

WORLD GRAIN SHORTAGE

Famine Ahead Without Glass-Steagall Shift

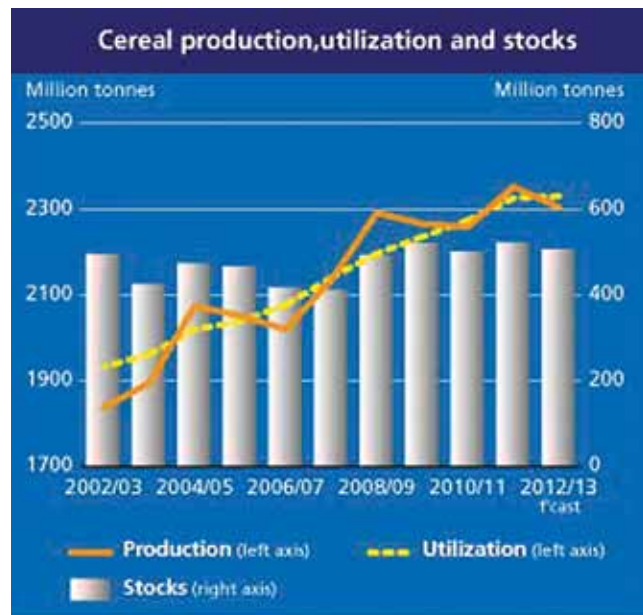
by Marcia Merry Baker

May 13—The level of worldwide yearly utilization of grains (all kinds)—for direct human consumption, live-stock rations, seed carryover, biofuels, wastage, etc.—now exceeds the volume of global production; the gap can't be made up. This means just what you think it does: We are in trouble. The policies behind this are insane. Allowing them to continue means that there is no hope for the billion people already going hungry in the world, and no hope for the future anywhere.

Figure 1 gives a snapshot of the grains production/consumption crisis; it was released May 9 by the UN Food and Agriculture Organization's "FAO Cereal Supply and Demand Brief." The agency reports that total world grains (cereal) production for 2012-13 is expected to be 2,306 million metric tons, which is less than the 2,332 mmt expected utilization. This isn't the first-ever occurrence of such an imbalance, but with effectively no reserves, no recourse, and no policy change, the import is deadly.

Bad weather in several key farmbelts (as the FAO reports) is a contributing factor to seasonal shortages. But the global *vulnerability* of present-day agriculture to weather extremes has been a deliberate aspect of the "free markets" regime foisted on the world for decades by globalist financial, commodity, and political networks best known as the British Empire. *Their intention is food scarcity and depopulation.*

FIGURE 1



FAO

A recent expression of this appeared in a December 2012 report from London's Royal Institute of International Affairs (Chatham House), titled "Resources Futures," which decreed that the "new normal" consists of price shocks from over-population pressures on scarce resources, for which there is no solution. Governments

must form a “coalition of the committed”—an R30 (Resources 30), to ration the scarcity.

What does the Obama Administration have to say about crop prospects ahead? “Don’t worry. Planting, weather, and yields will be good. Empty bins will refill.”

Beef, Milk Sectors Hard Hit

The impact of world grain shortages means that the animal protein supply in the food chain is among the first food-types to suffer drastic decline. Shortages and spiking prices for corn, hay, soy, and other feed for animals are hitting ranchers and dairymen hard, in the midst of drought in southwestern North America, northern Australia, New Zealand, and elsewhere.

Cattle numbers are way down in Texas, Oklahoma, and Kansas. In northwest Queensland in Australia, graziers held a “crisis summit” May 7. In these and other places, ranchers are told that the current system of “markets” must prevail, which means producers are faced with receiving prices below their costs of production.

World milk supplies-for-export are contracting down to nothing. In New Zealand—a major source for milk-product exports—drought conditions have drastically disrupted milk output. World stocks-for-export are now practically nil for whole milk powder, as well as skim milk powder and butter.

In California, the largest U.S. dairy state, over 350 high-yield milking operations were shut down in the last few years, leaving barely 1,500 total, with many in trouble. Last Fall, California dairy farmers protested in Sacramento. On May 1, the State Assembly Agriculture Committee held a hearing; on May 20, the California Food and Agriculture Department plans another hearing on the crisis.

Glass-Steagall, Science

What is required is a radical shift away from the policies that brought us to this pass—the recent five decades of globalized food “sourcing,” and all other kinds of speculative money markets for agriculture, instead of nation-serving food security through credit programs for land, water, and power improvements, parity-based food pricing for farmers, and general support for family farming and processing.

The immediate requirement is to re-institute Glass-Steagall banking, in order to re-establish credit for family farming and agriculture-infrastructure build-up. In this spirit, short-term emergency measures can be launched immediately, to rescue family-farm opera-

tions through grants, credit, and debt moratoria. Although food is scarce, resources can be found to distribute to points of dire need.

The crisis situation for farmers and ranchers in Australia exemplifies what is happening, with varying particulars, in agriculture centers around the globe. The Australian wheat and beef sectors are threatened with ruin; both are critical to the present world food-supply system, as well as domestically. The specifics are reviewed in the accompanying statement, issued May 10 by the Citizens Electoral Council (CEC).

Western Australia (WA) wheat farmer leader Jean Robinson is running for Federal office in the September elections, on a CEC platform to rally for change right now. She issued an emergency petition in April, circulated at a mass meeting of WA wheat growers in Merredin April 10, whose points are applicable, with little alteration, in any of today’s farm crisis regions.

“Measures should include:

“1. Completely separating normal banking of holding and lending deposits, from risky speculative banking. Complete separation can only be achieved through structural changes such as the successful U.S. Glass-Steagall Act of 1933.

“2. A debt moratorium to reorganize the unpayable debt to free food production from usury.

“3. Establishing a new Commonwealth National Credit Bank modeled on the original Commonwealth Bank and/or State Government owned banks, that will direct public credit into long-term investments in strategic industries such as agriculture and into desperately needed physical economic infrastructure. This must be done in order to revive Australia’s collapsing industrial base and economy.” (“Resolution to Save Our Family Farms,” April 2013)

Inherent in the Robinson policy statement for increasing physical-economic productive capacity, is also the outlook that the productive potential in agriculture is unlimited, because of science. The proof of principle in the case of rice was reviewed by Dr. Robert Zeigler, Director of the International Rice Research Institute, in an exciting presentation of December 2012 in Washington, D.C., which is covered in this issue (see below).

The “case of rice” thoroughly refutes the imperial greenie pack of lies that world population has “peaked,” resources are fixed, and the Earth can be saved only by “managing scarcity” and accepting depopulation.

In the United States, the push-back against destruction of agriculture is seen in the ready activation of farm

state legislators to demand that Congress act to re-instate Glass Steagall. The 18 states with such resolutions introduced so far this year, include Minnesota, Montana, Louisiana, South Dakota, and other farm states; in South Dakota, the resolution passed both chambers in February; and in Indiana, a resolution was introduced and passed by the lower House the same day, April 11.

Scale of Grains Crisis

The level of total world grain production (all kinds) required for decent nutrition for all, is roughly double the 2,003 million metric tons shown in Figure 1. This is easily achievable under improved conditions of reliable water, soil fertility, and protection from weather extremes, as well as superior plant and animal genetics.

But at present, the picture behind the snapshot in Figure 1, is of multiple problem areas for all grains and food types.

Part of the current decline in world grains production comes from the weather impact on U.S. wheat. More than half the Winter wheat belt of the southern High Plains remains in drought; on top of that, the region has had late Spring freezing. The harvest here, which takes place later, in June, is projected to be 23% smaller than last year, according to the first U.S. Agriculture Department estimate for this crop season, issued May 10. The far western Kansas wheat counties are disaster areas.

Nationwide, the U.S. Winter wheat (hard, red varieties) could be down overall by 10% at least. The FAO global wheat forecast for 2013 is for 695 mmt, which is below that of 701 mmt in 2011.

This year's world corn harvest is made uncertain by delayed planting in both the United States and China. Wet and cold weather have delayed putting in the crop in Iowa and Illinois—the heart of the Corn Belt. In Iowa, only 8% has been planted, way down from 62% last year (a favorable Spring). This is the slowest start in Iowa since 1995.

Illinois Farm Bureau economist Todd Davis said in mid-April: “There is not a large buffer of corn available to withstand weather or other production-related problems for this year's crop. Planting will start in the Midwest in the next few weeks, and the latest report, if realized, shows ending stocks to be the smallest since 1995-96” (From the American Farm Bureau Federation, April 10, 2013. “The Voice of Agriculture” report on line.)

marciabaker@larouchepub.com