MORE FOOD-FOR-FUEL; MORE LIES

Obama Updates British Famine Policy for 2013

by Marcia Merry Baker

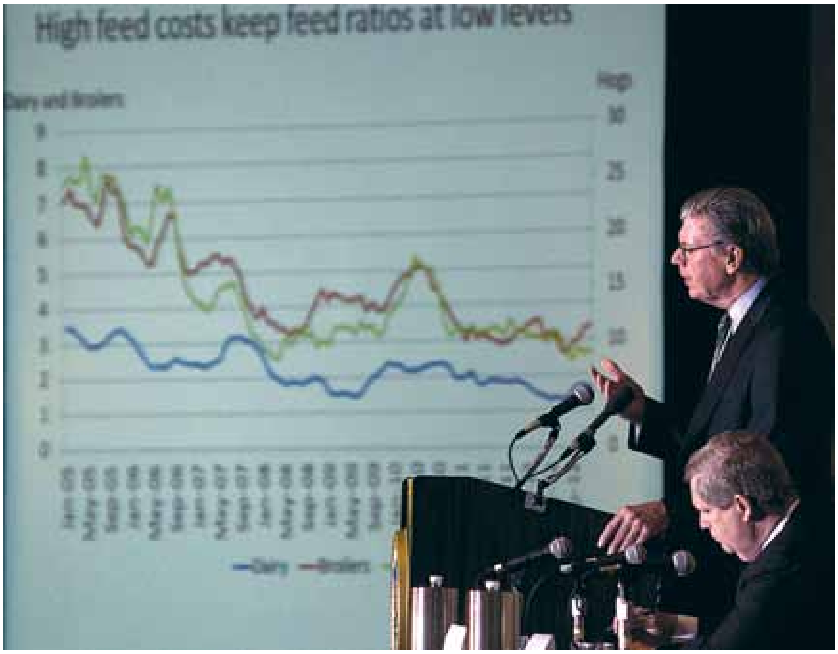
March 11—The Obama Administration, in its statements to the institutional events held at the beginning of each year on food and farm policy, has reiterated its commitment to "markets," speculation, and biofuels, which practices, unless stopped, will lead beyond the current food shortages, to famine. The occasions were the U.S. Department of Agriculture's annual Agricultural Outlook Forum, Feb. 21-22, where keynotes were given by the USDA chief economist, Dr. Joe Glauber, and Agriculture Secretary Tom Vilsack, who also, on March 5, was the witness at the hearing on "The State of the Rural Economy," at the House Agriculture Committee.

In brief, the immediate factors of alarm in the U.S. and world food supply situation are: Firstly, weather patterns are extreme and persistent—in particular, the multi-year drought in the North American High Plains farmbelt—which comes on top of decades of lack of water- and land-improvement infrastructure projects. Secondly, food stocks are at critical lows, and there are no reserves, per the World Trade Organization, which disallows them as "trade distorting" for the globalist cartels. Feed for livestock is in short supply and high-priced, causing mass culling of meat and milk animals. Thirdly, the monetary/markets system itself is in meltdown, prolonged by bailouts for bankrupt elite banks. There is no "reform" that can save this; what is required is a swift restoration of Glass-Steagall to banking, issuance of credit for needed projects and activity, and an end to speculation and hyperinflation.

Relative to these three general areas of crisis, the Administration's agriculture spokesmen simply issued what amounts to decrees, and lies. First, they said that in 2013, weather and crop yields are expected to be "normal"; so the empty bins will just start to refill. On the financial meltdown, there is, conspicuously, no acknowledgement. Instead, there is Administration focus on how to accommodate to cuts in Agriculture Department activity, in the name of being team-players with Obama, to relieve the Federal budget deficit. Otherwise, there is the low-level blame game, as to who is responsible—Republicans or Democrats, the Executive or Congress—for the budget impasse. Finally, topping it off, the Administration is calling for expanding food-for-fuel and a "bio-product"-based economy.

All this adds up to a policy-path to famine. Moreover, it comes, not from a mass outbreak of stupidity and venality, but right from the blueprint for destabilizing nations and imposing depopulation, by the financial networks centered in the City of London/Wall Street, best understood as the neo-British Empire. The theme of their policy is: Don't dare change the system; comply with myths of free markets, and the green myth that resources are fixed, and weather will happen. Population has "peaked."

The overview for this was given in a report in December 2012, by none other than Chatham House (a.k.a. the Royal Institute for International Affairs), the British imperial intelligence think tank. On Dec. 10, its *Resources Futures* document was released. Chatham House spokesmen said at their press conference, that the "new normal" includes commodity price swings, weather extremes, "resources price volatility," and other aspects of the fact that the planet is facing peak food, peak minerals, peak water, and peak population. Governments should just accept it.



USDA/Lance Cheung

In the face of the drastic decline of U.S. food stocks, and the specter of famine, Agriculture Secretary Vilsack (seated) and chief economist Glauber (speaking), offered "happy talk" at this year's Agriculture Outlook Forum.

USDA Decrees: 'Normal' Weather in 2013!

Just as King Canute ordered the waves to roll back from the seashore, Obama agriculture spokesmen are decreeing that the weather this year is to be "normal." This goes against even the USDA/NASA Drought Monitor forecast for February through April, which foresses extensive "drought persistence."

On Feb. 21, the USDA's Glauber gave a keynote to the 89th annual Agricultural Outlook Forum, with wild-eyed, money-based formulations, based on "normal" weather ahead. He said that the way low corn stocks will be rebuilt, is that a large corn crop acreage will be planted this year, because farmers will be induced to do so by today's high prices, and the weather will be fine. "High prices [for crops] ahead of planting should encourage large corn and soybean acreages, and, assuming normal yields, stock levels should rebuild and prices should moderate." He foresees the area planted for corn, soy, and wheat to be the most this year since 1982. As a conequence, he said, corn prices will drop 33%, soy prices will drop 26%, hay prices will drop 11%—and all of this will help the livestock producers, now in desperate financial straits.

Secretary Vilsack presented this same "things-will-be-good" view on March 5, in his testimony to the House Agriculture Committee, saying that he expects the weather ahead to be satisfactory, which will improve prices for livestock producers. He claimed that the farm sector will "continue to provide ever-increasing food" to this country, despite the fact that there has been an absolute decrease in U.S. grain production over the past three years; a dramatic decline in cattle numbers, and loss of prime dairy herds.

What about the eating public? Glauber was asked specifically about the food supply and consumer price inflation, at a Senate hearing in February. He said there are no grounds for concern! In testimony Feb. 12, to the Senate Agriculture Committee hearing on "Drought, Fire and Freeze," he stressed that the farm commodity portion of the consumer dollar, such as for corn, for example, is only 14 cents. Therefore, he said, for the consumer, retail food-price inflation is lagging way behind the rising farm commodity prices. He reported that there is only a 1.3% inflation rate now for food consumed at home.

This is simply unreal. In January, retail beef prices, for example, jumped to a record.

Meat, Dairy Disaster

In mockery of the livestock sector, Both Vilsack and Glauber like to speak of how U.S. aggregate farm income (from all sales of all farm commodities) is running at record rates. This is due to the run-up in prices from the drought-hit corn, soy, hay, and similar crops.

As Glauber testified in February, "Row crop producers [corn, soybeans, etc.] have generally fared well despite the adverse weather, in part due to high prices from the Federal crop insurance programs which have helped offset losses. . . ." He went on to acknowledge the financial harm for cattlemen, and poultry and hog producers, facing scarce feed and lack of water and pasture. They have no income loss insurance; nor do most specialty crop producers (orchards, truck-gardening operations, etc.). But the Obama Administration, under the "new normal" London farm/food policy, will not intervene.

A statement on "The Dairy Crisis" was issued by the National Farmers Union as a "Special Order of Business," at its annual convention, which concluded March 5. It opens:

"Federal dairy policy has failed dairy farmers across the country, resulting in a decrease of 81 percent of the dairy farms since 1980. The crisis today caused by chronically low dairy producer prices and record high production costs, particularly feed costs, has caused multigenerational family dairy farms to go out of business at a record pace. It is not possible to produce milk with 2013 costs and sell that milk at 1970 prices, and yet today, the price paid to dairy farmers has remained virtually unchanged for the past 43 years, except for occasional, usually very short-term, price spikes. . . . [T]oday's dairy farmer gets the same return per hundredweight of milk in unadjusted U.S. dollars that he or she got nearly a half-century ago.

"The debate over the 'dairy cliff' [the contingency of reverting to standing parity law—in the absence of a new farm bill, which would mandate a higher milk price to farmers—ed.] alerted all to the fact that a parity-level milk price would result in more than doubling the price to dairy farmers. The 'dairy cliff' demonstrated that diary producers are substantially underpaid under the current system. Currently, those dairy farmers who are managing to hang on, are doing so by heavily subsidizing their family farms' operations with off-farm work, borrowing from family and friends, and mortgaging their children's futures. . . ." The NFU ends with an appeal to Congress to act, spelling out measures to be taken.

Obama 'Bio-Economy' Destroys Food, Farming

In the face of the crisis, the Obama Administration is boasting of its record increase in biofuels, and issuing support of more "bio-based products." At present over 40% of the corn crop is going for ethanol, and 26% of soy oil, from the soybean crop, is going for biodiesel.

In January, Obama signed a Congress-passed measure to reinstate the Biodiesel Tax incentive, for a two-year period, retroactive to December 2011, which means more soybeans for biodiesel. There are new Obama Administration financial inventives for sorghum ethanol; for camelina (false flax) biodiesel, and others. In February, the Administration announced an effort for U.S. production of "energy cane"—a cousin to sugar cane—for more biofuels. The target cane states are Georgia, Alabama, and Mississippi.

Vilsack gave the keynote at the 18th annual National Ethanol Conference of the Renewable Fuels Association (RFA) Feb. 7 in Las Vegas. The RFA praised the Obama Administration for its "continuing investment in next-generation biofuels," and preparing infrastructure for more domestic biofuels usage "through the installation of blender pumps," and more exports.

marciabaker@larouchepub.com