

## Agriculture by Marcia Merry

### 'Generic PIK'—it tops all

*If you thought the 1983 PIK (Payment in Kind) food reduction program was crazy, "you ain't seen nothing yet."*

This year, the U.S. Department of Agriculture (USDA), under the new five-year "Food Security Act," the abomination that Congress and President Reagan enacted in December, will implement the most drastic and stupid set of food reduction plans ever to plague a population.

On Jan. 13, most of the food reduction measures were announced by the USDA: the crop acreage reduction program, the milk reduction program, the "conservation reserve" program, and the new "generic PIK" swindle, in which farmers who participate in the food reduction programs are to get a little cash "up front," and some certificates to a generic PIK, "payment in kind," down the line.

Meantime, there are no emergency measures to stop the mass elimination of the independent farmer. At least 250,000 farms are in financial crisis across the country, according to the preliminary information from a forthcoming USDA report. And Washington has done nothing to relieve the emergency, or to support food production measures.

Since Jan. 13, there has been great confusion about details of what the various farm programs will involve, and, in particular, how Gramm-Rudman will cut agriculture operations even more than originally planned.

It is widely observed in Washington that even the work-a-day USDA staff—whose younger generations are not known for their perspicacity—can't stand the confusion. According to a spokesman for the UPI Washington farm office, "morale among tal-

ented bureaucrats" is extremely low.

Agriculture Secretary John Block will leave office Feb. 17. It is an open secret that Block is no longer needed now that the new farm law, Gramm-Rudman, the Farm Credit System law, and so forth, will give the international food cartel interests every policy measure they have desired. Block has served all along as a mere front man for the cartels—Cargill, Continental, Bunge, Louis Dreyfus, Nestle, and others.

Since 1983, the USDA has been blatantly run for Cargill by Daniel Amstutz, the 25-year Cargill executive who became top USDA undersecretary. The recent package of USDA food reduction plans serves these interests, whose "New Yalta" orientation to world strategic commodities, aligns them with the Soviet Union's economic build-up.

One recent Washington press source described Amstutz, whose first act in office in 1983 was to go to Moscow and arrange the five-year food trade guarantee pact: "The Undersecretary of Agriculture for International Affairs and Commodity Programs [is] regarded as a secretive genius at crafting farm programs who keeps decisions close to his vest."

Here are the latest "genius" commodity programs from the USDA:

**Generic PIK:** Crop farmers who sign up between March 3 to April 11 and agree to idle a government-dictated percent of their cropland (20-35%), will then be eligible for minimal government price support and loan payments. Forty percent of these pay-

ments can be made this spring. In a complicated set of arrangements, some of the remaining payments will be made in the form of "generic PIK" certificates that the farmer is to redeem for some kind of crop through Sept. 30. Or he can sell them.

**Dairy herd buy-out:** Between Feb. 7 and March 10, dairy farmers can submit bids to the government on how little money they are prepared to receive from the government for selling their whole herd for slaughter. They must agree not to have any further interest in milk output activity for at least 5 years.

**"Conservation Reserve."** From March 3 to March 14, farmers can submit bids for rental payments the government will pay to convert cropland to non-food grass cover or to forest for at least a decade. The government objective is to lock up 5 million acres in 1986, towards a total of 45 million acres.

The Gramm-Rudman budget cuts further complicate these food reduction plans, mostly by adding to the anticipated food output cuts. For example, those dairy farmers remaining in production can expect to have the price they receive per hundredweight of milk produced decline from about \$11.60 to \$10.60, and to as low as \$8.65 by this time next year.

All these reduction programs add up to a disaster on a scale to make the 1983 crop reductions, when the U.S. corn harvest fell 50%, look small.

The only thing gaining in the short run is that, this spring, there will be a small transfer of funds from the government set-aside program to certain banks and farm credit institutions. Some lower congressional and USDA circles perhaps think this will stave off the mass farm bankruptcy now pending. It won't be the first time they were wrong.