Agriculture by Robert L. Baker

Yeutter touts USDA 'accomplishments'

The U.S. Secretary of Agriculture's policies are causing farm poverty, drops in production, and cartel takeovers.

Secretary of Agriculture Clayton Yeutter reviewed the accomplishments of the U.S. Department of Agriculture for 1989 at a Dec. 21 press conference in Washington, D.C. He characterized his first year in office as "a good one for the American farmer, one of the best," and one in which "building blocks were successfully laid" for events which will be critical in 1990 and beyond.

Yeutter didn't explain that the "building blocks" that were laid will help implement his Trilateral Commission agenda for monopoly control of food by international food cartels and the continued destruction of the family farmer.

Yeutter proudly said that "burdensome surpluses of agricultural commodities dramatically declined," but he didn't explain the consequences. With worldwide grain production below consumption for the third year in a row, and with low farm prices, the United States is starting to feel the effects of "food reduction" policies.

U.S. ending wheat inventories are projected to fall 77% since 1986 to only 443 million bushels this year. This has forced the United States to import 15% of the durum wheat consumed. Ending corn inventories are projected to fall 60% from 1986 levels. The U.S. is the world's largest net importer of oats, beef, and pork. Also, the U.S. has absolutely no stocks of dry milk powder and can no longer supply dry milk powder to either Mexico or domestic school lunch programs, and has even recalled dry milk powder shipped to West Germany. The dry milk inventories are not there and large milk-manufacturing companies are lobbying the USDA to allow increased milk product imports.

Yeutter said that "farm income reached a near record high" in 1989. With the 1989 inflated dollar this may be true, but it is a cruel joke when the real purchasing power of farm income is compared to previous years.

For instance, the December 1989 edition of *Agriculture Outlook,* a USDA publication, projected farm net cash income (NCI) for 1989 to be about $52 billion. This is lower than the net cash income U.S. farmers received in the two previous "high" years of 1987 and 1988, of $57.7 billion and $59.9 billion, respectively. However, what Yeutter doesn't explain is that, due to the erosion of purchasing power by inflation, today's "near record high" net farm income will purchase only about half the capital goods and services when compared to the purchasing power of the 1950s and 1960s.

Yeutter's political double-talk smoothed over other crucial factors. According to USDA statistics presented at the Agricultural Outlook conference in December 1989, about 105,000 (5%) of the 2.1 million U.S. farmers receive 50% of all yearly agricultural income. If the remaining 2 million (95%) receive the other half of 1989 projected net cash income ($26 billion), the average net cash income of 95% of all U.S. family farm units will be about $13,000 for 1989, before taxes. This poverty is what Yeutter calls this a "near record high."

This explains why most farm families must have a second "off-farm" income to subsidize the farm business. In 1989, off-farm income is projected to be a record $53 billion. Things haven't improved since 1987, when about 40% of U.S. farmers had a negative cash income.

In 1989 the United States exported $39 billion in farm products. Yeutter said, "the value of agricultural exports has increased remarkably since the low levels of the mid-1980s." What he didn't say was that imports of live animals, meat, dairy products, vegetables, seeds, and flowers also increased.

In 1989, 54% of the revenue that came in from agricultural exports was re-spent nationally to import $21 billion of farm products. In 1981, this figure was only 38%. The August agricultural trade surplus fell sharply to $949 million—the fifth consecutive monthly decline, $209 million below the previous month. In other words, the United States is becoming more and more dependent on foreign food imports, as U.S. farm production is reduced.

Yeutter said that 1990 will be "pivotal" to the future of U.S. and world agriculture, with the passage of new farm legislation and the final negotiations in the Uruguay Round of the General Agreements on Tariffs and Trade (GATT). "We have worked hard this year to lay the groundwork for enactment of the 1990 Farm Bill for successful conclusion of the Uruguay Round," he said. "We need a strong, vigorous push if we are to open up market opportunities for the future."

The "we" Yeutter refers to are the corporate networks of international grain companies and financial institutions that will benefit from Yeutter's "Free Trade" proposals to the GATT. The proposals will reduce farm subsidies and protective tariffs, making family farmers around the world vulnerable to looting by international grain and food cartels, and being controlled by international law through the GATT.