Food shortages are coming: Who is to blame?

by Marcia Merry

Are you ready for a daily diet of porridge and beans? Within only a couple of dozen months you can expect to see meat and milk become luxury foods if the destructive policies now underway against European and American farmers are not reversed. The advanced sector nations will suffer malnutrition and epidemics. Death by starvation will sweep the Third World.

Right now in both Europe and the United States, new farm policies are being advanced and implemented whose effects are guaranteed to bankrupt thousands of farmers, reduce farm yields, and create food shortages. Those initiating these policies on both sides of the Atlantic include, in addition to common fools, advocates of food scarcity and outright genocide—mass death from starvation and pestilence.

At the same time, an operation has been conducted through the international food cartel companies coordinated out of Switzerland to supply the Soviet Union with grain which is used for civil defense stockpiling, while the cartel renders the West's food supply more and more precarious.

The European Community, whose ministers have been meeting this month in Greece, has before it proposals to drastically reduce the funding of the Common Agricultural Program (CAP). The proposals for the European dairy sector, for example, which now produces 28 percent of world dairy output and accounts for 50 percent of world dairy exports, would result in liquidating 10 percent of the 25 million cow dairy herd.

Begun in 1960, the Common Agricultural Policy (CAP) is a system of farm price supports, somewhat similar to that in the United States, with the additional provision for EC subsidies to companies which export food. Under CAP, farm productivities rose markedly in the 1960s and early 1970s, rebuilding Western European agricultural infrastructure which had been devastated in World War II. As of the 1970s, Western Europe became a world grain exporter, and the world's largest dairy food exporter.

All of this is now in jeopardy. The EC has failed to agree on a 1984 budget for CAP, which is therefore continuing to operate on an emergency month-to-month

The cutoff of credit to the highly mechanized farms of Europe and America means bankruptcies ahead and the threat of world food shortages. Shown is a four-wheel drive diesel tractor in Texas.

basis. If this continues, millions of European farmers will face bankruptcy in 1984 (see article, page 23).

Those who plan to cut the CAP budget claim that 1) "farm surpluses" must be reduced, and 2) there is no money available to continue to support farmers.

The situation is the same in the United States. Congress will reconvene in January and begin deliberations on the 1985 "Omnibus Farm Bill" (passed every four years), in the midst of an already escalating agricultural crisis. Between 1982 and 1983 U.S. agricultural activity decreased 20 percent in value. The wheat harvest fell 15 percent. Soybeans and rice fell over 30 percent. Fully 82 million farm acres were idled under the Payment-in-Kind (PIK) program, in which financially strapped farmers were induced to take land out of production in exchange for a promise of government held crop stocks. When the drought and the Gulf hurricanes came on top of the acreage reduction, yields for the remaining standing crops fell markedly.

An unprecedented law was enacted this fall, according to which the government will pay dairy farmers to cull their herds. The farmer will receive $10.00 for every 100 pounds (about 12 gallons) of milk he does *not* produce each month for the next 15 months, as compared with his recent average production. Government milk-price supports will be held below the cost of production, and the farmer will have to pay the government $1.00 a month for every 100 pounds he does produce, for the nominal reason of defraying the milk program budget.

Drive through the famous midwest dairy belt and you will now pass truckloads of dairy cows on the way to slaughter. "For sale" signs hang on the barns.

The American Bankers Association estimates that 55,000 U.S. farmers went out of business in 1983. The true rate is probably twice that number. Out of the official census of 2,500,000 farms in operation in the United States (counting all sizes, including kitchen garden and tax write-off types), only a core group of about 100,000 farms produces 80 percent of the nation's food.

To stay in operation over the past few years of high interest rates and energy costs, farmers have pyramided their debts. National farm debt has swelled from $70 billion in 1979 to over $215 billion today. This really means that not only the farm sector, but the U.S. banks themselves are threatened with bankruptcy.

U.S. farmers are fed a great deal of anti-European propaganda about how high the farm price supports are in Europe. But as we show in the accompanying analysis of European agriculture, the European farmer is receiving price supports at levels no higher and no more reliable than the limited federal loan operations which temporarily propped up U.S. agriculture. Europe's farms too are going bankrupt.

Killing the potential output of the European and U.S. farm sectors destroys the food supply to feed the world's population. Productivity per agricultural worker around the globe is highest in the United States and the European Community, which today account for major shares of total world food output and exports. The United States produces over 50 percent of all the corn in the world (reduced by half under the 1983 PIK program), and over 60 percent of all soybeans (reduced by 30 percent in 1983), which are key feedgrains in the chain of meat, poultry, and dairy production. The United States is the largest exporter of wheat (reduced by 15 percent in 1983), and rice (reduced by 33 percent). The European Community is the world's biggest dairy producer and exporter. Since the early 1970s, the EC has been a leading world grain exporter as well.

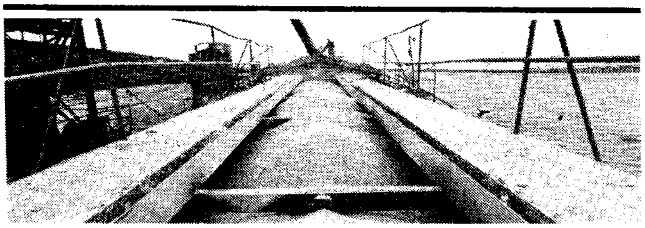
Exports of food, breeding stock, and farm technologies from Europe and the United States could be the chain drive to upgrade farm output around the globe, if unleashed through the right anti-depression monetary reform measures. But without the productivities of the advanced sector agriculture, population collapse is guaranteed.

Trade war and the food cartel

U.S. farmers are told to blame the "rich" European farmers for loss of world trade opportunities, and the European farmer is told to "blame the Americans." The fact is that the volume of world trade overall has been sharply curtailed by the depression. The volume of agricultural trade peaked in 1980 and has declined since then. World grain exports peaked in the 1981-82 trade year and have fallen since (**Figure 1**). The problem is hardly a case of too much food competing for customers.

The European Community is known in the United States for dumping food in the Third World at prices way below the cost of production in order to drive U.S. farmers out of world markets. But it is a total myth that the U.S. loses in the two-way agriculture trade with Europe. The EC is the largest market for American farm products, buying some $9 billion worth of goods in 1981. That year the United States bought some $2 billion worth of farm products from Europe, giving the U.S. a $7 billion farm trade surplus. The statistics for 1982 are similar.

But the world food trade is controlled not by farmers anywhere, but by the international food cartel companies, whose financial lineage goes back hundreds of years through control points in Odessa, Venice, and along the ancient Mediterranean trade routes.



USDA

Figure 1
World grain exports falling
(million metric tons)

1977-79	186.9
1980-81	228.4
1981-82	215
1982-83	200
1983-84	203

The "Seven Sisters" oil companies are relative newcomers compared to the grain trade cartel (Cargill, Continental, Bunge, Louis Dreyfus, Andre), whose operations are far more extensive and secret. These companies control about 90 percent of the world grain trade, working hand in glove with the International Monetary Fund, the World Bank, and private banks to determine which nation or enterprise gets credit and food, and who fails and starves.

These companies and banks view the worsening depression as a golden opportunity to grab assets to consolidate total control. They have been acquiring grain terminals, shipping companies, slaughterhouses, and other facilities in Europe and North America as if these nations were spice islands and banana republics.

Cargill, Inc., the Swiss-connected grain company based in Minneapolis, is now the largest U.S. flour miller. It is the second largest U.S. beef processor, after Dr. Armand Hammer, who calls beef "the oil of the '80s." Hammer has been one of the most important Soviet assets in the Western business world since 1921, when he acquired exclusive rights for the first export-import Soviet trade company. Julius Hammer, Armand's father, was a charter founder of the Communist Party U.S.A.

Cargill dominates the French grain trade, and the other grain companies have their respective "territories," especially Andre, based in Switzerland, which specializes in strategic barter deals with the East bloc. Company spokesmen call for an end to farm price supports and the formation of an autarkical agriculture bloc in Western Europe. A conference will take place on "Food Security and Barter" in Zug, Switzerland in March, hosted by the European Management Association, many of whose members belong to the commodity cartels.

The food control companies and the International Monetary Fund (IMF) knowingly support genocide. Their policy is to create and manipulate food shortages as a political weapon and to eliminate masses of people, as they are now doing in Africa. The Malthusian report *Global 2000*, written by representatives of the commodity and financial cartels and approved by the Carter administration and pursued by today's State Department, would halve the world's population by the year 2000.

Ted Rice, the vice president of Continental Grain Corp., the New York-based world trade company, said in July 1983, "[The U.S. needs] an acreage reduction program that would take the largest percent of land out of production. Those who want to farm will comply. Those who don't, won't."

A researcher at Resources for the Future, a New York bank-linked environmental think tank, who is working on a study, "Global Food Prospects Through the Year 2000," advocates IMF control of all world food credit. "We must use whatever leverage we can to force reduction in population growth, and quickly. Food is great leverage, although I don't want to be called draconian or cruel."

Democrat Walter Mondale's presidential bid is directly backed by Cargill and the other international cartel and Soviet networks. Mondale is on the board of Control Data, the Soviet-connected computer company. He has a professorial position at the Hubert Humphrey Institute of Public Affairs in Minneapolis, which is conducting work on the "politics" of famine. Chairman of the Institute's board is Orville Freeman; president of Business International, whose directors include Aurelio Peccei, head of the Malthusian Club of Rome. Henry Kissinger raised funds in London for the Institute, claiming that its policies were the wave of the future. When Kissinger was secretary of state, he initiated the use of food as a "strategic weapon." Kissinger represented the United States in 1974 at the World Food Conference in Rome, predicted global food shortages, and called for the creation of strategic food reserves. He commissioned a study, which remains classified today, profiling the food vulnerabilities of nations.

In May 1983, Soviet "peace advocates" paid a visit to Minneapolis, hosted by the Hubert Humphrey Institute, and joined by Cargill representatives. The Soviet message was that since nuclear war is "unthinkable," the West should all forget about civil defense, focus on the nuclear freeze, and sell more grain to its "peaceloving" adversary.

Mondale and the other Democratic Party presidential contenders, with the exception of Lyndon LaRouche, are all supporting "supply management" to reduce farm output.

The myth of overproduction

A full blown world food crisis will hit by 1985, including the OECD nations. The world is now producing only 16 bushels of grain (all types) per capita a year, when a person needs 24 bushels, including feedgrains for meat and milk requirements. The 16 bushels is an increase over the 1965 average of 11 bushels per person, and partly this represents farm productivity gains under CAP and advances in India and some other regions of the world. However, since around 1979, food production per capita in the world has been leveling off and dropping (**Figure 2**).

Merely to maintain food grain supplies per capita, and to increase livestock feedgrains to provide meat and milk per capita on a level approaching the United States, will require a threefold increase in world grain output. **Figure 3** shows the increase in feedgrains needed to provide people with adequate animal protein.

Far from suffering from overproduction, the world will undergo a biological holocaust unless food production resumes.

A human being needs daily animal protein because it is a nutrient-dense food which, among other effects, ensures the functioning of the immune system. In the United States, where the daily animal protein supply averages 70 grams, life expectancy is 73 years. In Africa, animal protein averages less than 10 grams a day; life expectancy is around 42 years.

Figure 2
World per capita grain, meat and milk output falling

	Grain bu per capita	Meat pounds per capita	Milk
1982	18	54	23
1983	16	49	23
1984	16	49	22

Food supplies have steadily decreased per capita in Africa for ten years, and epidemics and starvation are creating a biological holocaust. New animal and human diseases are mutating, including the virus-borne cancer Burkitt's Lymphoma. African swine fever has broken out of the continent into Spain and the Western hemisphere. More virulent diseases will follow.

Effects of the collapse are showing up in U.S. agriculture. Dustbowl conditions are beginning to develop as land deteriorates when farmers lack the income to till, grade, fertilize, and rest the fields. During the past 10 years, the protein content of corn for animal use has decreased from 9 to 8 percent, and in the southern states to 7.5 percent, as a result of the farmers' inability to fertilize the land sufficiently. Molds and funguses—including the deadly aflatoxin—are spreading as favorable host conditions develop when farmers cannot afford the energy costs of drying and fumigating stored grain. The budget has been dangerously cut back for controlling the cattle disease brucellosis, which is transmissible to humans.

Figure 3
World animal protein deficit

Region	Dressed meat Metric tons	Animal feedgrains needed to make up shortfall Metric tons
United States	Standard*	Standard*
Canada	252,000	1,512,000
Ibero-America	24,794,000	148,704,000
Western Europe	10,220,000	61,320,000
East Bloc	12,093,000	72,558,000
Near East	11,687,000	70,122,000
Africa	40,990,000	245,940,000
South Africa	1,956,000	11,736,000
Far East	153,308,000	918,486,000
China	89,800,000	538,800,000
Oceania	Standard*	Standard*
Japan	5,378,000	32,268,000
TOTAL	328,158,000	2,041,236,000

*To provide everyone with the standard nutrition level available per capita in the United States, the world needs an additional 328 million tons of servings of meat—or the protein equivalent in other animal food forms, annually. This requires 2 billion tons of feedgrains over and above current world annual production.

A crash food production program

The Soviet Union has been importing and stockpiling food for civil defense requirements since the mid-1970s while they have poured resources into armaments. According to studies done at the Hoover Institution, the Soviet Union has imported around 92 million metric tons of grain for strategic stockpile purposes.

In contrast, the United States has made no provision for reliable food stores, except for Congress's mandate to the U.S. Department of Agriculture (USDA) to keep a few million tons of grain in the crop storage programs at all times.

What is required instead is a "War Mobilization Board"-style all-out effort to maximize food production in the United States and Western Europe, in conjunction with allies around the globe. The goal must be "redundancy levels" of food output to allow for civil defense stockpiles, food trade requirements, and emergency shipments to Africa and other points of need. The target level should be a year's requirement of grain as carried over stock, properly stored. The United States needs a national grain audit, as was done in World War II, to correct the unreliable picture given by the USDA.

Emergency action is required in both Europe and the United States to implement a full production policy: 1) no farm or equipment foreclosures; 2) freeze farm debt for rescheduling; 3) provide low-interest production credits. Executive action must be taken in the United States to roll back the Environmental Protection Agency and Food and Drug Administration bans of farm chemicals and food irradiation technologies.

Parliamentary and congressional investigations must be initiated into the scope of the grain company political interlock with Switzerland, the U.S.S.R., and the Western trade centers of Europe and the United States—especially Minneapolis—for purposes of prosecution on grounds both of antitrust law violation and the threat to national security.

Why we need a farm parity price to increase productivity

A parity-price is the average direct cost of producing—for example—an average bushel of grain, plus a competitive return on investment for the capital the farmer has used in the capital improvements and operating costs of his farm. If the farmer has a fair return on his investment, and invests this return in technological improvements, in better seed-stock and livestock, the average quality of the consumer's nutrition level goes up, and the average amount of labor required to produce a bushel of grain or a half-ton of quality beef goes down. In the process, the nation is guaranteed a reliable food supply.

The few occasions when governments have intervened to establish farm income levels based on the parity policy have always produced dramatic food increases. During both World Wars, the United States government adopted a parity price system and farm productivity and output increased dramatically. The parity policy was discontinued after World War I, but a near-parity policy was continued for some years after World War II, and an "agricultural revolution" took place in farm productivity increases.

Through Gen. Charles de Gaulle's insistence, the Common Agriculture Policy (CAP) supported European Community farmers at levels approaching parity targets from approximately 1965 to 1978. Productivities leapt forward.

But beginning about 1979, both European and U.S. farm income dropped. U.S. farmers went deeply into debt to remain in operation, but the current constriction of credit is leading to a collapse. U.S. farmers are now receiving less than 50 percent of the official parity income. In Europe, farmers were supported by CAP farm price intervention, but support levels have declined relative to farm costs, and the current CAP budget cutbacks will be devastating.

A world parity price policy is achievable only if the collapsing international monetary system is reorganized. Debt moratoria and the creation of a new credit facility based on gold-backed bonds will stimulate investment in large-scale infrastructure projects and finance expanded world trade to upgrade the standard of living of the Third World as well as the advanced sector. Vast increases of food output and trade can be specified by treaty agreement between governments to cooperate on development projects of mutual benefit. In this context, governments can prevent destructive food "dumping" and make the domestic farm income interventions to guarantee their farmers parity income levels, while securing and upgrading their nations' food supplies. Cooperation between the United States and Europe is needed for massive high technology transfers to the developing sector to create conditions for eventual food autonomy in the Third World, shifting the role of the existing surplus food-staple producers into exporters of high-technology and specialty goods.