

Agriculture by Marcia Merry

Farm trade surplus at 14-year low

But the U.S. food imports and foreign food investment are the highest ever: the case of broccoli.

The official statistics for the trade year ended Sept. 30 released by the U.S. Agriculture Department show that the U.S. farm trade surplus dropped to \$5.4 billion, the lowest level in 14 years. U.S. food exports have dropped a full 40% in value since 1981.

At the same time, foreign investment in U.S. food processing and imports of raw and processed foods into the United States have increased yearly. The United States has now become a food-dependent nation, in contrast to the potentiality of the postwar U.S. farm sector which was to be the source of know-how, breeding stock, and high-nutrition foods (animal protein—meat and milk) to transform food output and nutrition levels around the globe.

Just the opposite has happened. The United States is becoming as food dependent as the Roman Empire, during its last miserable years of decay.

This is no "accident" or "oversight" of policymakers. The food cartels—traders in grain and other key commodities—have influenced government farm, trade and foreign policy to coordinate virtual slave-labor production in poor nations, and to broker these products to distribution channels in the United States and Western Europe, while cartel-related banks are getting usurious debt payments from the foreign currency earned in this trade flow.

The result is that poor nations are further impoverished, and once-suc-

cessful farmers in North America, Western Europe, Argentina, and Australia, and similar food-rich regions, are being shut down and dispossessed. Take one example: During 1985, 22% of the frozen broccoli consumed in the United States was imported, mostly from Brazil and Mexico, where fresh fruits, vegetables, and meat are needed desperately to upgrade diets at home. These nations also export beef to the United States.

This illustrates that the U.S. food import pattern is not based on a rational profile of tropical and semi-tropical products—coffee, tea, cocoa, spices, tropical fruits, and other farm commodities needed for import into the northern latitudes. The United States is importing what should be consumed in the country of origin, and what could be more easily grown at home. Broccoli is a classic example of how topsyturvy the trade patterns are. It is a cool weather, late harvest, cabbage-family crop, popular in the diet patterns of northern Europe.

U.S. agriculture exports were \$26.3 billion in the year ending Sept. 30, down 16% from the previous year and down 40% from a 1981 record of \$43.8 billion. U.S. imports of agricultural products rose by 6% to \$20.9 billion. For three months this year—May, June, and July—farm imports actually surpassed exports for the first time since 1959.

The United States posted a record agricultural trade deficit with Mexico in fiscal 1986, buying \$2 billion in

Mexican agricultural products and exporting only \$1.1 billion.

In addition to raw and bulk food commodities, processed food exports have dropped. U.S. processed food exports have fallen from a high of close to \$13 billion in 1981, down to about \$10.2 billion in 1985. At the same time, imports of processed foods have gone up to about \$12.5 billion a year. Imports exceeded exports beginning in 1983. Between 1980 and 1982, processed food imports ran between \$9.6 and \$10.3 billion, then shot up.

During the same time period, total foreign investment in U.S. food and beverage manufacturing has nearly doubled. In the past four years, it has gone up to around \$11.2 billion. More foreign investment is going into food processing than any sector except chemicals. For example, Mitsui & Co., U.S.A.—the fourth-largest grain exporter out of the U.S.—now wants to acquire food-processing businesses serving the American market with established U.S. brands. The Commerce Department will hold 14 seminars this year to help encourage foreign investment. In New York, a top dairy-producing and processing state, with a big market for all types of food, foreign companies employ one in five of the state's food workers.

The pattern is the same for the most common foods. In the past 10 years, there has been a fivefold increase in tomato product imports.

Also, specialty fresh food imports have increased. Sales of Norwegian fresh salmon have increased in the United States by 20% a year in the last three years. Flying Foods International, Inc., in New York, brings in fresh sole from Dover, U.K., turbot from the Netherlands, red snapper from South America, radicchio from Italy, and off-season fruit, such as kiwis from New Zealand.