

## Agriculture by Marcia Merry

### The scope of the world food crisis

*Slashes in farm output in the United States and the developing nations will spread famines.*

The Malthusians at the Club of Rome have long been predicting that the world would run out of resources to support its populations by the end of this century. Under the current financial regime of the Malthusian oligarchy who run the IMF and the World Bank, resources and productive capabilities are now being destroyed at such a rate that the prediction is rapidly being fulfilled. In 1973 and 1979, the crisis was in energy; in 1983-85 it will be in food.

Mass starvation is already decimating the population of Africa, and shortages of milk and other foods are already affecting many nations of Ibero-America.

The problem is not poor distribution of food surpluses from the advanced sector. Agriculture in both the developing sector and in the world's greatest food producer, the United States, is being crushed by the exorbitant cost of capital, fertilizer and other oil-related products, and the burden of maintaining the huge international debt and domestic debt.

The food crisis is aimed at destroying sovereign nations who will have no choice but acceptance of "lifeboat" or "triage" allocations by an international food cartel made up of the five major international grain companies: Bunge, Cargill, Continental, Louis Dreyfus, and André.

The key to food control is cutting production. As a spokesman for Resources for the Future, a New York bank-linked think tank, told *EIR*, the international debt crisis and the oil cri-

sis have "once and for all times ended the talk of the development of new food superpowers such as Argentina, Brazil, Indonesia."

The International Monetary Fund, the arbiter of credit to the developing sector, has ensured that this would be the case. The IMF has discouraged use of its funds for capital-intensive projects, and at the same time set conditionalities for loans that force the conversion of domestic food crops to cash crops for exports, and demand the reduction of food subsidies.

And the United States, the food superpower, will not long be able to overcome the crisis. Particularly since the Global 2000 administration of Jimmy Carter, the policy of the U.S. government has been to undercut agriculture. The *Global 2000 Report* advocated reducing world population by 2 billion by the year 2000.

In 1977, attacks were launched on the parity system—the use of price supports and other government programs to ensure that farmers would be guaranteed a fair price and be able to expand production—at the same time investment in water projects and other vital infrastructure was cut.

This was justified as the nation was moved to a "free market" policy, under which farmers were forced to go deeply into debt to finance expanded production. The accession of Paul Volcker at the Federal Reserve has forced farms to cut their production drastically, simply because they cannot afford to both pay their debts and produce food. Other farmers have

temporarily expanded production for cash-flow reasons, exhausting themselves, their families, land, and equipment. As a result, 20 percent of American farmers will go bankrupt by the end of this year—and another 40 percent next year.

For the first time in memory, U.S. agricultural activity dropped by 20 percent between 1982 and 1983. Animal feedgrain output was 44 percent lower than last year, with corn output down by 50 percent, and soybeans by between 33 and 50 percent. Wheat was down 14 percent and the rice crop by over 30 percent. This disaster was due to the combined effects of the Payment in Kind acreage reduction program, which induced farmers to take land out of production in exchange for financial help, the drought, and bankrupt farmers leaving the land.

U.S. grain output for this year will be lower than the 49 bushels-per-person average production in 1980; less grain will be available for the world, at higher grain prices.

The effects on both the advanced and developing sector will be drastic. The United States exports 8 percent of the grain consumed in the world—and much higher percentages of certain key crops. World corn production has been cut by 25 percent due to the disaster in the United States, and world soybean production by 22 percent.

The world is now producing only around 14 bushels of grain of all types per person, when individual needs, for both direct consumption and for feeding both dairy and meat animals, are at least 24 bushels a year. Agricultural production will not be able to hold at this level for more than a year if the IMF and Federal Reserve continue to dictate world financial policy. By 1985, famine will no longer be confined to the Third World.