

# The end of farm production in America as we have known it

by Marcia Merry

The latest government trade figures show that for the 1985 fiscal year, the tonnage of U.S. farm exports fell to 125.8 million tons, down fully 23% from the 1980 record year of 163.9 million tons. The significance of this drop in terms of world food supply is that it represents enough food for 44,447,037 people somewhere in the world. But they didn't get it.

An even larger number had inadequate, low-nutrition diets because of the absence of U.S. food. A person requires almost a ton of food products of all kinds each year for health and disease resistance. Therefore, last year's decrease of 38.1 million tons of foodstuff exports means a significant drop in world health and nutrition.

Over the past five years, U.S. food supplies equivalent to that required to feed over 110 million people have been withdrawn from world trade flows. Of the total 125.8 million tons of U.S. food exported last year, a record 15.8 million tons of top quality feed-corn went to the Soviet Union. The food cartel representative in the USDA, Undersecretary Daniel Amstutz (of Cargill), has promised the Soviets over 22 million tons of U.S. grain in the 1986 trade year, and within a few weeks of the opening of the third Long Term Agreement (LTA) trade year between the U.S.S.R. and United States, the Soviets had booked almost 4 million tons of grain.

## The 'surplus' fraud

The USDA is conducting a sleight-of-hand operation to "make the figures lie." They claim there is a "surplus" of food. "Surplus" relative to what? First, on domestic consumption, they have consistently reduced the national per-person nutrition requirements to include less meat, milk, poultry, and eggs—all necessary for an energy-rich, protein-rich diet. If you say that people should drink less milk, naturally, you instantaneously produce a surplus. Want to lower the crime-rate? Legalize crime!

Second, they understate "pipeline" and inventory requirements. Huge volumes of grain storage space, stockpens, and other facilities are either shutting down or being consolidated in the hands of the world food cartel companies, to the point of immediate danger to national security. National grain

stocks on hand at the end of the year (called "ending stocks") as a percent of annual use has dropped from 71% in 1961 to 28% in 1985.

Finally, despite all the trade-war rhetoric, the food cartel policy carried out by government channels in recent years is to deliberately reduce the national food output and export levels.

## Milk

The international milk market is one of the most rigidly controlled food markets in existence, while the need for milk, a top-grade animal protein source, is huge. Trade is dominated by Unilever, Nestlé, and the New Zealand Dairy Board—a holdover from the British Empire. U.S. exports have been held down for decades by these cartels, whose friends in the State Department and USDA maintain that the U.S. milk "surplus" should be eliminated. In 1984, this cartel cutback policy was implemented in the form of the U.S. dairy PIK (payment-in-kind), or milk diversion plan, in which farmers were paid for not producing and thousands of milk cows were slaughtered. In Europe, the mandatory milk reduction quota system was introduced for a year. Milk output fell on both sides of the Atlantic. Since the end of the program, there has been some resurgence of milk output in the United States from farmers' attempts to push production up to get needed cash flow. But there has been no expansion of the dairy infrastructure. The size of the dairy "surplus" in the United States, after true domestic needs are met, is so small that it would only supply the import needs of one country, for example, Japan. The West German "surplus" would similarly supply very few people.

## Grain

In Western Europe, after the record-setting grain harvest in 1984—a sizable amount of which went to the Soviet Union at discount rates—the European Community is now preparing to enact an unprecedented tax on future grain production. Called the "co-responsibility levy," this plan would tax 3.5 million farmers in the 10 member nations, and financially penalize them for expanding output. Grain prices are to be

set lower. If the scheme is not adopted by member nations, the EC Directorate, in direct collusion with the Swiss-based food cartel, has threatened to set mandatory grain production quotas to reduce European output.

In the United States likewise, the recent House and Senate versions of the new four-year farm bill contain financial incentives for farmers to reduce production. However, in addition, both houses have passed unprecedented legislation to take vast tracts of farmland out of production—permanently. Called a conservation measure, the new legislation would entice debt-strapped farmers to put their acreage out of production for 10 years (in fact, forever) in exchange for some small financial advance that is supposed to defray putting ground cover or some non-food crop on the land. The bill calls for removing 20 to 30 million acres from production, almost 10% of prime grain land.

Front groups for the old European money trusts behind the food-cartel companies, the Wilderness Society, the Conservation Foundation, and others, have been issuing reports, government testimony, press releases, and the rest saying that food exports from the United States and Canada should be stopped because their production exhausts the soil.

In the meantime, networks of these same groups are working to transform vast amounts of farmland into feudalist trust estates. Dispossessed farmers are to lease back land, if they are to farm at all. In Louisiana, Arkansas, and Mississippi, a private investment group is negotiating to buy 200,000 acres of foreclosed farmland from the Federal Land Bank.

The cartel networks are promoting the formation of a national entity—to be named the American Conservation Corporation, to takeover such foreclosed land en masse. The most vocal sponsors are in Minnesota, around Cargill. Minnesota Agriculture Commissioner Jim Nichols told Congress in September that the American Conservation Corp. should

FIGURE 1  
**Cutbacks in U.S. food exports since 1980**

Year	Food not exported (tons)	People not fed
1981	10,000,000	11,665,889
1982	12,000,000	13,999,067
1983	15,000,000	17,498,833
1984	20,150,000	23,506,766
1985	38,100,000	44,447,037
TOTAL:	95,250,000	111,117,592

The year 1980, during which U.S. food exports were 163.9 million tons, was used as a basis of comparison for calculating the U.S. food export cutbacks in each of the last 5 years. A figure of .8572 tons per person a year of various foodstuffs was then used to calculate how many people the "missing" food exports would have fed. Although much of the reduced exports were grain, and not the desired diet of fruits, vegetables, meat and other high nutrition essentials, nevertheless, the point is made.

be the replacement for the \$75 billion Farm Credit System, because it could take over the loans (and therefore, the liens) in default.

### Food supply in jeopardy

The rate of farm failure, in the absence of federal emergency action, now threatens to jeopardize even domestic food supplies. Of over 2 million farms counted by the census, only about 600,000 are the middle-sized, family-farm producers that account for most U.S. food production. An estimated 100,000 of these have gone under in the last three years. For example, in North Dakota—one of the spring wheat producers—there were 40,000 farms in 1980. Now, there are only 34,000, and 52% of them are delinquent in debt payments.

With farmers going, so are their bankers. As of Nov. 8, one hundred U.S. banks had failed, half of them farm banks. According to a *Chicago Sun-Times* study (October 1985), an estimated 270 more banks will go under within a year.

Farm-equipment producers are likewise folding. On Nov. 15, Massey-Ferguson of Canada stopped production at its two combine harvester plants, and laid off more than 1,300 employees. A spokesman said, "Industry sales of combines in Canada and the United States for the first eight months of 1985 plunged more than 20% . . ."

This is the end of U.S. food production as we have known it. All the Washington talk of trade war and export promotion are a pathetic diversion. America's ability to produce is being destroyed.

FIGURE 2  
**Milk export and import potential**

Nation	Year	Export potential*
U.S.	1982	16,247
	1980	14,457
W. Germany	1982	13,589
	1980	13,164
Japan	1982	-16,484
	1980	-16,080
Brazil	1980	-14,396

\* Minus sign denotes deficit—signifying import requirement.

The export potential was calculated by determining how much milk each nation's people need to consume annually given their age profile (using the "EIR Diet" given in the Oct. 15, 1985 Quarterly Report), and then comparing this to that nation's annual milk output, as reported by the U.N. FAO. All the export potential of the United States and West Germany, respectively, could go merely to meet the current milk production shortfalls shown for Japan and Brazil. Or, better, a land rich nation such as Brazil, could undertake a crash dairy herd development program using imports of U.S. and German breeding stock and herd management programs. However, the figures for just these nations, and for the rest of the world, show no "dairy surplus" at all, contrary to the popular media.