Agriculture by Marcia Merry

U.S. food imports top exports

But Congress is moving to impose food production controls, which will only make things worse.

At the end of August, the U.S. Department of Commerce released the trade balance figures for July, showing it to be the third month in a row in which U.S. food exports exceeded food imports. Soon after Congress resumes Sept. 8, there will be maneuvers by a farm state faction to reopen farm policy debate, blame the administration for the fall in exports, and demand unprecedented food production controls as an alternative policy—supposedly to raise farm commodity prices for farmers.

This summer's food trade deficit for three months running was the first such extended imbalance since trade figures of this type were first kept beginning in 1957. This kind of American food dependency hasn't existed since the earliest colonial days. Even the periodic imports of tropical commodities—cocoa, oils, coffee, and other specialty products—were never enough to tilt the U.S. farm trade balance into the red for long.

In May, the farm trade balance was $339 million; in June, it was $71 million; and in July, it was $248 million. This represents the imports of huge amounts of meat, fruits and vegetables, and other products that can all be produced in the United States. Cargill is even importing corn into the United States from Canada, claiming it is a mere matter of "market sense."

Canned seafood and pineapple are flowing into the U.S. from Thailand. Beef is imported from Brazil, Australia, New Zealand, Argentina, Mexico, and Canada. Pork is imported from Denmark, Canada, and Holland, and from other East bloc countries. Canned peas, carrots, cabbage, and other vegetables are imported here from Belgium. Cargill is importing orange juice concentrate from Brazil to the United States. A similar list can be given for all other standard foods on the American dinner plate.

The reason for these imports is the policy action by the International Monetary Fund, and related banks and food cartel companies, who are directing trade flows for their own gain, and debt-servicing purposes. Farmers in both the food exporting nations and in the United States, are being impoverished and bankrupted at rates endangering the entire food supply system of the West.

The current trade patterns will not last for long, and food shortages will show up dramatically in the United States, just as they have already in Mexico City and elsewhere.

It is even expected that 1986 will be the first year in which the United States becomes a net importer of farm machinery, as well as food. The United States—home of the McCormick reaper and the Ford tractor—will buy more farm equipment from abroad than it ships overseas.

Instead of bringing to light the causes of this dangerous deterioration in food production capacity and trade, and organizing emergency measures in Congress, a group of farm state legislators plans to make things even worse by demanding drastic food reduction programs. Their "theory" is that producing less food will "automatically" cause a rise in prices for the farmer, who can then stay in operation, despite the overall decline in world food trade volumes and composition. These congressmen leave out the role of the IMF and the cartel companies (Cargill, Continental, Bunge, Garnac/André, Louis Dreyfus, Armand Hammer's and Orville Freeman's companies) in setting prices and terms of trade. The congressmen pushing mandatory food production controls believe in the mythical laws of "supply and demand" in a world minus the cartels.

One of the leaders of the pack favoring production curbs is Rep. Tom Daschle (D-S.D.), who uses the trade deficit for his rhetoric supporting strict output controls. When the farm trade deficit was announced, he said, "When the mightiest farming nation in history runs a farm trade deficit for three straight months, the policy that has caused that failure should be thrown out too."

Daschle is referring generally to the Reagan administration's farm policy based on voluntary output reduction programs. The farm-state Democratic opposition is using the results of a voluntary vote by wheatgrowers, taken this summer, that favors a 50% reduction in wheat acreage in 1987, in exchange for the promise of higher wheat prices to farmers. The U.S. Department of Agriculture coordinated the poll by mail, and only a small percentage of the national number of wheatgrowers participated. Nevertheless, the production-controls faction of Congress will use this to insist that production controls must be introduced.

The overall farm trade balance this year may fall to below $6 billion, compared to a level of $20 to $30 billion trade surplus during the 1978 to 1984 period.