Agriculture by Marcia Merry

The 'budget cutting' farm bill

The loss will ultimately be in greatly reduced food supplies and bankrupt family-owned farms.

On May 4 the extension period ends for farmers to sign up for the 1984 wheat PIK (payment in kind) program, and the U.S. Department of Agriculture hopes that up to 60% of the nation's wheat farmers will be roped into the scheme to take 20 million acres of wheat lands out of production and pull down wheat stocks.

In the 1983 PIK program (the first such massive food reduction plan since the Wharton School's 1933 AAA disaster), 30 million wheat acres were idled as part of taking fully one third (82 million acres) of all U.S. grain and cotton acreage out of production under all the PIK crop programs combined. Wheat output was cut in 1983 by 15% despite good per acre yields. In the face of crying world food needs, two successive years of U.S. acreage and output cuts are a crime; and in the process, the entire U.S. farm sector—farm families, local suppliers and farm supply industries—are literally going out of existence.

The 1984 wheat PIK was slicked up with some new inducements (partial cash payments up front) as part of a package of 1984-85 farm measures signed into law April 10 by President Reagan, who was programmed to predict they would lead to "a more stable and secure recovery in the farm sector." However, speaking at the Rose Garden signing ceremony, the President sounded unconvincing, and even managed to mispronounce the name of his own Secretary of Agriculture, calling him John Black.

Contrary to the recovery fantasy, the new measures, cynically passed through the House of Representatives by a voice vote of 379 to 11, are a disastrous continuation of policies to reduce acreage, reduce food output and block emergency measures needed to save farms. In addition, they contain routine, incremental increases in food export financing at a time when a wartime style food mobilization is necessary to revitalize farming and reverse genocidal starvation in Africa and other points of collapse.

The new law 1) offers loan and crop price supports for those farmers who agree to take specified amounts of land out of production in grains and cotton; 2) freezes crop target price support levels way below farm costs of production; 3) authorizes limited export credits; and 4) mandates token farm loan assistance through the Farm Home Administration (FmHA).

The new law was promoted for passage in the name of reducing crop "surpluses"—which is a vicious propaganda operation conducted by the State Department, Agriculture Department, and world food trade cartels to justify the depressed prices now prevailing for U.S. farm products, while the food cartels starve millions in the Third World and prepare the way for food shortages in the United States and Western Europe.

There is no world grain surplus. Only about 16 bushels or less are produced worldwide per person each year, when there should be at least 24 bushels per person to provide both cereals for direct consumption and feedgrains for meat and milk protein supplies. These figures show that grain output should be doubled worldwide, not cut back, especially in order to meet the emergency requirements in Africa and other points of need.

In the past three years U.S. agriculture export volume has been falling as world trade has collapsed and food-short nations have been unable to finance food purchases because of IMF conditionalities. There is therefore an apparent inventory of unsold grain in storage in the United States, although the USDA has become as notorious for giving unreliable statistics as the grain trade companies have always been. The Office of Management and Budget, the USDA and the State Department maintain that the budget deficit will be reduced if these stocks are reduced and the government does not have to make support price payments to farmers for "unwanted" crops. Under the new bill, wheat farmers will get both cash premiums and wheat stocks in kind for the wheat they do not grow; and under the acreage diversion plans for other grains and cotton, these farmers too will receive financial benefits only for reducing production.

Meanwhile, under the credit collapse in the farm sector, thousands of acres of farmland will go unworked this spring because the farm family has been forced off the land. The rural suicide rate is soaring. President Reagan defensively told a meeting of Newspaper Farm Editors of America this week that 4% of farmers may go out of business this year, but, "I think we can weather this storm."

An estimated 20 million wheat acres, 4-5 million corn acres, 810,000 rice acres, 0.5 million barley acres and 2 million grain sorghum acres are to be idled this coming summer.