

## Agriculture by Marcia Merry

### Soybean supply drops

*The food cartel has a policy of scarcity, and sweetheart deals with the Soviets.*

**F**inally, it's official: U.S. government and commodities trade sources alike predict what farmers have reported all along—the soybeans aren't there.

As of Aug. 31, the end of the statistical crop year for soybeans, the official figures are expected to show a decline in available bean stocks, even if the harvest is "normal." Commodities speculators have sent soybean and soybean meal futures prices to new contract highs in Chicago. Since last fall, soybean cash prices have risen about 50%.

According to an analyst at GNP Commodities, Inc., a Chicago trading house, "The nation still has lots of surplus wheat and corn, but not soybeans. In fact, if we have a normal crop year weatherwise, the nation could be left with a 58-day supply of beans on Aug. 31, when the statistical soybean year ends." This is the same stock level as two years ago, despite the increased need for soybean utilization for U.S. and foreign food production.

Some farmers who have the means and opportunity will still plant more soybeans, up until about July in some regions. But, thanks to the impact of 67 months of "Great Recovery," many farmers who would be planting beans, and hoping to reap a better income, are no longer in operation at all.

In any case, the average farm price per bushel of soybeans was \$5.93 in March, which is 52% of parity figured at \$11.50 per bushel.

The chief beneficiary of current declining soybean supplies is the giant soybean processor, ADM, Archer Daniels Midland, headed by Dwayne

Andreas, who reportedly was called "my favorite businessman" by Soviet General Secretary Mikhail Gorbachov. ADM dominates all forms of soybean processing, both within the United States—the world's largest soybean producer—and abroad.

In addition, the company recently acquired the giant foodstuffs brokerage house of Toepfer in Hamburg, West Germany. With its new European base, ADM is even better positioned to dominate Western food flows, and make the sweetheart trade deals with Moscow that Dwayne Andreas advocates.

Andreas is an activist member of the U.S.-U.S.S.R. Trade and Economic Council, and is considered the heir-apparent to Armand Hammer, chief of Occidental Petroleum, who has played the role of Soviet operative in Western business circles for over 50 years. Hammer, besides his strategic arrangements for oil with Libya that gave Qaddafi his start, has brokered other deals for the Soviet Union directly, such as the use of boxed beef for packing house technology.

Meantime, at home, Hammer's meat company, IBP (Iowa Beef Processors) is infamous for its dangerous working conditions, union-busting, and low cattle purchase prices. Yet it has 22% of all beef processing in the country.

ADM plays a similar role in the different field of soybean processing. The lowly soybean, very little cultivated or widely consumed up through the 19th century, is today used in a wide variety of foods, industrial items, pharmaceuticals, cosmetics, and for other purposes. It ranks with corn as a

top livestock feed. ADM brokers, acquires, and processes soybeans for all these purposes.

However, the company is most famous in the Midwest for successfully obtaining massive, direct subsidies from the federal government for making ethanol, the gasoline additive, out of corn. In the name of assisting U.S. "energy independence," ADM gets a handout for every gallon of gasoline purportedly enhanced by ethanol. The farmers who grow the corn have received no price increases from ADM. The consumers who would benefit more from the corn going to cattle, and thence to their table, have received no additional food from ADM. In fact, the national cattle herd is at the lowest number since 1961.

However, the policy of ADM—like that of the other cartel food giants, Cargill, Continental, Bunge, Andre/Garnac, etc.—has been to promote scarcity in food stocks, and cartel domination of processing and supplies. Since that is the policy of the cartel, naturally it is also the policy of the U.S. Department of Agriculture, which has quite deliberately promoted the disappearance of the traditional, technology-oriented American family farm, as the best means of ensuring scarcity.

The infamous "Export Enhancement Program" is an example of how stocks are depleted, while federal subsidies go directly to the private exporting company, and not to either the consumer or farmer. Since 1984, U.S.-produced soybeans, as well as various grains, have been sold abroad at discount prices, with a subsidy going to the private food broker to guarantee their accustomed profits.

In the meantime, the federal policy has been to prevent the build-up and maintenance of agriculture commodity reserves.