EXECONOMICS

It's not El Niño that is causing food shortages

by Marcia Merry Baker

As the harvest proceeds in the Northern Hemisphere this month, world food production is way below levels required. Nowhere is the problem "natural"—that is, the result of weather, even El Niño, or other changing conditions that could not be anticipated. The worsening food shortages are the result of recent decades of bad policies that undermined agriculture output potential, as well as national economies generally, to the point of want and famine.

Besides tonnages below requirements, the logistics of the current harvest season are decrepit, and farms and farmers are dropping out of the food production cycle altogether. Food output and distribution are concentrated more and more under the direct control of cartels of private financial and commodities interests.

Paradoxically, the only hopeful sign during harvest season this October, is that, as the international financial system itself is in a breakdown phase, under these crisis circumstances, the need for emergency measures for such necessities as food and agriculture infrastructure (ports, railroads, storage, water management), becomes more obvious, and could be made public policy. The issue is leadership and moral economics. Don't trust anyone who tells you, "There is plenty of food; things are okay; trust the markets."

In 1988, when drought cut the harvests *by half* in the United States, Lyndon LaRouche addressed the founding meeting of the Schiller Institute's Food for Peace effort in Chicago in September, and at a post-harvest meeting on Dec. 11, in Chicago, forewarning of famine to come if policies were not changed over the next ten years. "It's almost as if we can hear a section of the Lord's Prayer coming from the developing nations, from the poor of eastern Europe, from the poor, the tens of millions of poor in our own country: 'Give us this day, our daily bread.'"

One billion ton shortfall of grain

Take basic grains of all kinds: The total volume of grains required for the more than 5 billion people worldwide, is in the range of over 3 billion tons. (This is for direct cereals consumption, as well as indirect consumption, through the animal proteins food chain.) However, the latest estimate of world output this year, is for 1.87 billion tons, fully 1 billion tons short. This is according to the September monthly report of the UN Food and Agriculture Organization (FAO). The consequences? Malnutrition and death.

Annual food production per capita *fell* over the last 15 years in South America and Africa, and in the last 6 years, in Russia and other parts of the former Soviet Union. The shortfalls have not been made up from "outside" somewhere.

The FAO, in a Sept. 22 report, lists as the worst-affected countries in Africa: Ethiopia, Kenya, Uganda, Somalia, Tanzania, Burundi, Rwanda, Sierra Leone, Angola, and Mozambique. It also lists Sudan, which however, has been alleviating the International Monetary Fund-imposed lack of access to agriculture infrastructure and inputs, by utilizing its famed Gezira irrigation project in such a way as to provide minimal national food self-sufficiency and security.

Look at West Africa, at Sierra Leone, for example. As of mid-August, famine warnings were issued by FAO and other international agencies. The plantings of principal crops, which occurs between April and June, were low; as of August, rice prices had tripled in the capital of Freetown. An Aug. 15 dispatch from the FAO reported, "Humanitarian agencies have started limited food distributions to vulnerable people in Freetown, Bo, Kenema, and Makeni, while cross-border operations from Ivory Coast and Guinea allow limited provision of food to affected persons in rural areas." The FAO expected that Sierra Leone would continue to rely heavily on

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food aid to meet its needs. Even before 1997, cereal import needs were estimated at 260,000 tons and the donated food relief requirement at 80,000 tons. These are not being met.

In Russia, since 1990, annual grain harvests have declined from an average of 100 million tons in the 1980s, down to 60-80 million tons a year. According to Rosa Tennenbaum, Schiller Institute agriculture spokeswoman in Europe, there are estimates that as many as 500,000 people have died in Russia since the onset of the IMF-mandated "free markets," from lack of adequate diet. An estimated 10,000 Russian children are dying each year, from malnutrition-related conditions.

North Korea international emergency

The place of most acute need is North Korea, where 25 million people are suffering famine. Through the 1980s, that nation's grain provisions were augmented by imports from the Soviet Union, as well as China. When, in the 1990s, nothing more came from food-short Russia, food shortages began in North Korea. Though the nation is on the same latitude as, for example, Illinois (40°N), the infrastructure was never built up to make the resource base for agriculture reliably productive. Heavy rains, flooding, and then drought this summer, therefore, automatically meant low harvests. Policymakers worldwide had *foreknowledge* that this would cause dire malnutrition and starvation for a whole nation, unless aid were forthcoming. But no intervention came. Now, the solution must be to deliver mass relief provisions, and remedy the lack of infrastructure for the future.

The North Korea crisis dramatizes the same kind of breakdown process in other locations. The critical issue in agriculture is the provision of adequate infrastructure—whatever the particulars of the land, water, and climate conditions of a region—and adequate organization and inputs, run by skilled people.

In Russia, for example, as of August, it was estimated that around 12 million tons of grain (approximately the amount by which this year's crop would have exceeded last year's) would not be harvested in 1997, because modern equipment is lacking. For comparison, the 12 million tons of lost grain represents over five times what Korea needs in emergency relief for a year.

Out of 227,000 harvesters in Russia, only 70%, or 159,000, are working. Experts calculate that a decent ratio for harvesting, is one harvester for 150 hectares; in Russia, there is one machine for 352 hectares. Agriculture Minister Viktor Khlystun admitted, that in Siberia alone, 8 million tons of grain were lost in 1996 due to lack of equipment.

Rostelmash, the biggest harvester manufacturer in Russia, announced that up to June of this year, they did not sell one single machine. And, in all of 1996, they sold 1,500 harvesters, compared to 26,000 in 1991. Harvesters became unaffordable for Russian farms. If this trend were not to be reversed immediately, Russian farms would have only 100,000

operating harvesters left in the year 2000, which means that only one-third of the current grain area could be harvested.

Agriculture decline in United States

The decline in the United States is also dire, even if not so dramatic. All factors of agriculture production—transportation, land and water management, and especially the human factors—are worn down. Take hauling and storing the crop: The lack of rail lines, rail cars, locomotives, and staff, to handle the fall harvest, has now become "routine." The mergers and acquisitions, and downsizing of the rail system, meant financial mega-profits for the cartels, and disaster for the nation.

The corn crop is beautiful in the heart of the corn belt (Nebraska, Iowa, Illinois, Indiana); but, rather than being a blessing for domestic use, international food relief, and exports, the crop will be sucked in at low prices dictated by the grain cartel companies—Cargill, ADM, Bunge, Louis Dreyfus, ConAgra, Pillsbury (Gran Metropolitan, based in London), and a few others. These companies typically gather in 75% of the harvest from farmers under pressure to sell their product, even at low prices. Then the companies are in a position to make a killing by controlling grain.

Take the spring wheat belt of the United States—North and South Dakota. There, the crops and harvest have been down. As of Sept. 20, the grain elevators in North Dakota had taken in only *half* the grain they took in by this time last year. Moreover, the quality of the crop is below average. It is estimated that only 60% of the grain is of milling grade. But even though quality wheat is scarce, the cartel companies are still paying low prices to farmers. Wheat is down to \$3.29 a bushel, when \$8.60 a bushel would be a fair, parity price. Therefore, for every acre planted to grains this year in North Dakota, some farmer is losing an average of \$20. This means an absolute loss to farmers in the state of \$225 million. They are shutting down.

Elsewhere in this issue (p. 6), a long-time farm leader from North Dakota, Robert Linnertz, describes in detail the decline of the farm base in his state—one of the world's leading wheat production centers.

The case of North Dakota underscores the point that worsening food shortages will occur in the future only for lack of intervention to protect and build up farm sectors, *not* because of bad weather. Take the El Niño phenomenon in particular—called, technically, the El Niño Southern Oscillation (ENSO), because of its 8-10 year pattern of back-and-forth shifting of trade winds and sea temperatures in the southern Pacific, with associated weather changes around the globe.

The FAO Sept. 22 report warned, "The current strong El Niño weather phenomenon, due to peak from December to March, is already giving rise to concern in some important producing areas where related weather extremes could have a serious impact on the 1998 harvests."

Hunger? Don't blame it on the weather.

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