

Already Rising Food Prices Are Now Set To Soar

by Marcia Merry Baker

April 28—Already rising U.S. food prices are now set to soar as U.S. agriculture deteriorates. A summary report, as of Spring planting time, is given below, by food type.

The impact of the drought on the California “fruit & vegetable bowl” (the nation’s largest) and on the Texas cattle herd (also the largest) is obvious and worsening. Added to this are many other factors playing out after decades of destruction in the U.S. economy. For example, chaos is hitting Northern Plains farmers from shale-oil-from-fracking rail shipments, preventing timely hauling in of fertilizer and propane, and hauling out of last year’s grain, beans, sugar, and other crops. The worst, proximate factor, is the continuation of Barack Obama in office, whose administration is furthering the catastrophe.

None of the U.S. agriculture/food crisis is attributable to a “concidence” of drought and unfortunate happenstance. Key figures and powers are deliberately implementing devastation, as part of their evil portfolio for the British Empire, operating through its Wall Street/City of London networks. Their intention is depopulation.

Obama-backer Warren Buffett, for example, through his Berkshire Hathaway, owns the BNSF (Burlington Northern Santa Fe) Railway Co., the largest rail carrier in the Central States, which is giving priority to hauling oil from fracking in the Bakken and other shale regions, from North Dakota to Texas, and giving the shaft to agriculture (see *Editorial* in last week’s issue).

This month, the Fertilizer Institute, representing U.S. fertilizer manufacturers, stressed how bad it is, in a letter to the Surface Transportation Board: The Institute is “genuinely concerned that the fertilizer industry will not be able to deliver the fertilizer needed for crop production, particularly in major agricultural areas served by BNSF [see map/Figure 1, in *Feature*], and CP [Canadian Pacific Railroad, serving the north-central states]. If the necessary supply of fertilizer is not avail-

able, those crops, and thus food production, will be reduced. That, in turn, can lead to high food prices for consumers.”

The letter was overly polite. Higher food prices, and also scarcity and mass suffering, are a sure thing, unless there is a rapid and abrupt change.

Texas, California: Rogers, Steger

Two candidates for Federal office in Texas and California are conducting their campaigns as a team, to force such a national change. Kesha Rogers for U.S. Senate in Texas (May 27 Democratic primary), and Michael Steger for the U.S. House from San Francisco (C.D. 12, June 3 Democratic primary), are demanding actions to break with the Wall Street/London devastation policy, beginning with impeaching Obama, who is criminally furthering the disaster in every way. What must happen is the reinstatement of Glass-Steagall, and of a credit system to start a nuclear NAWAPA XXI (North American Water and Power Alliance XXI) production regime. The same mentality committed to do that, can also, in the interim, figure out the very short-term measures to weather this water and food crisis, which otherwise appears hopeless.

The White House response to the food crisis? On Feb. 14, Obama made a look-at-me visit to drought-stricken California. He announced a palliative aid package—a \$300 million package of pretense measures—and announced a proposal for a new, green \$1 billion “Climate Change Resilience Fund.” On March 28, the White House issued a “Strategy To Cut Methane Emissions,” outlining action to reduce “cattle flatulence.”

Obama calls for still more of the “green” Bush-Obama mandatory biofuels regime, under which over 40% of the U.S. corn crop is now going into ethanol.

Obama calls for still more “free trade,” meaning, for the food chain: globalized agriculture and food processing, under the domination of the cartel wing of the

Table 1

Expect Produce Prices Up 13-34% from California Drought

Item	Percent Price Increase
Lettuce	34%
Avocadoes	28
Broccoli	22
Grapes	21
Tomatoes	19
Melons	18
Peppers	17
Berries	14
Corn	14
Salad greens, packaged	13

Source: Prof. Timothy Richards, Arizona State University, April 16, 2014.

British Empire. The various commodity cartels conduct international “sourcing,” which makes scarcity and costs worse all around. They decide which foreign nations to screw for imports into the U.S., and which nations to screw for exports from the U.S. For instance, the U.S. is the world’s largest exporter of pork; nearly one-third of U.S. output goes abroad. One-quarter of the U.S. soybean crop goes to China, which is dependent on soybean imports for 60% of its national soy consumption.

Food Scarcity, Hyperinflation

The dynamics of scarcity and hyperinflation are underway across all food types.

Fresh Produce. Price increases for selected fresh fruits and vegetables grown in drought-afflicted California will range from 13 to 34%, at least, in the coming weeks, according to study results released April 16 by Arizona State University. California is the largest producer of the 10 items analyzed. **Table 1** shows the study’s results for 10 vegetables and fruits, ranging from over 34% for lettuce, to at least 14% for berries and corn.

These prices were calculated for the Arizona market by ASU Prof. Timothy Richards, but are indicative nationally. He stressed that 1 million acres of intensive cropland are affected by drought, so 10-20% of production of certain crops will be affected, especially, of course, those most water-needy, or irrigation-dependent—grapes, berries, peppers, and avocadoes.

Table 2

Percentages of Consumption, from Imports, of Selected Fresh Produce as of 2011

All Fresh Fruit—49% imported

Grapes	50%
Plums	25%
Melons	29%

All Fresh Vegetables—25% imported

Asparagus	89%
Cucumbers	62%
Garlic	60%
Peppers	53%
Tomatoes	53%

Source: Congressional Research Service, “The U.S. Trade Situation for Fruit and Vegetable Products,” by Renee Johnson; Jan. 15, 2014.

Meantime, the produce cartels (Dole, Del Monte, Green Giant, et al.) are cranking up imports from poor nations, in need of food and water. In particular, Mexico, Dominican Republic, and Chile, as well as China and other Asian countries.

The import-share of U.S. consumption of fresh fruits and vegetables, had already reached unprecedented percentages, even before the fierce Western drought had set in. The percentages of consumption, from imports, of selected fresh produce as of 2011 are shown in **Table 2**.

Pork. Production is in decline.

Hog slaughter could fall by 12% over the next two years; pork output could drop by 7%. The year-over-year output decline from 2013 to 2014 is running about 2% at present.

The decline reflects, in particular, the impact of the PEDv (Porcine Epidemic Diarrhea virus), which causes losses of young piglets. The first U.S. case was officially found in May, 2013, and the virus is now in 20 states and 4 Canadian provinces, plus several areas of Mexico. Federal capacity to deal with this—research, veterinary aid, etc.—has been cut way back.

Prices to hog farmers for the April-June period are expected to rise 22% from a year ago. Retail pork prices can soar by more than 30%.

The U.S. national hog inventory (market animals) is nearly 4% lower, as of March 1, than the same time last year (57.048 million head now). The pig crop from December-February was almost 3% lower than a year ago; this will show up in lower slaughter numbers from July-September, and onward.

Beef. Retail prices have risen continually in 2014, and are set to soar. The average retail price for beef in March was \$5.36 a pound, up more than 33 cents just since December 2013. The U.S. cattle inventory fell to a 63-year low as of January. At the same time, cartel exports continue to rise.

Drought Intensity

The April 22 U.S. Drought Monitor map (**Figure 1**) highlights the worsening intensity of the Southwest drought, especially in California and Texas. For the first

U.S. Drought Monitor

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Valid 6 a.m. EDT

Intensity

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Drought Impact Types

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

USDA

Author: Richard Heim NCDC/NOAA

Of the nearly 9 million agriculture acres irrigated in the state, fully 3 million will get no water deliveries this year.

time in the history of the Drought Monitor, 100% of California is now experiencing moderate to exceptional drought, with 77% of the state in extreme or exceptional drought, the two most severe categories.

Since the April 1 announcement of the annual snowpack survey in the Sierra Nevadas, which found that it contained only 33% of the average amount of moisture usually there at this time of year, that snowpack has been further dramatically reduced by temperatures in the mountains that have been as much as 12 degrees above normal. So the river and stream flow required for the Summer is already being used or flowing to the ocean unused.

Several small cities in the past week have declared drought emergencies, announcing that they will exhaust all water supplies in the next few months. The latest is Cambria, a small town on the coast that has no access to any of the state's water delivery systems.

will bring down California's output drastically. A recent report by the U.S. Department of Agriculture forecast a 20% decline in California's rice crop and a 35% decline in this year's cotton crop, compared to last year. The California corn crop is expected to be 28% smaller, and wheat to be down 15%.

Prices are spiking within the agriculture system. Hay prices as of two weeks ago were at \$330 per ton, up from \$280 per ton in February, and some forecast it may hit \$400 per ton this season. With milk prices at record levels, California dairymen are attempting to increase their output, to make up for past losses, but this only adds to the hay hyperinflation. California milk production in February was 5.3% higher than February, 2013. There is acute pressure to find fodder; prices are skyrocketing for livestock feed.

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