Food shortages by 1985

Behind the "bumper crop" headlines: escalating bankruptcies, shrinking stockpiles, and dwindling production.

The media and U.S. Department of Agriculture forecasts of the past month of "bumper crops" and continuing "surpluses" have about as much truth as the Western storefronts on a Hollywood stage set.

The combined effect of federal programs to reduce U.S. farm output, and the financial crisis bankrupting farmers is guaranteed to destroy bountiful harvests for good, and to destroy the U.S. farm infrastructure. Adverse weather patterns during this past spring planting will hasten the process.

The 1984 wheat payment-in-kind (PIK) program and acreage "conservation" programs will idle 20 million wheat acres this summer—a quarter of the nation's base wheat land. This is below last year's wheat PIK in which 30% of the national wheat acreage was taken out of production, and the national wheat output reduced by 15% from the year before. This year's crop, however, could be even lower than 1983, despite increased acreage, because yields will be held down in many regions hit with lack of moisture, frost kill or other damage.

For food security reasons, the United States should have at least two years worth of grain use in a national food reserve, with which to supply emergency shipments to Africa and other points of need and provide for ample domestic use at the same time. The maximum stockpile level likely at the end of this wheat crop season will be one year. Moreover the exact amount of any crop in storage is not known, and a national grain audit is called for.

The crop statistics section of the USDA is notorious for reporting large stores of grain "surpluses" which then are found not to exist. Inflated estimates of surpluses serve the grain cartels' purpose of rationalizing the low prices paid to farmers around the world.

But on numerous occasions the USDA is forced to admit that its stocks figures are way off. In May 1983 Agriculture Secretary John Block admitted he did not have the grain stocks needed to meet the PIK obligations to farmers in several crops, and he announced the crazy "plant for PIK" plan. In the fall, 1983, the USDA had to admit it "lost" 60 million bushels of soybeans in the national stocks calculations. In January 1983, another USDA soybean stocks scandal occurred and several USDA crop statistics staff members were reassigned.

However, even by fraudulent USDA statistics, U.S. grain stockpiles are dwindling. By the end of this year soybean stocks could fall to 150 million bu. as compared with 359 million bu. in 1980. The 1984 year-end corn stocks could fall to 520 million bu. as compared with 1.618 billion bu. in 1980.

Last year's corn crop fell by fully 50% from the year before, due to the corn PIK (idling 20 million acres) and the drought. Yet instead of countering this through production credits for a full 1984 corn harvest, the federal acreage "conservation" and other programs will cut production on 4-5 million corn acres again this year.

As of April 1, the nation's supply of corn totaled 3.26 billion bushels, down 48% from last year at this time, and the smallest level since 1976. In addition, millions of bushels of this corn is unfit for use. The USDA's response last month was to announce a sale of 10 million bushels of subgrade corn for domestic livestock feed, and one million bushels for commercial sale abroad to Africa and other starving, impoverished populations.

Nevertheless at least 35 million acres will be out of production in 1984 in the United States in these various crop reduction programs, which is less than the unprecedented idling of 80 million acres last year (one third of the U.S. base crop acreage), but nevertheless a factor leading to potential disaster.

When feedgrains (corn, sorghum, barley and oats) are considered together, supplies are down 44% from a year ago. Last fall and winter poultry production declined directly because of the feedgrain reductions. Meat production per capita in the U.S. is declining.

In January, the milk "PIK" went into effect, in which farmers who signed up to agree to reduce their milk output would get $10 a hundred pounds every month for what they did not produce for the next 15 months. For the first time in five years, the national U.S. dairy herd has begun to decline.

The farm debt and income crisis has caused bankruptcies at an unprecedented rate. In April the USDA economist William Lesher put the figure of farms in trouble at 10-15%. The true figure is at least 50%. President Reagan has glossed over the situation by remarking that 1½% of farmers go out of business every year anyway, and the current rate is not over 4%. But even the unsecured loan operations of the Illinois hog farm owned by Agriculture Secretary John Block are now in the news.