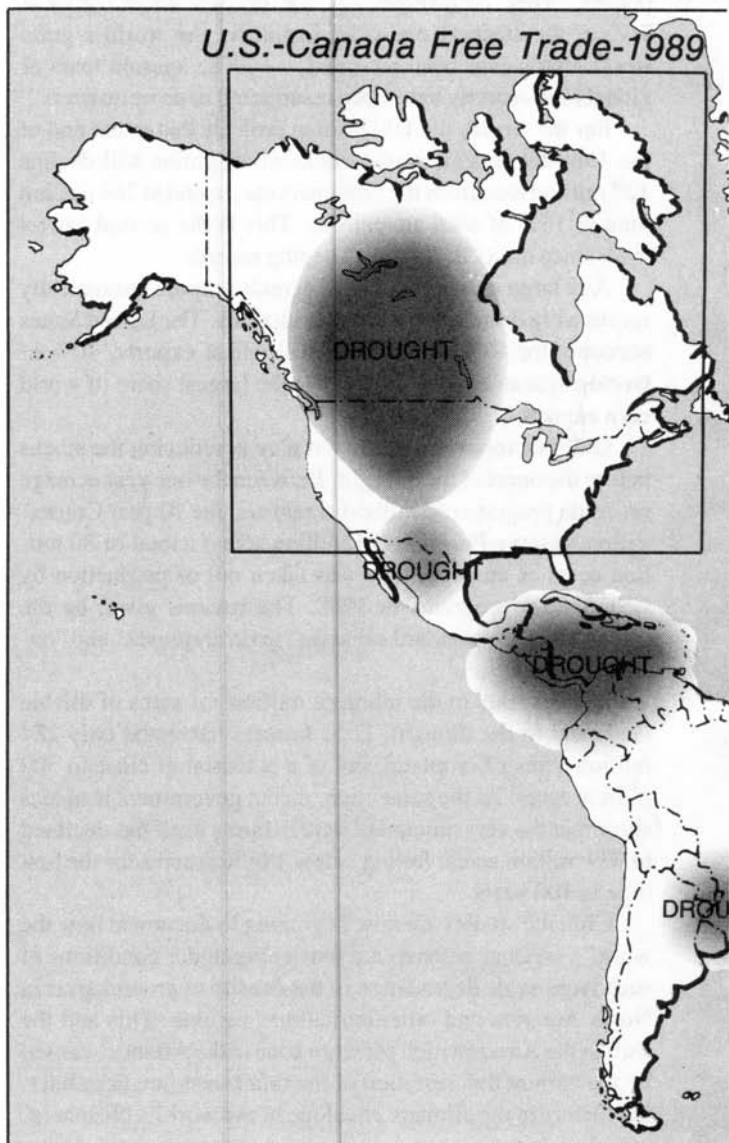
As of December 1988, the locust swarms in northern Africa have grown to dimensions worse than any experienced in modern history. After the succession of droughts on the African continent over the past few years, and then the violent flood in the upper Nile region of the Sudan in August 1988, the locust plague marks the potential for depopulation of the continent on a vast scale. The proper use of dieldrin and related timely insecticide measures could have prevented the current locust plague, but environmentalists and the IMF/population control lobby, particularly the U.S. State Department, are continuing to prevent the kind of mobilization of spraying and other measures that could eradicate the insect. As of the fall 1988, the locusts had spread out from their breeding areas of Niger, Chad, Sudan, and Ethiopia. There have been sightings of locusts in even the Caribbean, as well as Italy, and as of December, in Kale, on the coast of Turkey.

Food control through GATT

In Montreal in December, at the General Agreement on Tariffs and Trade (GATT) "Uruguay Round" meeting on agriculture trade, the world witnessed a convergence of advocates of "free trade" (for cartel food companies) representing United Nations/Bretton Woods agencies—the World Bank, the International Monetary Fund—and official national delegations and international think tank functionaries and personalities. Speeches that provided the world the impression that the European Community and the United States "free traders" were at each others' throats over how far and how fast to eliminate agricultural subsidies, were largely a prearranged smokescreen. Behind this was a plot by the cartel interests to coerce nations into give up their sovereign right to food self-sufficiency.

Instead, the GATT view is that "market signals" (read: the cartel) will determine what national farm and food policies should be. It was proposed that the IMF, World Bank, and GATT consolidate much of their operations in order to practice combined surveillance over nations in terms of their monetary and trade relations. In April, the GATT will have another large gathering in Geneva to attempt to reach a compromise between the U.S., the European Community and the other food-exporting nations—Canada, Australia, Argentina, New Zealand, Thailand, and others—on how to proceed toward more "free trade."

Drought, floods, and 'free trade' preparations wrack

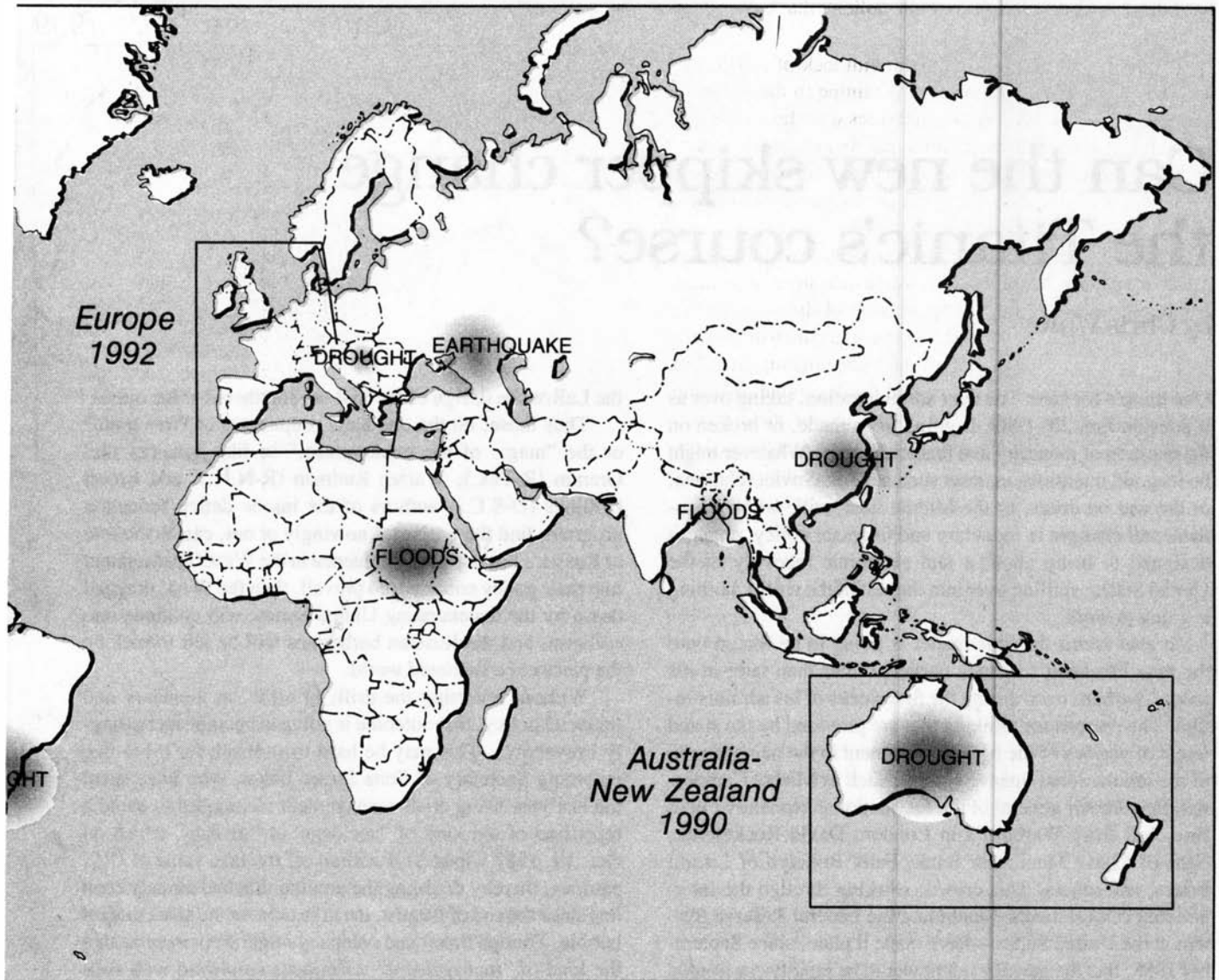


In all three emerging "free trade blocs," the Europe of 1992, Canada-U.S. 1989, and Australia-New Zealand-1990, the productive agricultural sectors are disintegrating, and are to be replaced by serf-based forms of corporate farming, or "vertically integrated" cartel food production.

The European Community Common Agriculture Policy (CAP)—a program to build up productivity after the war—is now using various mechanisms to reduce livestock, orchards, grain output, and cropland usage.

Under the banner of environmentalism, EC bureaucrats have imposed severe conditions on farming, and on processing facilities like dairies and slaughterhouses not owned by the cartel. Independent producers are being dispossessed in the name of protecting the environment, and in favor of

World world agriculture, 1988



cartelization and concentration. Mega-companies, like the Italian Ferruzzi group, are positioning themselves for near total food control.

About 10% of all Danish farmers went out of business in 1988, because of falling prices and rising costs. In 1989, another 19% are expected to go bankrupt. In West Germany, where there have been over 2 million farmers for over 40 years, in recent years, two-thirds of now had to give up farming. French agriculture is in a phase of total destruction. Two-thirds of French farmers are now in the process of bankruptcy. One-third are under-capitalized and being forced to sell.

New Zealand-1990 calls for a near-term merger of New Zealand with Australia. By 1990, a common currency is

proposed to be in effect, all tariff barriers are to be eliminated, the financial sectors and legal systems of the two countries are to be fully integrated. The New Zealand agricultural sector, representing 80% of the nation's earning capacity, is being financially and physically destroyed. New Zealand has 60,000 farms. In December, 1988, 3,000 will have gone under, and 17,000 are due to go bankrupt in early 1989. Australian farmers are threatened at the same rate.

The Canadian Department of Agriculture has stated that 36,000 farmers are either bankrupt or in severe financial difficulty, while on the U.S. side, the Farmers Home Administration (FmHA) sent out foreclosure-threat notices (called loan restructuring offers) to 83,000 farmers in November 1988.