USDA releases another dud report

The longest ever, it implicitly recommends bankruptcy as the only solution to farm production.

On Nov. 12, one of the longest reports ever prepared by the U.S. Department of Agriculture was released, called, "Embargoes, Surplus Disposal, and U.S. Agriculture." It landed with a thud. The 650-page study (No. AGES860910) was commissioned by Congress in 1985, mandating the USDA Economic Research Service to conduct an analysis of what effect food trade embargoes have had on U.S. agriculture in recent years; and, whether the Commodity Credit Corporation has harmed the agriculture sector by not selling surplus crop commodities abroad at discount prices.

A swarm of 60 individuals contributed to the report. They themselves work for various private and public institutes and agencies. The USDA Economic Research Service held a seminar on Nov. 12 to try to explain the contents of the study. They released a separate document ("Embargoes, Surplus Disposal, and U.S. Agriculture: A Summary," Agriculture Information Bulletin No. 503) that ran to 35 pages, just attempting to summarize the 650-page report proper.

However, the political intent of the study is clear: to provide ponderous "points of view" on how to improve farm income and food exports, while meantime scrupulously avoiding mention of the root cause of the calamity now overtaking our food trade and domestic food supplies both—the calculated policy of food reduction, farm elimination, starvation, and depopulation implemented by the International Monetary Fund, the World Bank, and related private banking, trust, and food-cartel companies.

The wrongheadedness of the report is shown clearly in the executive summary statement of what is stated as today's "problem" (page 34):

"The United States has extremely large grain inventories and faces a worldwide climate of surplus and increased productive capacity. In this climate, the cost of surplus disposal [subsidized exports, donations, etc.] would probably be much greater than that suggested by the above figures [various estimates]. As of May 1985, CCC and Farmer Owned Reserve wheat stocks amounted to 28.1 million tons, or 72% of last year's exports. Corn stocks in September 1985 stood at 15.5 million tons, or roughly 33% of exports. In recent years, world grain trade has stagnated. Disposing of this stock volume in the current international market environment would be difficult and expensive."

The unwritten conclusion to the report is that the United States will be better off when the farmers that are producing the non-"disposable" grain go bankrupt, and the grain stocks shrink to nothing.

The program that should be adopted is to scrap the IMF system. If the onerous IMF debt and trade restrictions were lifted, and replaced with new international treaty-commitments to food trade, parity-related pricing, and stable currencies, all tied to a mutual growth perspective, it would be obvious that there are vast food shortages in the United States and abroad.

It is a lie to say there is an extremely large "surplus" of food in the world, and that there is an overcapacity of production. Starvation and increasing malnutrition show that there is a lessening of output and trade flow relative to need. This is dramatically shown by the release, the same week as the USDA report, of a U.N. Food and Agriculture Organization report, on agriculture commodity output projections for Africa into the next century. Per-capita cereals consumption in Africa is projected to drop from a current low of 273 pounds a year to 262 pounds a year or less. The consumption of roots (a low nutrition, caloric-filler foodstuff) will also drop. This spells death on a mass scale.

Under decades of IMF food trade restrictions, the entire pattern of food trade among Western nations—never adequate for filling mutual interest needs, is now falling apart. Farmers in every part of the world are being forced out of operation on a mass scale.

U.S. grain exports have dropped by over 35% since 1981. U.S. corn exports to the European Community have dropped by 70% in two years. Meantime, Canada and Argentina, other principal grain exporters, are also exporting millions of tons less each month. Canada's wheat exports are lagging by 20% this year. Argentina's exports are down 85% compared to a year ago. Australia has exported a record amount of wheat, but only by increasing exports to the Soviet Union and China.

Western European food output also is going to the Soviet Union in record quantities, because IMF restrictions prevent it from going to points of need in Africa. The IMF rationalization? Food imports should not compete with "native production."