

Agriculture by Marcia Merry

Farmers must be allowed to produce

Moscow expects huge food shipments; Yeutter expects you to eat soyburgers and drink soy milk to help out.

The Soviet need for food aid and assistance to its agricultural sector were among the highlights of German Chancellor Helmut Kohl's trip to Moscow in mid-July. At his concluding press conference to his visit on July 16, Kohl said that the "farm issue" is highly important. Kohl made commitments of German aid, and, in turn, received Soviet acquiescence for a reunited Germany to join NATO and make other national decisions.

President Bush has repeatedly pledged food aid to Gorbachov, though with no concessions received in return.

But regardless of the politics involved, one strategic question posed by these food aid promises is: What is the capacity to produce enough food in the world so that millions won't go hungry and food will not be a political weapon?

There is tremendous political pressure from farmers in Western Europe who refuse to take continued low prices, to be allowed to produce more to meet domestic, East European, and Soviet needs.

But as the 1990 global harvest season approaches its midpoint, the picture is grim. The U.N. Food and Agriculture Organization June *Food Outlook* report stated, "The world cereal stock situation is unlikely to improve in 1990/91, despite the favorable harvest outlook."

The first harvests of the year—in Argentina and Brazil—are below average, mostly because of hardships on farmers.

The wheat harvest in the United States is bountiful—probably the third-largest on record—at 7.3 mil-

lion tons (2.7 billion bushels). But one good harvest will not make up for the last three years of world shortfalls in wheat that have drawn stocks down below the danger levels.

The Soviet wheat crop—favored with decent growing weather—will likely end up with a 30% harvest loss, because of the decrepitude of the combines, trucks, and storage facilities. In early July, Moscow oil authorities confirmed they were holding back petroleum exports in order to send emergency fuel to the harvest machinery, also stalled for lack of spare parts.

All this year, the U.S. Department of Agriculture has been encouraging U.S. farmers to produce more grain, and has been advancing the Soviets millions of tons of grain at subsidized prices. Even so, as of early 1990, the Soviets reneged on paying for the discount grain. Many of the cartel grain companies privately stalled on making more deals. Archer Daniels Midland (ADM) offered to send grain in exchange for cast-off Soviet ships that could be sold or used in the West.

In the face of low grain stocks, Washington has prioritized grain shipments to the Soviet Union, above food aid to Africa, and commercial shipments to other areas.

Annual donations of grain by the United States to all points in need, have declined from 7.5 million tons in 1985, down to 5.2 million tons last year. However, last year, over 20 million tons of U.S. grain went to the Soviet Union.

Protecting the option to keep sending scarce grain to the Soviets, the USDA has forecast commercial exports of U.S. wheat will be down this

year to 32 million tons, less than the 38 million ton level of a few years ago.

Over the last four years, U.S. wheat stocks have dropped from 34 million tons to an expected 12 million tons by year end. Total world stocks of cereals of all types have dropped from 455 million tons in 1987, down to 290 million projected for this year, despite the bountiful U.S. wheat harvest.

U.S. Agriculture Secretary Clayton Yeutter urged U.S. farmers to plant more last fall, in order to produce more. However, he has made no provision for easing the financial strain now putting thousands of family farms out of operation because the giant food cartel trade companies are underpaying farmers and giving the Soviets sweetheart deals. The price of wheat to U.S. farmers has fallen from \$4.72 to \$3.23 a bushel in the last year.

The plight of farmers could be reversed, and plenty more food produced, but the orientation of the USDA and the food cartel lobby is that the U.S. should alter its diet. Richard Harwood, an official of the Winrock Institute (named for Winthrop Rockefeller) in Arkansas, a food policy think tank influential in Washington, said at a September 1989 press conference that the U.S. domestic diet should be altered in order to meet food export commitments to the Soviet Union.

ADM is heavily promoting soyburgers on NBC television ads. ADM is also gearing up to provide soybean milk for popular consumption, as dairy products get scarce. Monsanto Chemical Co. is marketing a "fake fat." There are dozens more ersatz food products in the works, popularized as "health foods," but to be used as replacements for the livestock food chain to free up grain to be used on the world market as a "political weapon."