

Agriculture by George Elder

Food shortage: not if—when

Up to 25% of farmers have no financing to plant, and the grain cartels are getting their hands on the existing short supplies.

The United States is in the midst of an emerging food shortage that promises to introduce Americans to widespread hunger in the next several months or a year. Unfortunately, the public is largely unaware of the danger. Since mid-March, the Department of Agriculture has maneuvered to reposition grain in short supply, and to permit a "Big Grain Grab" by means of price shifts allowing cartel companies to acquire CCC grain reserve stocks.

On April 3, the *Wall Street Journal* published an article in the "commodities" section entitled "Artificial Shortage of Wheat Sends Contracts Higher." The headline is a cover-up for the actual grain shortages facing the country.

The Chicago grain elevators, as revealed in a government report, showed that only 100,000 bushels of soft red wheat were available recently. Chicago is a major terminal, with current grain stores down 96% from last year. Toledo, a major delivery terminal, reports supplies down 24% from last year. It is reliably reported that to circumvent tight supplies, a very unusual cash sale was made in early April between a processor and an exporter involving 700,000 bushels of grain.

These short supplies are reportedly due to the amount of grain currently held in government commodity programs. This can be released simply when the market price—dominated by the world grain cartels—reaches the trigger price set periodically by the U.S. Department of Agriculture. The

creep-up of grain prices indicates the cartels' intention to take possession of the government reserve grain, because the cartel companies cannot otherwise get enough grain.

Official sources state that grain trading is down to the lowest levels since 1977. This could lead a gullible observer to believe that there is a lot of grain available, and trade is just slack. But this is not the case. For example, in Kansas—the premier wheat state—there was only 10% of the 1984 wheat crop left in storage last October, when normally there would be 50%. Grain supplies are so low that Continental Grain Co. now only opens its elevators three days a week in Kansas City.

Unprecedented amounts of grain have been flowing to the Soviet Union. During the first four months of the current grain contract with the U.S.S.R., more grain was shipped out starting in October 1984 than during the entirety of the previous grain contract.

The USDA is operating to help the cartels lay hands on more grain. Two new USDA programs have started, aimed at moving grain from country elevators to terminals. It appears that the movement of grain will be to export terminals and other large non-export terminals. The results of this so-called economy move are predictable. First, grain will move away from the farmers needing a large portion of it for feed. Second, the cartels, the friends of Daniel Amstutz, formerly of Cargill, now undersecretary of agriculture, will undoubtedly end up storing the grain and accounting for it

at some future date when the price is higher. Third, the small independent country elevators will be forced out of business, putting even more pressure on strained rural economies in the name of free enterprise while preparing the remaining few country elevators for a takeover by the cartels at bargain basement prices.

Fourth, this "Operation Scoop" will allow more grain to be exported much faster, while giving the cartels and the USDA more control. This would be the first logical step in setting up food rationing.

The amount of food available for your table will depend on how many acres are planted. U.S. farmers are in an ever tightening bind. Reports from all over the country indicate that up to 25% of the farmers will have no crop to reap because they were unable to find financing to plant. Acreage amounts are even more alarming.

Conversations with a spokesman for the Indiana Agriculture Department at Purdue University reveal the current foolish "expert opinion" that "any time the supply of food exceeds six to eight weeks, we are in a surplus position. If the supply of food would run short for some reason, the amount left would be rationed by an increase in price." The "expert" revealed that the situation in Indiana is continuing to deteriorate. He added, "the price of land hasn't come down far enough, but they don't like to hear that. I think the price of land should be \$1,000 per acre or less."

Among the most serious problems the farmer faces is lack of credit. The banks that serve agriculture are nearly bankrupt. In the state of Iowa, which supplies 11% of all the red meat and grains produced in the United States, conditions are now bad enough that the state is very concerned that it will lose most if not all its farmers under age 50.