

# 'World markets' for cartels showcased at USDA conference

by Marcia Merry Baker

This year's "Agricultural Outlook Forum '97," sponsored by the U.S. Department of Agriculture on Feb. 24 and 25, was conducted as a policy ratification session for the production and trade demands of the multinational cartels that now dominate most domestic and international food and fiber markets.

Representatives of these interests made up most of the 900 people in attendance at this 73rd annual forum in Washington, D.C., apart from government offices, agricultural universities, and foreign embassies. On hand were Cargill, Continental Grain Co., Bunge, Mitsubishi International, Kraft Foods, Inc. (Philip Morris), H.J. Campbell Co., Inc., McDonald's, Perdue Farms, and Gold Kist, Inc. Among related financial circles in attendance were Saloman Brothers, Prudential Securities, J.P. Morgan, Morgan Stanley, the Netherlands-based Rabobank, NatWest Bank, Hongkong and Shanghai Banking Corporation, Midland Bank London, the International Monetary Fund, and the World Bank.

The underlying conference theme was: Where, and how fast, can cartel companies increase their strategic food control positions beyond what they already hold?

Featured, among the dozens of speakers at the 25 sessions, were Agriculture Secretary Dan Glickman, U.S. Trade Representative Charlene Barshefsky, economist Joseph Stiglitz (who is leaving the Council of Economic Advisers to be senior vice president and CEO at the World Bank), and others from the World Bank, the Organization for Economic Cooperation and Development (OECD), the European Union Agriculture Commission, and spokesmen for private companies such as McDonald's and Campbell Soup.

The conference, titled "Charting a New Course," featured rhetoric on how "world markets access" overrides national sovereignty, and [why] "increasing market share" is the goal. The subject of this rhetoric is not the United States, but private cartel interests, wherever they may be officially headquartered. The term "markets access" is the successor to the 1980s eight-year Uruguay Round "GATT-speak" about the claimed benefits of "free trade" and "level playing fields." Now that NAFTA, the World Trade Organization, and other supranational trade pacts are in place, the new, cartel-serving jargon uses terms such as, "market-based food security," and "sci-

ence-based trade policy" to refute any national policy proposal perceived to be against cartel interests.

Secretary Glickman—echoed by Barshefsky, Stiglitz, and Keith Collins (USDA Chief Economist)—led off with full praise for the U.S. economy, especially the export sector. Glickman said, "The outlook for American agriculture is very good, very bullish, very, very good."

Only questions from this reporter, and a few other attendees, posed any contrary ideas—or, indeed any reality—to the "New Course" panelists, in particular, on the obvious facts that a world financial blow-out crisis is imminent, and also that so-called free market policies are bankrupting farmers, and spreading food shortages and hunger. As for the question of financial breakdowns affecting markets, USDA's Collins averred that after 1987, there was an episodic "drop in exports to Mexico," and other downward adjustments, but today, crises are "in the past."

## Market share for cartels, but not farmers

Increasingly, over the past few years, a huge flow of so-called "smart" money in international financial circles has gone into strategic positions in commodities—precious metals, agriculture inputs and output, economic minerals, fuels, and food processing. Cartelization, politely called concentration of ownership, has intensified in all categories. The process has been fed by the "smart money" recognition that the world bubble of speculation (stock markets, derivatives, foreign exchange, "emerging" stock markets, real estate, "financials" of all kinds) is unsafe, and huge profits and political power are to be had in commodities control.

For example, prominent in the world dairy cartel are Kraft (Philip Morris), Unilever, and Nestlé's, among others, while prominent in the world meat cartel are IBP, Cargill, and ConAgra. The same is true for other commodities.

In particular, London political and financial interests are at the center of most of these cartels, wherever the companies may be officially headquartered. A ranking of the top 20 food-processing companies worldwide, shows that the majority are British run, directly or indirectly. A book made available at the USDA conference provides relevant documentation, titled *Globalization of the Processed Foods Market*, (USDA, Economic Research Report No. 742, September 1996.

"More market share" was repeated so often by speakers at the USDA conference, it was like a battle cry. Trade figures released by the USDA Feb. 24, estimate that the value of annual world trade is about \$300 billion; and the U.S. share is running at about \$58 to \$60 billion a year. In turn, this is made up of the export sales of IBP, ConAgra, Kraft, and so on, originating from U.S. commodities.

Beat down the (national) barriers, was the theme from representatives of the meat cartel, the U.S. Meat Export Federation. Philip M. Seng, President and CEO of the federation, said that beef, pork, and lamb "sectors" (of packing and trade companies) must practice "in your face" micro-marketing in

all markets. He specified "U.S." meat export market-share goals, by nation, and by product, for 1996-2000. For pork, and pork variety meats, Seng wants an overall increase of 143% in tonnage exported. In particular, he wants a tonnage increase of 525% of U.S. pork to China, including Hongkong, and 600% to South Korea. For beef, he specified a 73% intended tonnage increase in U.S. exports from 1996 to 2000, targetting Russia for a 160% increase, and Mexico and South Korea for a 138% increase.

But what about the fact that low prices to the U.S. farmer are wiping out entire farm communities in the United States, and that similar breakdowns are taking place in Russia, Ukraine, East Europe, Ibero-America, and, in particular, Africa? There are food shortages already, and people are suffering. An attorney from Frederick County, Maryland (a dairying center), asked: "What do you say about farmer income going down? Exports are not benefitting us." Rep. Calvin M. Dooley (D-Calif.), speaking on the panel on "Meeting Global Competition for High-Valued Products," replied: "Farms are being reconstituted. . . . If your farm does not make in excess of \$100,000, you will need to get off-farm income to stay in farming."

Other speakers showed a similar attitude toward U.S. farmers. In his opening speech, Secretary Glickman, referred to the case of U.S. dairy farmers hit by low prices, saying that he will not approve of floor prices for farm milk, or any other such attempt to "micro-manage" agriculture.

And when it comes to farmers' objections over "concentration" (cartels) in commodities, such as beef—where four companies control more than 80% of all processing of U.S.-produced beef, panelist John Hardin, of Indiana, belittled American farmers' concerns. Hardin, saying that he himself raised cattle, and speaking as a member of the USDA Advisory Committee on Agricultural Concentration, said, "As the world economy becomes increasingly interdependent, large multinational companies have a significant competitive advantage in opening and expanding export markets," and farmers and ranchers should focus on this "new reality," and see themselves as "partners rather than pawns in the U.S. food system."

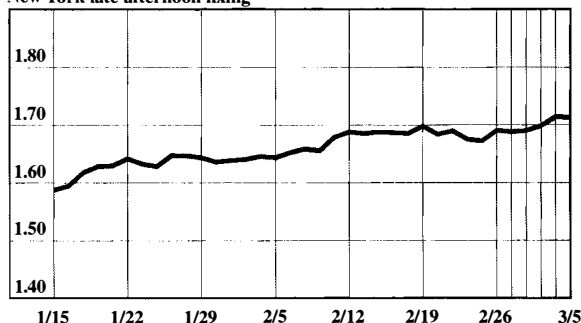
Hardin, and other speakers, especially denounced state legislators from trying to counter the multinationals, saying, they should not try "to stop or reverse the momentum of change."

This same attitude characterized the USDA panelists' responses to hunger. An official from the General Accounting Office raised the point that an estimated 35,000 children are dying each day worldwide from lack of food, so what could be done about that now? In reply, panelists in the session, "Market Stability for World Food Security" repeated what World Bank Agriculture Department Director Alex F. McCalla said, "food security is a challenge with many dimensions," and we must "stay the course with removing distortion to freer agricultural trade in all countries."

## Currency Rates

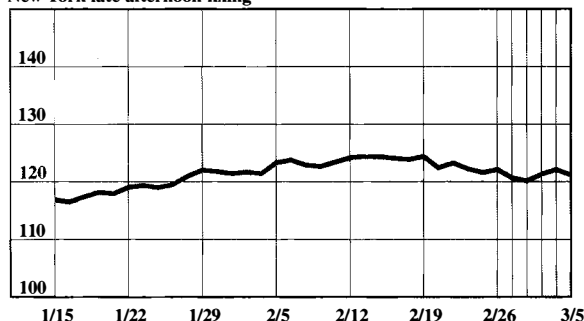
### The dollar in deutschemarks

New York late afternoon fixing



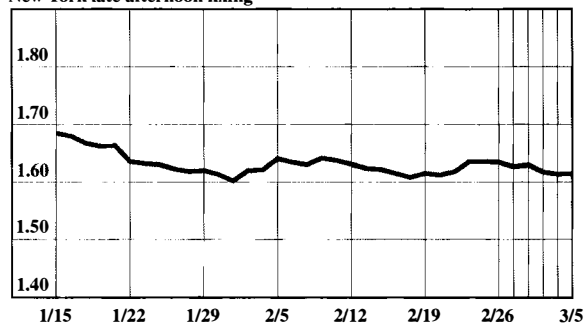
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

