

While U.S. cattle numbers crashed 25% from 132 to about 100 million head, and dairy herds declined, the top 30 cattle-feeding operations monopolized enough pen space to potentially feed out 46% (11.9 million head) of all cattle produced in the United States. At the top of the heap, you find the owners are multinational companies like ConAgra, Continental Grain, Cargill, and Metropolitan Insurance Co. Some of these huge operations can feed out almost 1 million head per year and make huge profits from cheap grain. Yet, the United States must import 8-10% of the pork and beef that it consumes (Figures 2 and 3).

Live hog prices were at record levels during the 1980s. However, the dollar lost two-thirds of its purchasing power since 1967. The average price in 1991 was a record \$49 per hundredweight (cwt), but in deflated 1967 dollars, that equals the purchasing power of \$12 per cwt, the lowest price for hogs in the past 40 years. And it continues a downward trend since 1975.

The same dynamic hits other grain and livestock commodities. The trend toward cheaper livestock and grain in

constant dollars sounds a warning for U.S. producers. As margins tighten, the average farm size will have to grow to support the operator (Figure 4).

As farms are getting too large for one operator to manage alone, hundreds of banks, insurance companies, and chemical companies are cashing in with farm management, consulting, and marketing companies to help manage the mega-farms, for fat fees. The top 100 farm management companies manage almost 14 million farm and ranch acres. Most of the largest players in these services are owned lock, stock, and barrel by multinational companies. The largest, Farmers National Company is owned by Metropolitan Insurance Co.

### **Food acreage locked out of production**

Millions of acres of farmland are being locked away, discouraging further land development and improvement. Harvested acreage in the United States rose almost 23% between 1969 and 1981, as low cattle prices and herd liquidation forced thousands of acres of pasture land to be plowed up and planted to grain crops. Yet in the decade between 1981

## **Mediocre wheat harvest is expected this year**

According to field reports by farm leaders in the grain belt, and preliminary statistics from the U.S. Department of Agriculture, the U.S. wheat harvest will be mediocre this year. In terms of world need for food relief, this is a catastrophe.

The July 1 U.S. Department of Agriculture report from the Agriculture Statistics Board projects the total of all U.S. wheat harvested this year as 2.2 billion bushels, which is about 61 million metric tons, at the standard trade conversion rate of 60 pounds of wheat per bushel, and 2,200 pounds per metric ton. This level of harvest would be basically the same as in 1974, 1975, 1978, 1987, and 1989. The 1990 wheat harvest was 75 million metric tons.

However, according to field reports, the USDA projection is typically overstated. The winter wheat harvest is now in process of completion (winter wheat, planted in the fall, accounts for about 75% of all wheat grown in the United States), and the harvest reports in the heart of the wheat belt—from Texas north through Oklahoma, Kansas, parts of Colorado, Nebraska, Missouri, South Dakota, North Dakota, and including Washington State and Missouri—are bad.

The winter wheat in South Dakota was damaged with winterkill because of drought in fall and winter. South

Dakota is one of the top 10 producers of winter wheat, and produces an almost equal amount of spring wheat. The frost which occurred during the last week in May also damaged a lot of the winter wheat. There was damage from hail and intense rainfall in July, when there was more rain than during any other month in the state's history. The harvestable wheat acreage is estimated to be 35-50% of last year's, because of the winterkill and drought. Farmers estimate that the total harvest will be 35% of last year, as both yields and harvestable acres are down. The quality of the winter wheat has also been diminished. The Montana winter wheat crop has also been harmed by heavy rain.

In Kansas, one-third of the state was affected by the May 25 frost, and nothing was cut in those areas, which include at least seven counties in the northwest part of the state. There has been heavy hail. The combines went through the northwest corner and let the wheat stand. The lateness of the harvest due to the rains is also expected to affect the quality. Reports are that the wheat is poor in western, Panhandle area of Nebraska, eastern Colorado, as well as northwestern Kansas. Yields are expected to be 15 bushels an acre. A lot has been plowed up and will never be harvested at all.

In Texas, there has been a deterioration of quality because of two months wet weather. The harvest has been delayed from six weeks to two months. Now 15-20% remains to be harvested, and what is left is expected to be of low quality.