

Agriculture by Marcia Merry

Crop report shows looming famine

The USDA's figures, as usual, are ridiculously optimistic, but still can't hide the reality.

The latest monthly world crop forecast by the U.S. Department of Agriculture (USDA) paints a rosy picture compared to the truth. But even the USDA figures show world grain and food stocks at such a low level that, unless miracle crop yields occur, food shortages may occur on a scale of global famine.

The report, *World Agricultural Supply and Demand Estimates*, was released Feb. 9 at 3:00 p.m., after the ritual 24-hour "lock-up" of the voodoo statisticians who produce it. The secrecy surrounding its preparation is supposedly to prevent any advantage being taken on world markets. However, it is an open secret that world food stocks are at levels so low that the only question is, how long will the general public tolerate the calculated failure to take emergency production measures.

Total world grain output in the last three years has been dropping from a USDA estimated 1.685 billion metric tons in 1986/87, down to 1.605 billion tons in 1987/88, to 1.55 billion tons in 1988/89, according to the USDA estimates.

Even the Global Warning office of the U.N. Food and Agriculture Organization in Rome has sounded the alarm about the record drawdown of world stocks now taking place, despite the fact that the U.N. agency sat on the sidelines for years and quietly watched the disaster take shape.

In November 1988, the FAO called for an increase of 13% in world grain output in the 1989-1990 period, in-

volving planting of an additional 200 million acres, to get a yield of at least 230 million tons in additional cereals. In December, the FAO office repeated the warning. In January, FAO officials repeated the warning. But due to funding restrictions, they did not publish their figures for these two months. They hope to resume their monthly "schedule of warnings" now.

However, even the USDA figures—which systematically overstate food production and stocks—show the catastrophe in the making. The "Highlights" section of the Feb. 9 report presents the following summary picture.

Wheat. "Forecast 1988/89 foreign and world ending stocks were dropped around 5 million tons. World ending stocks are forecast a fourth below a year earlier and the lowest since 1977/78."

Given the world population growth of the last 20 years, these low stock figures mean that we are at record lows of grain availability per capita on a world basis. All the alarm bells should be sounding, since various regions of the U.S. winter and spring wheat belt are now being hard hit by bad weather. The United States is the world's largest wheat exporter. A disaster here is automatically a world disaster.

Apart from weather, the acreage of wheat in the United States has fallen off drastically. In 1981, planted wheat area in the United States was about 80 million acres. In 1988, planted acreage was only 65 million. Only 53 million acres were estimated to have been harvested.

This year, the most optimistic projection might be a planting of only 70 million acres. So far, the subsoil moisture in the far northern spring wheat belt is so deficient that it will not be worth the cost to plant.

There is no hope for Western Europe to make up for the wheat shortfalls. The European Commission has ordered that EC graingrowers be docked 3% in grain prices, to penalize them for "overproducing" during 1988. The Argentine and Australian wheat harvests were both lowered by drought.

Corn, Coarse Grains. "Global coarse grain production was reduced more than 4 million tons, and now stands 9% below 1987/88. Prospective Argentine corn output was lowered 2 million tons because of the continued hot, dry weather. . . . Forecast 1988/89 global ending stocks . . . are down around 40% from a year earlier. . . . U.S. corn exports are forecast up 15% from 1987/88 and the largest since 1981/82."

Given that the 1988 drought drove down the U.S. corn harvest by well over 30% from a year earlier—in even the rosy estimation of the USDA—the current flows of corn to the Soviet Union amount to a strategic supply crisis.

Soviet wheat and coarse grain imports in the year to the end of June will be up a sharp 113% over last year, because of their poor 1988 harvest, according to the Feb. 2 estimates of the London-based International Wheat Council. The IWC estimated that the Soviet Union would need to buy 35 million tons of wheat and coarse grains in the year through June. This is 4 million tons higher than Soviet imports in 1987/88, when Western grain stocks were much higher, as the USDA report highlights. The Soviets might easily expect to be provided 40 million tons during this trade year.