

## U.S. HARVEST PREVIEW

# Under Obama, Huge Losses Of Both Food and Farming

by Marcia Merry Baker

Aug. 15—In the Northern Hemisphere in mid-August, it is possible to have a fair estimate of the size of the harvest to come from Spring plantings, as well as the size of the harvest just in the bin from Winter wheat (planted last Fall), and for North America, the prospect is terrible. All crops are down from what is needed, especially corn; the impact on livestock operations is devastating. The size of the U.S. cattle herd, for example, has shrunk to that of 50 years ago. These huge losses are a hit to the U.S. and world food chain, not just from “one bad season,” but from the loss of farming capacity itself.

Look at Texas: Its Winter wheat harvest (completed in June) was 60% less than last year. Its corn crop is expected to be down by 41%; sorghum (another animal feed), down by 46%. The cotton crop—its main cash crop—is expected to come in below 43% of last year. Ranchers are, in effect, liquidating mass numbers of cattle from the state herd, which has been the biggest in the nation. In money terms—no measure any more—Texas farmers and ranchers will post their biggest annual financial loss ever this year. Many are quitting farming.

This Texas scale of agriculture damage is present in other parts of the farmbelt, in varying degrees. Texas is the epicenter of the fierce 2011 southern drought-belt, and suffering from lack of Federal intervention. But the Missouri River Basin flooding states are likewise suf-

fering, as are other parts of the country.

The damage toll is directly the result of the continuation in office of President Barack Obama, whose policies are “made in London” to serve the private financial networks associated with the crashing monetary system, and prevent its replacement with emergency measures for financial reorganization and economic rescue and rebuilding. The Obama Administration is presiding over such practices as the expansion of speculation on food commodities on the Chicago Mercantile Exchange (CME), and inaction on protecting farming from harm from weather extremes.

Moreover, the White House and Agriculture Department (USDA) are all the while promoting various let-them-eat-cake agriculture/food campaigns, such as Michelle Obama’s for children to avoid getting fat, and for poor communities to get upgraded supermarkets, to counteract what the White House calls “food deserts.”

The reality is that millions of Americans are jobless, homeless, and without means of existence. A record 45.8 million people are on domestic food relief—SNAP (Supplemental Nutrition Assistance Program), run by the USDA. Millions of these are children. Malnourished infants and toddlers are showing up in hospital emergency rooms, directly due to poverty.

Put this U.S. situation in the context of the fact that 12 million people in the Horn of Africa lack food right

now—after 30 years of declining food output per capita on the whole continent of Africa—and the reality is clear that we face world famine, thanks to decades of monetarism, globalization and the obstruction of agro-industrial development.

This has been the intent all along of the neo-British empire networks of banks, commodities cartels, and private financial circles. Their goal is to be on top of the heap of a vastly reduced world population. The latest expression of this—in all its gory greenness—is a new report released July 20, by the Worldwide Fund for Nature and OxFam, “Resource Scarcity, Fair Shares and Development.” It asserts that scarcity of food is a given, so the only question is, who will have “access” and who will not.

In line with this, is the White House/Congress treasonous enactment this month, of the “Budget Control Act of 2011” amendment, which is a dictatorship enabling measure for imposing deadly austerity on what’s left of the United States.

In opposition to this destruction, farm leaders have stepped up their own participation in the urgent national campaign to enact the reinstatement of Glass-Steagall. This will be a gateway to the establishment of credit for programs of needed infrastructure to support full-scale agriculture—water, transportation, and power systems; and for the priority continental-scale project, the North American Water and Power Alliance (NAWAPA).

State leaders of the National Farmers Union, which backed Glass-Steagall in 2010, are issuing their own calls to action (see below). These and other farmers and agriculturalists know the measures required, from region to region. The task is to force the historic policy shift in Washington.

## **Corn Yields Down**

Worldwide, total grain production (all kinds) this year is forecast by the USDA to be less than usage (for all purposes, including the insane biofuels), with an estimated 2011-12 output of 2,265 million metric tons of grain grown, while usage is 2,280 mmt (April 11 USDA World Agriculture Supply and Demand Estimates, WASDE). This makes 8 of the last 12 years, in which usage exceeded production! Stocks are being drawn down, while less is being consumed. You say this can’t go on? Correct. The food isn’t there. Millions of people aren’t eating.

Total estimated U.S. corn and coarse grain production of all kinds (sorghum, barley, oats, etc.) is pro-

jected to be 339 mmt, down from 349 mmt two years ago.

This year’s U.S. corn production per acre, on national average, will be 153 bushels, down from the the USDA (lying) July estimate of 158 bushels, down from recent years’ averages, and way down from a decent Iowa yield rate of 200 bushels/acre.

Farmers say the average yield will be even worse than the 153 bushels/acre. The late plantings, the wet and/or dry (or each in succession) field conditions, the extremes of heat (or cold, in the Spring), the pollination problems, the pests, etc., are all taking their toll.

U.S. corn crop reductions are an automatic hit to the worldwide food chain. In recent years, the U.S. alone has accounted for over a third of the world’s annual corn output, which is critical in the livestock feed-chain, and which has been subverted by going increasingly into ethanol. Biofuel use of corn is now at 40% of the U.S. total crop.

Speculation is going wild on the Chicago Board of Trade (CBOT), where the majority of futures traders are hedge funds and other non-corn users. Within hours of the Aug. 11 WASDE report release, corn futures (for December delivery) were driven up their daily trading limit of 30 cents, to \$7.15 a bushel. Now, the daily limit will be raised to 40 cents on Aug. 20, to accommodate more gambling and price swings, because the Obama Administration approved the 40 cent rise demanded by the CME Group, which owns the Board of Trade.

Besides corn, other crops are likewise far below volumes required, and are hyperinflating in price. U.S. production of durum wheat—the prime pasta grain—is expected to come in at 57 million bushels, way down from last year’s 107 million. Planted in the Spring, durum was delayed, and hampered by the wet and cold.

On Aug. 12, the Canadian Wheat Board said that its Spring wheat crop—whose harvest has begun—improved, after sunny, dry weather followed the wet planting period. But good news in Canada, or in one or another grainbelt around the world, cannot alone compensate for the overall decline in world output relative to need.

## **Texas Cattle Kill-Off**

As of Jan. 1, the U.S. cattle herd size (all beef, dairy, and calves), totalled 92.582 million head, the lowest since 1958. The July 1 herd inventory—typically higher



NOAA

*In Texas, the worst drought in decades has wiped out crops and livestock, as the Obama Administration stands by and does nothing. Here, cattle drink at a disappearing water hole, in Coke County.*

because of Spring calving—was estimated to be 100 million, by the USDA, which, even if it is an unreliable count, still puts the mid-year herd size at the lowest since 1973, when the Agriculture Department began its mid-year estimate.

In Texas, with 13.3 million head—double the number of beef cattle than the next biggest state—thousands of head are now going to slaughter for lack of water, pasture, and emergency aid. July was the hottest month on record in Texas, which has experienced its worst 12-month-straight period of heat in over 100 years.

In Wise County, northwest of Dallas/Ft. Worth, for example, the Decatur Livestock Market, which typically would handle 1,200 to 1,500 head a week, now is handling over 3,000 a week. The sale barn, whose capacity is over 3,500, is asking ranchers to hold off sending more livestock, to avoid keeping the animals penned up too closely in the fierce heat.

The scorched Texas pasture is described as barren as that of Winter, because of lack of rain and high temperatures. It has no protein. The price of hay and feed have gone way up; so that, with the water shortage, the ranchers have no way to maintain their herds. On many cattle ranches, the reserve water for stock tanks was

drained by firefighters, to quell wildfires. Corn prices are 90% higher than a year ago.

Since a mature cow produces one calf a year, it will take many years to rebuild the U.S. beef cattle inventory, and that is only, provided we dump the prevailing monetarist policy, and fast.

Ranchers, agriculture extension service staff, and even USDA old hands, know what can and should be done. In the past, the Federal government moved in, to both help move livestock to temporary pastures, organize interstate “hay-lifts,” and otherwise provide aid, including backing the objective of staying on the ranch and rebuild-

ing. But the Obama Administration is hands-off.

State officials are scrambling. In July, a hay hotline was established by the Texas Department of Agriculture, to help farmers find scarce supplies. Donations are being accepted to help defray the cost to desperate ranchers. The Texas Department of Transportation also recently waived all restrictions on hay bales being trucked across state lines, and within Texas. Water remains a crisis; Texas has a burn-ban in 246 out of 254 counties.

But come Sept. 1—the start of the new fiscal year in Texas—the state Department of Agriculture is cutting back on all kinds of programs, because of budget cuts. E.g., it will no longer provide to farmers daily price reports online or on hotline, for 20 of 22 cattle auctions, nor for grain sales.

As for the “markets” as such, and prices of cattle, feed, and such monetary measures, the whole situation is non-functional. For example, look at feedlots. A year ago this time, feedlots were making an average profit of \$18 per head on beef animals fattened and marketed. In June, feedlots lost an average of \$155 per head on cattle sent to slaughter, up from losing \$126 per head in May.

—marciabaker@larouchepub.com