

Agriculture by Marcia Merry

USDA downplays drought damage

The coverup continues, as the Agriculture Department keeps selling dwindling grain stocks to the Russians.

In its annual harvest projection report, released Aug. 11, the U.S. Department of Agriculture had no choice but to increase its estimates of the losses that will result from the current drought devastating U.S. farmland, as compared with its July 12 estimates of crop losses, which were ludicrously low.

The July 12 report was a special drought projection, in which, for example, national corn losses were predicted to be only 26% below last year, despite the losses of over 50% expected in the big cornbelt states—Iowa, Illinois, Indiana. In its Aug. 11 report, the USDA increased the corn losses estimate to 37%, and loss estimates for other major crops were similarly increased.

However, even the new projections underestimate the harvest losses that can be expected this year, as farmers and even many commodities traders will tell you. What the USDA crop report is intended to do, is to provide the rationale for continuing the politically motivated policy of Washington, D.C. and the international grain trade, to supply millions of tons of scarce grain stocks to the Soviet Union, to ignore the depletion of food stocks in the West, and the spread of starvation worldwide.

The USDA predicted that U.S. grains overall will be down 31% from 1987. The decreases for the major crops, as compared with the 1987 harvest, were: Corn, down 37%; soybeans, down 23%; durum wheat (for pasta), down 41%; spring wheat (for pastry), down 53%; oats, down 53%; barley, down 53%.

Additionally, the USDA projected an all-time high of 60.6 billion pounds of red meat and poultry, because of the liquidation of herds and flocks due to the high costs of feed, heat stress, water shortages, and drought-based cost increases. The USDA did not comment on the fact that killing of the breeding inventory will cause drastic meat shortfalls in years to come.

Despite all this, USDA officials have been quick to maintain that no significant food shortages will occur, and only minor food price rises will take place. At a USDA briefing Aug. 11, Ewen Wilson, assistant secretary of agriculture for economics, told reporters, "Because of large preseason stocks, total supplies are enough in most cases to assure an adequate food supply at home, satisfy foreign customers, and meet our food aid commitments." He only moderated his reassurances by saying that if drought recurs in 1989, then the result would be "catastrophic."

However, even the USDA's own meteorologist, Norton Strommen, said on Aug. 11, "The drought is 1988 is not over. We see no basic retreat from the hot, dry weather." All Strommen could offer as hopeful is the statistical pattern that droughts do not usually follow each other "back-to-back" in the growing seasons. However, continuing the hot, dry weather this summer will rob the North American wheat belt of needed soil moisture for successful planting of the winter wheat crop this fall.

The July *EIR* forecasts for harvest losses put the drop in corn at at least 50%, giving a harvest of 3.37 billion

bushels. The Chicago-based forecaster, Conrad Leslie, who bases his reports on 2,500 grain elevator managers, forecast on Aug. 1 that corn losses would be 39%, yielding a corn harvest of 4.28 billion bushels, but one week later, he revised that downward to 4 billion, "and still declining."

The same pattern of discrepancy exists between the USDA figures and *EIR* and trade estimates for soybeans—the other key animal feed besides corn—and other major crops.

This makes clear that the USDA is not merely incompetent; they are lying. Their estimates rationalize shipments of grain to the Soviets and other points-of-preference of the grain cartel companies. Already this crop year, the Soviets have purchased over 12 million tons of grain and soybean products from the United States—most of it at government-subsidized discounts—and continue to make rush-delivery purchases from other Western exporting nations.

The USDA's Wilson, in a letter to the *Washington Post* on Aug. 12, minimized the danger of low levels of world food stocks, by referring to the drought in North America and China, then saying, "But agriculture production in most other countries is up. Corn production in the rest of the world is record large; the same is true for soybeans. Wheat production and cotton production are the second highest ever."

His main point in the letter was to bemoan the fact that the drought may cause some political circles to go soft on farmers, and continue farm income supports here and abroad. "The incentive for sweeping international reform [elimination of farm supports] may well have eroded because of the drought, and predictions of global food scarcity could strengthen the argument of those who would preserve subsidies. This is a pity."