

Agriculture by Marcia Merry

Less wheat, greater need

The USDA estimates a 26% drop in U.S. wheat output this year, while the U.N. counts millions more refugees in need.

On July 11, the U.S. Department of Agriculture (USDA) released its first estimate of the year for overall U.S. 1991 wheat production, ranking the total harvest at the level of 1978. The USDA estimated that wheat output will plunge 26% from last year, to 2.03 billion bushels (55.33 million metric tons).

Last year's crop of 2.74 billion bushels was the third largest ever. But low farm prices enforced by food cartel companies, and USDA acreage reduction policies, have combined to depress grain output.

In a companion report July 11, the USDA predicted that the overall 1991 grain harvest (barley, oats, corn, sorghum, etc.) for the U.S. will be 301.2 million bushels, down 1% from last year, due to the smaller wheat crop. This is highly speculative, because it includes crops such as corn and sorghum which are a long way from maturity. However, Iowa, the top corn state, has had disaster-scale rains, which will significantly lower yields.

Many factors have lowered the U.S. wheat harvest. Harvest acreage was down by 16% from the year before. Farmers had to idle 15% of their acreage this year to qualify for federal subsidies. Frost damaged the winter wheat crop in the Pacific Northwest, while a wet spring cut into the crop in the central states.

Overall, spring wheat (planted in the spring, and harvested in late summer) is expected to come in at 556 million bushels, and durum wheat to come in at 114 million bushels. These figures are little changed from a year

before. But winter wheat (planted in the fall, and harvested around June), is down 33% to 556 million bushels.

The July crop report, which is based on conditions at the start of the month, is one of the most significant of the year, because it presents the first official estimate for U.S. wheat output, as well as other small grains. Even though only three-fourths of the winter wheat crop is "in the bin" by now, and despite the fact that USDA statistics are notorious for error, or deliberate alteration, nevertheless the picture is undeniable that less grain is being produced when the world sorely needs more.

The USDA July 11 report also estimated that this year's Soviet grain crop (of all types) will be down 13% from last year's near-record harvest, with a projected 205 million tons harvested in 1991, which is 30 million tons less than in 1990. Among other factors, a heat wave is damaging spring-planted grains.

Though the USDA estimates that Soviet grain acreage sown is the same as the year before, this is not certain. One Soviet leader has warned that the grain crop may be as low as 180-190 million tons, which he may well be exaggerating in order to mobilize resources to bring in the harvest. However, searing hot weather has hastened the maturity of winter grains and reduced yield prospects for spring grains in the reproductive to seed-filling stages.

The June report of the Rome-based U.N. Food and Agriculture Organization (FAO), "Food Outlook,"

featured the issue of unmet cereal grain needs for refugee relief. The report states, "Cereal food aid shipments in 1990-91 [running June 30 to July 1—the "wheat year"] declined despite larger needs. Nearly 11.2 million tons of food aid in cereals are to be made available this year, some 3% less than shipped in 1989-90."

The U.N. High Commission on Refugees "estimates that there are 17 million refugees in the world, many of whom live in countries which are themselves amongst the least developed in the world. Therefore, out of the more than 17 million refugees, over 10 million will require food aid during 1991 totaling some 1.9 million tons of food commodities."

Nevertheless, the FAO refers to the prospects for grain production and consumption in 1991-92 as positive. The FAO states that there will be "a balanced global cereal supply/demand situation in prospect for 1991-92." The agency presents this evaluation because it views the decline in "effective demand" for food as confined to certain regions, such as Africa.

In this regard, the current FAO reports do not even list Iraq in schedules of aid needs for countries. The substituted term is "New Gulf Emergency."

The June FAO report contains a special feature on "Food Aid Requirements for Refugees and Other Persons of Concern to U.N. High Commission for Refugees," which lists food aid requirements as of the end of May 1991 for major sub-regions. It states that 1.545 million tons of cereals and 315,800 tons of other food items are needed, but donor pledges exist for only half of these amounts. The report states: "The most critically affected areas are in the Horn of Africa (particularly Ethiopia), southern Africa (*inter alia* Mozambicans), western Africa (particularly Liberians), and the Gulf region."