'Win Win' Agriculture Can End The Era of Food Warfare, Famine

by Marcia Merry Baker

May 7—The images associated with the May 14-15 "Belt and Road Forum for International Collaboration" in Beijing which come to mind first, are the spectacular new transportation and power infrastructure projects—trains, ports, nuclear plants—coming into being at points across nearly 70 participating nations, which are now conferring on how to further the "Silk Road" process, originally announced in September 2013 by Chinese Pres. Xi Jinping.

But equally spectacular, is the prospect of applying the "win-win" principle—which Xi has declared as the spirit of the Silk Road—to agriculture. This means we can bring to an end the era of famine, farm trade wars, and especially, food-as-a-weapon. The images of what can happen range from "protected" agriculture in Siberia to fabulous high yields in the Tropics, will result in a well-fed humanity.

To appreciate the reality of this potential, it is necessary to be clear on the destructive axioms of agriculture policy that have been in play over the last 40 years—institutionalized in the WTO (World Trade Organization, 1995), NAFTA (North American Free Trade Organization, 1994) and other trade deals, which account for today's farm vulnerabilities, while millions still go hungry. In short, now is the time—long overdue—to cancel the WTO and the rigged, evil system behind it.

On April 29, President Trump signed an Executive Order, "Addressing Trade Agreement Violations and Abuses," which mandated a review of all U.S. trade relations, meaning the WTO, NAFTA, and other organizations and deals. A report is due in 180 days, which is to identify where remedial action is called for.

The reality is that no "remedies" nor "reforms" can be devised that will make anything better under the premises of these free-trade regimes. They were put into place on the economic side of geopolitics—pushed by the neo-British empire, and done for the benefit of the super-corporations and financial circles associated with Wall Street and the City of London.

Look at NAFTA and what has happened to the food system of Mexico, the United States, and Canada. Wrong from the start, NAFTA has succeeded, in its own terms, in imposing destructive interdependencies in production and trade of basic foods—corn, meat, milk, fruits, and vegetables, all across North America. These patterns will be a challenge to undo, and set right. It will be hard, but not at all impossible. The needed improvements can be carried out, along with upgrading all the world's food supply. We can act now to create to means for providing "our daily bread" for everyone the world over.

'Lose-Lose' Premises of NAFTA/WTO

First, look at the "lose-lose" premises of the free-trade era. The publicly promoted principles of the

The White House

Pres. Donald Trump at a White House Farmers Roundtable, April 25, with Agriculture Secretary Sonny Perdue (on the left).

GATT (U.S. General Agreement on Tariffs and Trade) WTO, NAFTA and variants, are:

• Competition between and among farmers, and nations will bring about sufficient food through the dynamics of supply and demand.

• "Market" forces will determine fair prices, and induce or restrict production.

• National governments must be dis-allowed from interfering into competition, prices, markets, and other aspects of farming and food: All tariffs, domestic farmer supports and other actions are to cease, because they "distort" the "free" markets.

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Corn on the ground in February 2017, at an elevator in Brown County, South Dakota, from the 2016 harvest. Spoilage is a threat. With the farm corn price below cost of production, the entire process of orderly marketing and use is disrupted.

• The ultimate goal is a "One World Market" (the GATT slogan leading up to the founding of the WTO).

• Agro-science progress—for seed genetics and other R&D—comes through giving patent control to monopoly interests. Their "intellectual property rights" shall be enforced over and above the rights of farmers and consumers.

These principles have been increasingly forced into practice since approximately 1984, the time of the start-up of the "Uruguay Round" of the GATT talks in Punta del Este, which began the process of removing world agriculture and trade out from under the control of nations, which was called "de-regulation." In 1994, the North American Free Trade Agreement was signed. It was justified on the same grounds. And in 1995, the World Trade Organization came into effect.

The formation of the WTO is exactly what was rejected after World War II. This same process was then considered to be too destructive of national sovereignty. A proposal was made at the 1944 Bretton Wood conference, for an "International Trade Organization," including de-regulated food trade, but it was roundly defeated as an obviously bad idea.

Neo-British Empire

The WTO axioms which served as a basis for agricultural policy during recent decades, has resulted in the increasing consolidation of control and profiteering by the supra-national corporations and financial interests which had originated the free trade era. From seed and fertilizer, to livestock slaughtering, food processing, grain handling and milling, and final grocery distribution, an increasingly smaller set of huge operations has come to dominate food production and trade. (See Box, p.19)

The British Empire provenance refers to the international echelon of corporate and foreign policy control interests, and the City of London and Wall Street outright. This is true, not only of British Commonwealth-based entities, but also includes cartel members headquartered elsewhere, e.g. Cargill, in Minnesota, and Danone in France. Wall Street money funds have come to own key links in the food chain outright, from mega-farms, to food processing, to final distribution.

The intent of this deregulation, control grab, and "monetization" of food by the British imperial crowd, was not merely profiteering, but to prevent the advancement of prosperous nations and a growing population—seen as a threat by the "empire."

Secondly, the WTO deregulation years have brought into being the wild casino of commodity speculation. Today, the turnover of trades of units of bushels of grain at the Chicago Mercantile Exchange for example, far exceeds the volume of physical product nominally associated with the trading contracts. This Spring, hedge fund speculators in wheat contracts went on a "shorting spree" for nine successive weeks, selling far more futures contracts—in the range of several thousands, more than their purchases.

This is insane betting, though it goes under the WTO euphemism of "risk management." Nowadays, American farmers and ranchers, besides their traditional suppliers of seed, chemicals, machinery, fuel, veterinary services and other costs of production, are expected to employ a "market manager," to deal with their futures, puts, calls, and contracts.

This insanity was pushed during the entire GATT/WTO drive for deregulation of "financial services," but it especially gained ground after the 1999 U.S. repeal of its Glass Steagall Act (the 1933 legislation which separated and insured traditional commercial banking, from speculative financial activity). This was further compounded by the 2000 U.S. enactment of the "Commodities Futures Modernization Act," which ushered in anything-goes commodities speculation.

Dump the WTO, NAFTA

As a result of the WTO practices, many features of our domestic and world food system are blatantly "lose-

Consolidation of Control in the Food Chain

by Robert L. Baker

May 7—The United States, and most countries—especially in the trans-Atlantic region, have much of their food systems (production, processing, and retail) concentrated in the clutches of a very small number of big international money groups, primarly centered around Wall Street and London-European banks and old money families. Exceptions are China, and most of Russia and India, but the world impact of the cartels is huge.

To begin with, in the United States, a large share of actual food output comes from a very few, large farm operations. In brief, statistically, the United States has 2.2 million farms (defined to include small operators,) with activities on 922 million acres of farmland, giving an average of 425 acres/farm. Of this base, 75% of all U.S. farm production, comes from 10% of the farms. That is, 90% of the farms produce only 25% of U.S. output.

Look at the degree of consolidation in a few categories of food and production, centered on the United States.

Beef: The United States is the world's largest producer and importer, and 4th largest exporter of beef in the world. Five percent of U.S. feedlots produce 85% of all U.S. grain-fed cattle.

Pork: The United States is the world's third largest producer and largest exporter of pork (30% of world pork trade.) Only 1% of U.S. farm operations produce 90% of U.S. pork.

Chickens: The United States is the world's largest chicken producer, and 2nd largest exporter, with 95% of U.S. production accounted for by about 1% of U.S. farmers, who work with 35 vertically-integrated big companies.

Dairy: The United States is the world's largest producer and exporter of cow's milk, with 20 giant dairy entities producing 76% of the total.

Meatpackers: The top four beef, pork and chicken slaughter entities control 85%, 74% and 54%, respectively, of meat processing. Prominent names include: Tyson, JBS, Cargill, Smithfield, Hormel, National Beef, ConAgra, and SYSCO. The two largest—Smithfield and JBS—are foreign-owned.

Corn: The United States is the world's largest producer and exporter of corn, accounting for 30% of 2015 world exports.

Soybeans: The United States is the world's largest producer of soybeans and 2nd largest exporter.

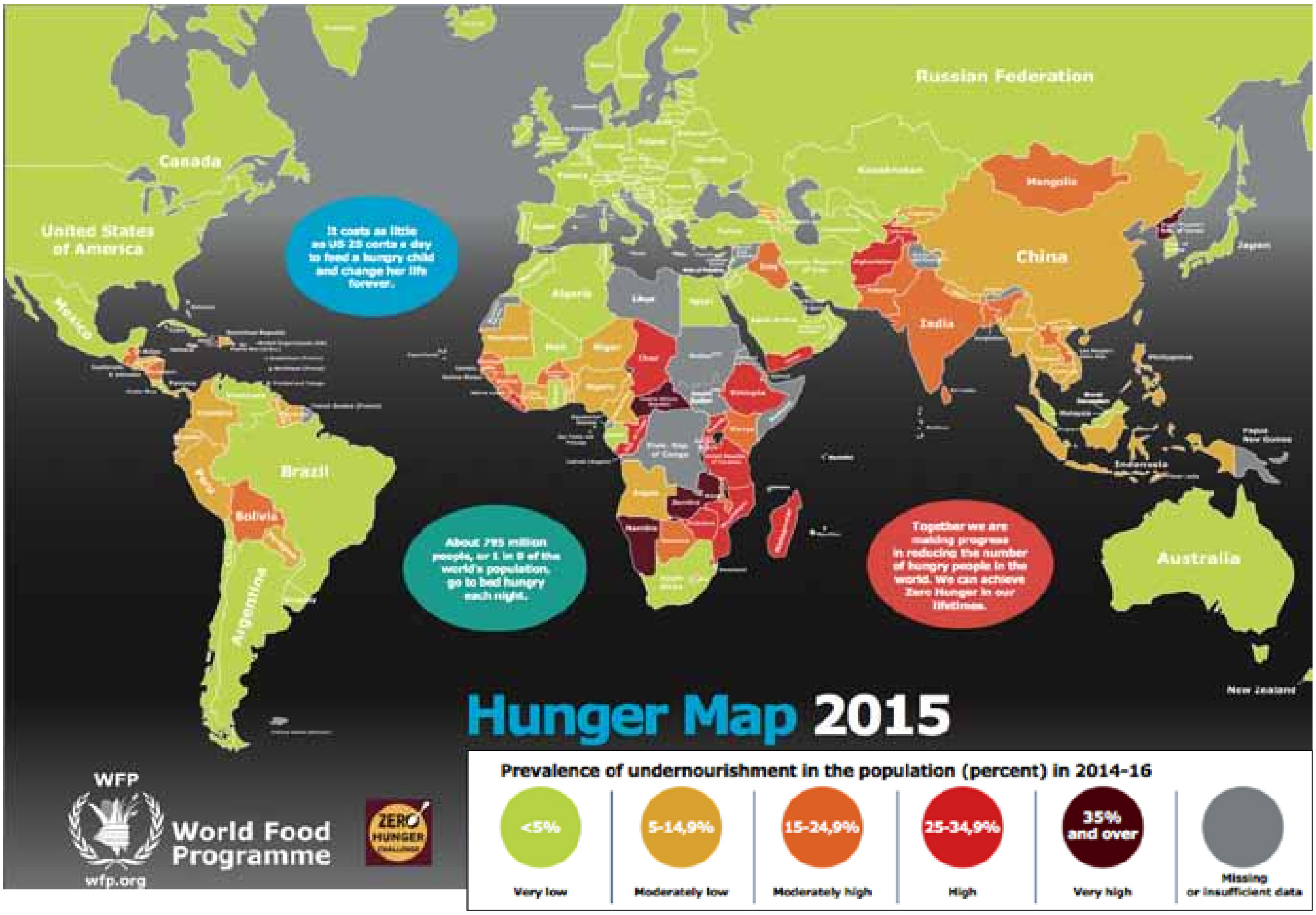
Ethanol: The United States is the largest producer, exporter and importer, in the world. Most U.S. exports go to Brazil, which is the 2nd largest ethanol producer.

Seed Companies: The Big Six control 63% of world sales and 95% of bio-engineered traits. They are in various stages of attempted mergers. (Monsanto, Syngenta, DuPont, Dow AgroSciences, BASF and Bayer).

Chemicals: The Big Six control 76% of agriculture chemicals.

Fertilizer: One company owns 20% of world production.

FIGURE 1



lose" for all involved, and must be overturned.

Begin with the fact of world food shortages. **[Figure 1]** shows today's world hunger map. Worldwide, an estimated 795 million people are chronically undernourished, out of our total population of 7 billion. There are many desperate situations. We now have the largest food emergency in Africa (South Sudan, Somalia, Nigeria and elsewhere) since the humanitarian crisis after World War II. The UN estimates that 20 million people could starve. This month, the World Food Program is seeking the means for emergency food for 9 million people in Yemen, for example.

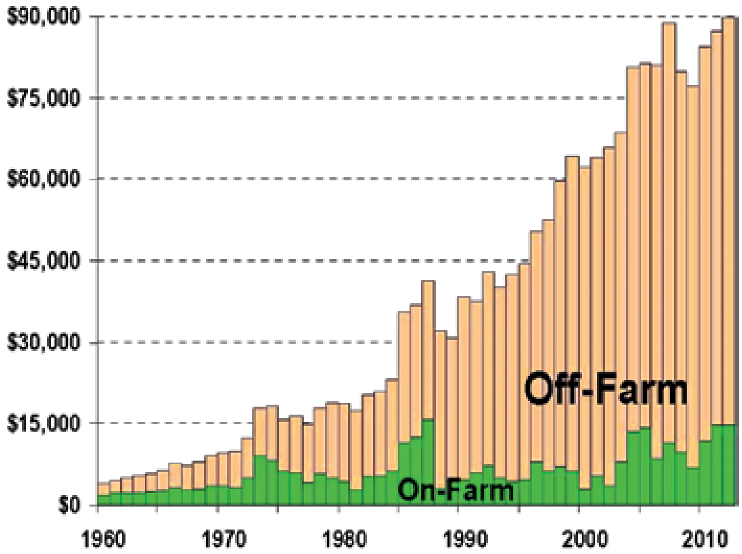
The rough estimate is that for world-wide food sufficiency and security, we should have a goal of producing much more of most necessities as is presently being produced. This is a necessity if we are to provide high-level diets for all cultural preferences, for food reserves, and for supporting output-capacity for the future. As of 2016, some 2.5 billion metric tons of grains (all kinds) are produced yearly. Increasing this (along with tubers), while increasing milk and meat output, as well as more fruits and vegetables, will enable the production of high-level diets for the world's population.

The constraints against sufficient food production and availability are not physical limitations, but the British empire *policy* of deregulation, "free" trade, and promotion of scarcity.

For example, presently, the world commodity prices for milk and certain grains are low—even below the farmers' costs of production—and it is asserted—under WTO logic—that this is the result of a "glut" of food. The WTO logic is that the current low market prices for farm output will eliminate "excessive" food production, and ruin enough farm operations, so that supply will go down, and market prices go back up.

It is against WTO rules for national governments to intervene to provide supports to the farmer (buy-up of output, price controls, floor prices, for example), or

U.S. Average Farm Household Income, On- and Off-Farm Sources Since 1960



Source: USDA, ERS, "Farm Household Economics and Well-Being: Historic Data On Farm Operator Household Income," November 27, 2012.

The reliance of family farmers on off-farm income, is now even more extreme, since farm commodity prices have been below costs of production from 2013 to the present.

conversely, to induce the farmer to produce more, when there are shortages. This is denounced as "distortion" of markets. Under the Obama Administration, the United States filed a record number of WTO suits against other nations—mostly China—claiming they harmed American farmers by "market distortion."

In fact, under the WTO-exalted "markets" system, U.S. farmers and ranchers are right now suffering bad conditions, without any "distortions" to blame the problem on. The net income of the U.S. farm sector is down 50% from 2013. This is the fourth successive year of farm commodity prices running below what the farmer's cost of production is. Older farmers are quitting. Farm debt is rising. Farmers are even more reliant on off-farm jobs to continue to farm, while losing money. For example, in Iowa, a farmer now might get $3.20 for a bushel of corn, when he has to pay $4.05 to produce it. Under the WTO system, the government may not intervene. Mounds of unsold, unprofitable corn are seen on on the ground in the Cornbelt.

Another destructive characteristic pattern of today's WTO-era food production and trade, is the long-distance cross-hauling of basic commodities, and the worsening of food import- and export-dependence for basic needs. Internationally, there are many examples of crazy trade flows: for example, green beans from Africa to Europe; peaches from South Africa to the United States; mushrooms from Indonesia, and apple juice concentrate from China to the United States. In WTO-speak, the African and Asian exporting nations are "succeeding" in participating in long-haul food "value chains" to trans-Atlantic nations!

Look at North America in this light. Over the NAFTA/WTO period, two sweeping, destructive patterns were imposed. Mexico was forced to become increasingly dependent on the United States for staples—corn, beans, wheat, while the United States became increasingly dependent on fruits and vegetables (processed and fresh) from Mexico. Otherwise, very complex, cross-border trade takes place in meat and processing, based on cheap labor and other costs.

Annual corn imports into Mexico soared from the level of about 2 million metric tons in the pre-NAFTA early 1990s to over 13 million at present—six times over—coming almost exclusively from the United States. The same trend applies to beans and wheat. In the United States, corn monoculture has taken over much of the farmbelt, especially when the Bush-Obama corn-for-ethanol program went into gear. Today, some 45% of the total U.S. corn harvest goes to ethanol and Mexico. Meantime, in Mexico—where corn originated, the farm sector has been devastated; hunger has spread.

In reverse, Mexico has come to supply a huge share of fruits and vegetables consumed in the United States, most all of which were formerly, easily produced in the United States The NAFTA tariff-free entry into the United States, allowed for trans-Atlantic-based mega-food processors and distributors—e.g. Green Giant, Del Monte, Dole, Walmart et al.—to relocate food-sourcing (from onions to tomatoes) by means of imposing conditions of cheap labor, cheap land use, and cheap processing. This undercut Mexico's farm-food system, and put thousands of U.S. family farms and orchards out of business. One example makes the point: over 95% of current U.S. consumption of frozen broccoli comes from Mexico now (with some from Guatemala and Ecuador). Cutting broccoli into florets is labor intensive; production was relocated from California to Mexico under NAFTA.

The obvious must be stressed: none of these food

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An ethanol unit train near Aberdeen, South Dakota, in March, 2017. The distillery and corn elevator are seen in the background. Too corrosive for pipelines, ethanol now takes up significant rail transport.

shifts were done to serve the public interests of Mexico or the United States, but instead, the commodities wing of Wall Street/City of London. These very same circles—speaking through corn representatives, and produce-processors and traders, are shrieking that Trump must not dare to change NAFTA.

But the WTO/NAFTA-legacy can be overturned, to the benefit of all the people, not the financial parasites. Nations—their leaders, farmers and experts, can confer on what shifts are desired, what is the timing, the technology and other concerns, and the roll-back of the "free trade" destruction can be made. The principle is to serve the common interest. There are many precedents. One of the most dramatic is World War II, when nation-to-nation collaboration took place for Lend Lease food attangements.

Today, in eastern Siberia, new agriculture projects are underway jointly between Russia and China, with Japanese and other input. In South America, new farm and food development commitments are in place with China, aided by Pres. Xi's visit last November. It is exemplary that China's potato output jumped 40%, after Peru supplied a new potato strain in the 1990s, Much more high technology and agro-science collaboration is planned.

United States-Canada 'Milk War'

Look at the current "milk war" between the United States and Canada, to see how only a "win-win" agriculture policy can work. As of May 1, Canadian cheesemakers ceased buying a specialty dairy product—ultra-filtered milk (proteins concentrate)—from a Wisconsin dairy company, and as of April 1, from a New York firm, which had been, for several years, processing milk supplied by dozens of local farmers in these states for sale in Canada. Suddenly, nearly 60 Wisconsin farmers had no more Canadian market, and in New York state, even more dairymen were caught out.

These deadlines, actually announced months ago, became the occasion in recent weeks for attacks flying back and forth between the United States and Canada, in which claims were made—including by President Trump—that U.S. milk farmers are being unfairly hurt by Canada. Meanwhile, Canada claims its cheesemakers can lawfully switch to using Canadian-produced milk. Trump rightly denounced NAFTA.

How to overcome the conflict—instead of slaughtering milk herds, and suing Canada? Wisconsin and New York officials asked the U.S. Department of Agriculture in early April, to plan to acquire their milk with nowhere to go, and arrange for processing it for storage—milk powder, butter or cheese, as has been done repeatedly since this policy was enacted under Franklin Delano Roosevelt in the 1935 Agriculture Act. The stored milk product can then be used for school or other domestic purposes, or for international food relief, now urgently needed for Yemen and Africa. Meantime, farmers, government officials, and processors can confer on milk supply management, and floor prices on the parity principle. (Box, p. 23)

So far, this hasn't happened. Most of the 58 milk farmers who sold to Canada through Grassland Dairy, Inc., have found other processors to sell to, for at least the next six months. This has saved the herds temporarily, but the farmers' milk price is still below their costs. Dozens of dairy farmers in New York state are desperate. Meantime, the cows must be fed and milked, or killed off.

Shift to Win-Win

There is a strong impetus for a shift. Voters in the U.S. farmbelt, as in the former industrial heartland, voted for Donald Trump massively, for an end to NAFTA and such critical changes as reinstating the Glass Steagall act. Of the 17 states since January, where resolutions have been introduced to tell Congress to restore Glass-Steagall and launch a recovery, many are in farm states, including Iowa, Illinois, Minnesota, Ohio, and Michigan, as well as other states with important farm output—Pennsylvania and New York. President Trump is on record for backing Glass Steagall; he has slammed NAFTA, and ordered a review of the WTO and all trade deals, singling out his commitment to farmers and ranchers.

The collaboration between China and the United States, in the "Silk Road" spirit, can lead the way. In Florida in April, Trump and Xi spoke of restoring U.S. beef exports to China (banned in 2003, over the Mad Cow concern).

There is already a major "soybean connection" between China and the United States. China currently consumes some 100 million metric tons of soybeans a year, and of that amount, over 85 percent is imported, almost entirely from the United States and Brazil.

Outstanding as this soy import-volume is, the dependence on the Americas for soybeans does not go against the commitment of China, in principle, to become food self-sufficient. Rather, the U.S.-China soy connection reflects the reality that China is seeking to provide for an improved diet for 700 million people brought out of poverty in the last 30 years. Twenty years ago, China was importing only some 2 million metric tons (mmt) of soybeans; 10 years ago, China imported 29 mmt. And now the imports are at the 85 mmt level. Among the other win-win U.S. exports to China is pork, a large part of which comes from Iowa. Meantime, China is working on improving domestic agriculture productivity.

The means used in China for rural development and

Prices to U.S. Farmers Are Way Below Parity

The principle of parity-pricing in agriculture was implemented successfully—beginning with the 1933 Agriculture Adjustment Act—through bi-partisan efforts under Franklin Delano Roosevelt and Agriculture Secretary Henry Wallace. Parity pricing provided security for the public food supply, and a surge of output when called for during World War II, and afterward.

The onset of "deregulation" and free markets phased out the parity principle in U.S. farm policy, as of the 1970s. The speculation-serving excuse in its place, is that farmers must engage in "risk management" of their prices—buying, selling, and betting on futures contracts.

Parity refers to the scientifically-calculated pricing system used by the U.S. Department of Agriculture, which mandates a price to the farmer (implemented through various mechanisms) for designated commodities, that will cover production costs, including a sufficient amount for providing the level of education and investment to guarantee future generations of high-technology farmers. Parity prices continue to be calculated by the U.S. Department of Agriculture, according to various base years. The following USDA parity statistics—for selected items—are for March, 2017 (USDA, National Agricultural Statistics Service.)

Commodity & Unit	Price Received	Price If 100% of Parity	% of Parity Received
Corn/bushel	$3.50	$13.60	27%
Wheat/bu	4.40	17.60	25
Soybeans/bu	9.75	31.40	31
Beef Cattle per 100 pounds	124.80	320.00	39
Hogs per 100 pounds	53.13	161.00	33
Milk per 100 pounds	18.13	51.80	35
Eggs/dozen	.82	2.94	28
Apples/pound	.35	.98	36
Oranges/box	12.40	25.30	49
Potatoes per 100 pounds	9.10	24.60	37

—Robert L. Baker

reducing poverty include many of the very practices banned by the WTO/NAFTA, e.g. floor prices for farm output, government-purchased food reserves, and non-patented seed development. In fact, these means are essential now for the United States to employ, in collaboration with Mexico and Canada, to phase out the destructive NAFTA farm and food patterns of the last 25 years.

Farmer representatives can specify the measures required, including actions for anti-trust and anti-speculation, fostering of more processing and handling logistics infrastructure, and parity-based floor prices and emergency interventions, especially in perishable farm output like milk. These are the hallmark practices of what came to be called the "American System" in the 1800s, for which Trump has repeatedly announced his support.

Xinhua/Lan Hongguang

On Feb. 15, 2012 Chinese President Xi Jinping (front, center, then Vice President) appeared with Iowa Gov. Terry Branstad (left of Xi, and now to be U.S. Ambassador to China) at the Mississippi River town of Muscatine, with friends. Xi met Branstad on his first visit to Muscatine in 1985, when Xi toured Iowa farming. The two friends have met many times since.

One immediate action, is for the United States to dump its WTO damages suit filed against China last year by the Obama Administration, which charges that China's support of its own farmers is causing harm to U.S. farmers! In September 2016, the U.S. anti-China action was filed with the WTO, saying China's price support to its wheat, corn, and rice farmers, serves to encourage them to produce more, which policies "limit opportunities for U.S. farmers to export competitively priced, high-quality grains to customers in China. . .," as then United States Trade Presentative Michael Froman stated. This is pure British Foreign Office food geopolitics.

Instead, China and the United States can collaborate on using the huge U.S. grains capacity for emergency international food relief, while farm production is upgraded everywhere.

Iowa Gov. Terry Branstad, Trump's appointee for U.S. Ambassador to China, is well positioned to end geopolitical food wars, to further mutually beneficial trade and production measures. Personally, he has a 32-year friendship with Xi Jinping, since Xi first visited Iowa on an agriculture tour in 1985. At present, over 25% of the soy crop of Iowa—a leading producer, goes to China. The state is also a top pork exporter to China, where Branstad visited last Fall, to promote even more meat trade.

Branstad spoke at his May 2 Senate Foreign Relations nomination hearing about how trade can be mutually beneficial. Expecting to take up his position by June, Branstad said he will personally visit every province in China.

President Xi has already taken the initiative to put forward what he calls the "framework" of the New Silk Road, as the context for solving world hunger and poverty once and for all. He did this at the United Nations at the time of the September 2016 General Assembly, and again that month at the G-20 meeting in Guangzhou. The UN Development Program endorsed this approach in 2016, and it was ratified by the General Assembly early this year. Now in July in Manhattan, the next opportunity for collaboration on ending hunger comes at the UN meeting of the High Level Political Forum on Sustainable Development at the UN headquarters in New York.

What is the vision for farming in an advancing world? Lyndon LaRouche, who has led the fight against the evil British geopolitics and free trade swindles for decades, often has addressed what agriculture can be. In an article 25 years ago, he speaks of the American System and farming, in terms directly important for today's opportunity.