

on countries where a free market environment is developing. . . . Today we have offices and facilities in 10 African countries—Egypt, Ethiopia, Kenya, Malawi, Nigeria, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe—and employ some 2,800 people, including more than 1,800 seasonal employees.

“Our African businesses include commodity trading—from cocoa beans and coffee to petroleum; breeding, production and sales of high-yielding, early-producing, disease-resistant maize and sunflower seed; processing vegetable oil for cooking, cotton and rice; and warehousing and distributing food and agricultural products. The central management of Cargill Africa is located in Cobham, Surrey, England. . . .

“Investors [Cargill and cartel companies] struggle when governments try to control the economy. Governments in Africa have fallen into the habit of attempting to set prices, especially food and currency prices. This has been a recipe for economic disaster. Governments are awful at trying to guess what farmers should be paid, or what the price of bread should be, or what level the kwacha/naira/shilling should be against the dollar. It’s not their role. And as long as they try, they are going to cause more confusion, more economic chaos. . . .

“And, they struggle with aid. When foreign assistance displaces the private sector, it undermines investment. Aid is rarely, if ever, sustainable, although sustainability is very much a buzz word in the various aid agencies. This has important implications when we consider Africa’s chronic food problems.”

Windsors’ cartel controls food supply

by Richard Freeman

When speakers at the Rome World Food Summit proposed that nations should have “equal access” to food—instead of the right to, and the material conditions for, food self-sufficiency—they were proposing that entire populations obtain their daily bread from a non-existent “free market” in food. By forcing nations onto this mythological free market, the Malthusian food engineers are delivering them into the arms of a very un-free food cartel, guaranteeing a continuation of inadequate food supplies and starvation.

The cartel’s domination especially applies to America. In 1983, Robert Bergland, President Jimmy Carter’s agriculture secretary in 1977-81, told an interviewer concerning Cargill, the world’s largest grain company: “Cargill’s view is. . . [that] they generally regard the United States as a grain colony.”

There is very little food produced anywhere in the world that does not come under the control of the food cartel. Countries that used to have food self-sufficiency find their food

chain ripped open, and subordinated to the cartel. Food which had been moderately priced and relatively plentiful, becomes expensive and in short supply.

Ten to twelve companies, assisted by another three dozen, run the world’s food supply. They are the arms and legs of the Anglo-Dutch-Swiss food cartel, and are grouped around Britain’s House of Windsor. Led by the six leading grain companies—Cargill (Minneapolis and Geneva); Continental (New York City); Louis Dreyfus (Paris); Bunge and Born (São Paulo and the Netherlands Antilles); André (Lausanne, Switzerland); and Archer Daniels Midland/Töpfer (Illinois and Hamburg, Germany)—the food cartel has complete domination over world cereals and grains supplies, from wheat to corn and oats, from barley to sorghum and rye. But it also controls meat, dairy, edible oils and fats, fruits and vegetables, sugar, and all forms of spices.

One should keep in mind that, while different companies are cited as controlling this or that percentage of food production and/or marketing, the individual firms are actually legal fictions, each part of a single interlocked syndicate. These three dozen cartel companies control the food production, processing, and especially export marketing in four critical regions of the world, which account for the overwhelming majority of food exports. By controlling these four regions, they control who gets food and who does not. The four regions are: the United States; the European Union, particularly France and Germany; the British Commonwealth nations of Australia, Canada, the Republic of South Africa, and New Zealand; and Argentina and Brazil. Almost all world food export trade originates exclusively from these four regions.

The foods to sustain life

Grains and grain products, milk and dairy products, edible oils and fats, and meat provide the majority of the intake of vitamins, proteins, and calories, which keep people alive.

Grains. Grains, or cereals as they are often called, consist of wheat, and other small grains; the coarse grains, including corn, barley, oats, sorghum, and rye; and rice.

The Anglo-Dutch-Swiss cartel’s control over wheat exports is shown in **Figure 1**. For the crop year 1994-95, the cartel’s four food export regions produced and traded 88% of the world’s wheat exports of 97.2 million metric tons.

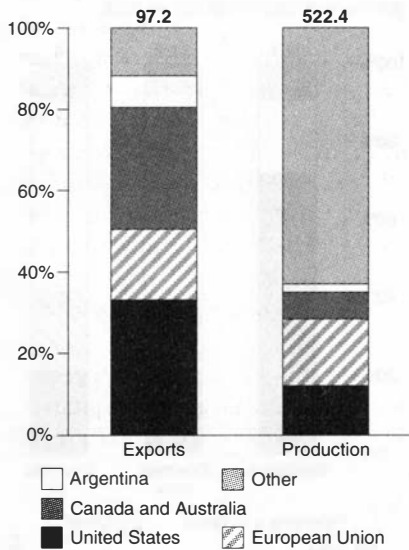
But, the four cartel food export regions, while accounting for 88% of worldwide wheat exports, accounted for only 39% of all the world’s wheat production of 522.4 million metric tons in the 1994-95 crop year (Figure 1). That is, their share of world wheat exports was more than double their share of world wheat output. This underscores the point that the cartel built up four regions as the chokepoints over the world’s food supply, even though these regions, collectively, are often not the largest producers.

Figure 2 shows, for the 1994-95 crop year, the percentages that the cartel’s four food export regions control of the exports of the leading coarse grains. They control 95% of world annual corn exports, some 69.9 million metric tons; 76% of world bar-

FIGURE 1

Control of international wheat exports

(percent of total / millions tons)

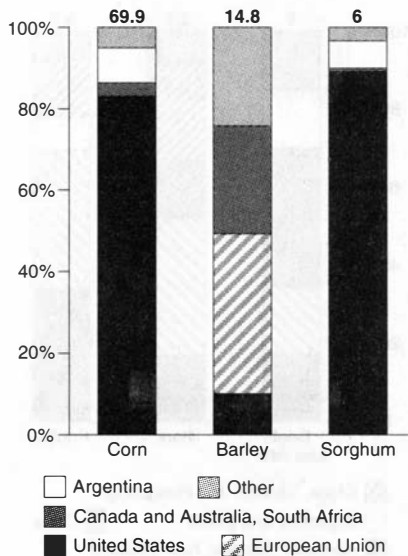


Source: U.S. Department of Agriculture, Economic Research Service, Trade Analysis Branch, 1994/5 crop production figures.

FIGURE 2

Control of international coarse grain exports

(percent of total / millions of tons)

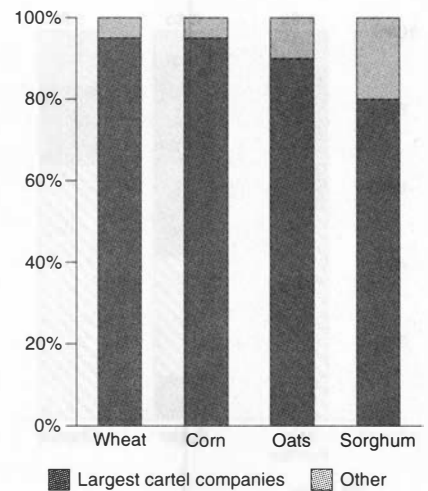


Source: U.S. Department of Agriculture, Economic Research Service, Trade Analysis Branch, 1994/5 crop production figures.

FIGURE 3

Control of U.S. grain exports by largest cartel companies

(percent of total / millions of tons)



Source: EIR interviews; *The Grain Traders*.

ley exports, some 14.8 million metric tons; and 97% of world sorghum (milo) exports, or 6 million metric tons.

Within these export regions, the cartel's six leading grain companies have, historically, built up domination of the external grain markets. For example, they have command of America's grain export market. Based on the composite picture pulled together from several research sources, **Figure 3** shows that the cartel's Big Six grain trading companies—Cargill, Continental, Louis Dreyfus, Andre, ADM/Töpfer—own and control 95% of America's wheat exports, 95% of its corn exports, 90% of its oats exports, and 80% of its sorghum exports. A few smaller companies, almost all in the grain cartel's orbit, control the remaining market share. This is extremely important, because in the 1994-95 crop year, America accounted for 33% of world wheat exports, 83% of world corn exports, and 89% of world sorghum exports, making it the leading exporter in each of these three markets.

The Big Six grain companies also control 60-70% of France's grain exports, the biggest grain exporter in Europe (the world's second-largest grain exporting region), which exports more grain than the next three largest European grain-exporting nations combined. The Big Six, along with some affiliated Argentine companies, control 67.8% of Argentina's grain exports. Argentina is the fourth-largest grain exporter in the world. A similar picture obtains for the British Commonwealth nations of Canada and Australia, which, combined, are the world's third-largest grain exporting region, both of which have Queen Elizabeth II as head of state.

Thus, the Anglo-Dutch-Swiss food cartel's domination of world supplies is absolute. Keep in mind who these Big Six companies are: Five of the six (ADM being the exception) are privately owned by oligarchical families of extreme wealth. They are tied into the highest levels of the British royal family's Club of the Isles. They issue no public stock, no annual report. They are more secretive than any oil company, bank, or government intelligence service. Just two of these companies, Cargill and Continental, control 45-50% of the world's grain trade.

In fact, their control is even greater than that: The Big Six grain companies are organized as a cartel; they move grain back and forth from any major or minor exporting nation. They own thousands of hopper cars, world shipping fleets of hundreds of vessels, storage silos, and processing mills, and have long-established relationships in sales, financial markets, and commodity trading exchanges (such as the London-based Baltic Mercantile and Shipping Exchange), on which grain is traded. No other forces in the world, including governments, are as well organized as the cartel; and, therefore, London's power in this arena remains unchallenged.

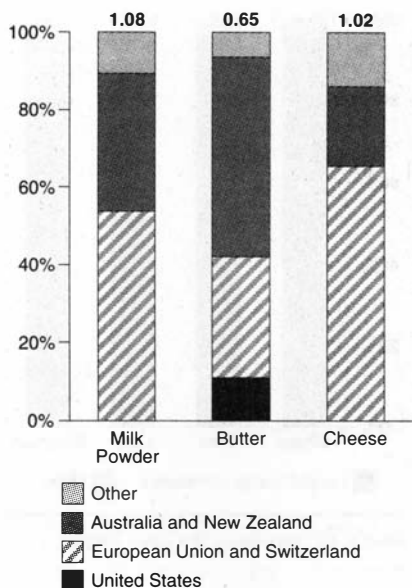
Milk products. The big export areas of milk and milk products are three of the cartel's four basic regions: the United States; the European Union plus non-member Switzerland; and the British Commonwealth countries of New Zealand, in particular, and Australia.

In 1994, the cartel's domination of dairy and dairy products was astonishing. **Figure 4** shows that the cartel's food

FIGURE 4

Control of international milk and milk products

(percent of total / millions of tons)

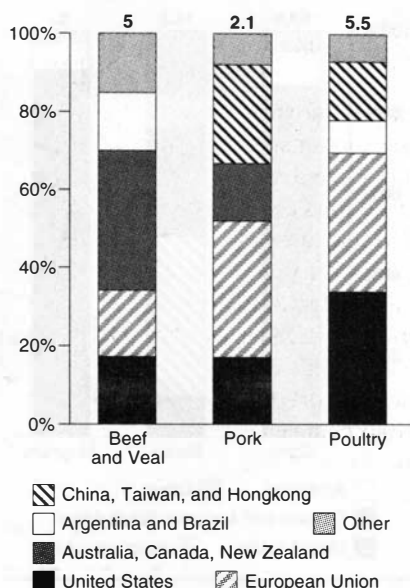


Source: Food and Agricultural Organization of the United Nations, "Commodity Review and Outlook, 1994-95," 1994 production figures.

FIGURE 5

Control of international meat exports

(percent of total / millions of tons)

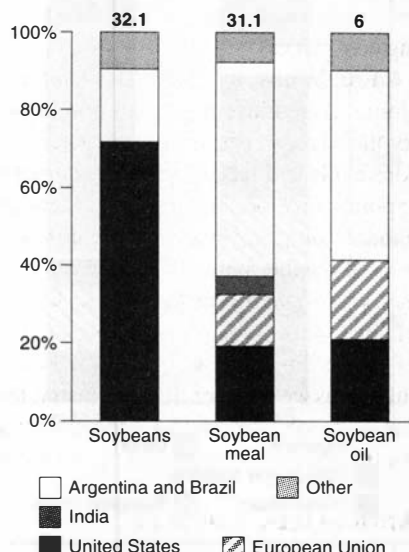


Source: U.S. Department of Agriculture, Economic Research Service, Commercial Agricultural Division, 1995 production figures.

FIGURE 6

Control of international soybean and soybean product exports

(percent of total / millions of tons)



Source: U.S. Department of Agriculture, Economic Research Service, Trade Analysis Branch, 1994/5 crop production figures.

export regions controlled 89% of the world's export of whole milk powder (1.08 billion metric tons); 94% of the world's export trade of butter (653 million metric tons); and 86% of the world's export trade of cheese (1.11 billion metric tons). It also controlled a huge portion of the export of condensed milk.

The case of whole milk powder exemplifies the process. Milk is not usually exported in liquid form, except for short distances over nearby borders; it is usually exported either as whole milk or skim milk powder, or as condensed milk. When it is exported as whole milk powder, it is reconstituted upon delivery, usually at the ratio of 10 parts water to 1 part whole milk powder. Of the world's export of 1.08 billion metric tons of whole milk powder in 1994, the developing world imported 885 million metric tons, or 82% of the total.

Nestlé Corp., S.A., based in Vevey and Cham (near Geneva), Switzerland, and Borden, Inc., based in Columbus, Ohio, are the world's two largest exporters of whole milk powder. Founded in 1867, Nestlé grew significantly in 1905, when it merged with the Anglo-Swiss Condensed Milk Company, also of Switzerland. Cartel member Nestlé S.A. is the number-one world trader in whole milk powder and condensed milk; the number-one seller of chocolate, confectionary products, and mineral water (it owns Perrier); and the number-three U.S.-based coffee firm. Its products include Nestlé chocolate and candy; Libby's fruit juice; Carnation evaporated milk; Buitoni spaghetti; Contadina tomato paste;

Hills Brothers and Nescafé coffees; and Stouffers' restaurants and frozen foods. (It also owns 26% of the world's biggest cosmetics company, L'Oréal.) All told, it is the biggest food company in the world. In 1994, there were 13 countries in which Nestlé had sales of 1 billion Swiss francs or more, including all advanced sector nations. Its total 1994 sales were SF 56.9 billion, or \$45.5 billion. Its 1994 profits were \$4.8 billion, bigger than all but a half-dozen companies.

Meat. The cartel's four major export source regions have hegemony over meat exports. As well, a Chinese bloc of China, Taiwan, and Hongkong (the last nation a re-exporter) is important in pork and poultry exports.

Figure 5 shows that, for 1994, the cartel's basic food export regions commanded 85% of the world's export of beef and veal (4.95 million metric tons); when the Chinese market is added in, these regions commanded 92% of the world's export trade of 2.1 million tons of pork, and 93% of the world's export trade of 5.84 million metric tons of poultry. The export of pork and poultry in China and Taiwan is increasingly run by the food cartel.

Four of the cartel's biggest companies in beef export are Cargill, Archer Daniels Midland/Töpler, ConAgra/Peavey, and IBP, formerly Iowa Beef Processors. IBP, based in Dakota City, Nebraska, epitomizes how the oligarchy employs its corporate branches. Once owned by Armand Hammer's Occidental Petroleum Co., today 13% of IBP stock is owned

by FMR Corp., the holding company for Fidelity Investments, the largest family of mutual funds in the United States, which is run by the Boston Brahmin families. FMR is interlocked with other parts of the House of Windsor's: It is a large owner of raw material cartel companies, including shares of 5% or more of Homestake Mining, Coeur D' Alene Mines, and Santa Fe Pacific Gold Corp., three of the world's largest gold mining companies.

Edible oils and fats. The United States, the European Union, Argentina, and Brazil dominate in the export market for the soybean and its by-products, the most basic source of edible oils and fats. **Figure 6** documents that the food cartel export source sectors are the masters of 90% of the international trade in soybeans (32.1 million metric tons per year); 90% of the international trade in soybean meal (31.1 million metric tons); and, along with British Commonwealth member India, 92% of soybean meal exports (31.1 million metric tons).

According to spokesmen for the U.S. Department of Agriculture, as well as for private industry, the same six companies that dominate the international grain trade also dominate the international trade in soybeans and by-products.

Animal feed and seed

The cartel also controls feed for animals and seed for planting. British Petroleum, through its Nutrition division, is the largest feed producer in Europe. Cargill, the world's largest grain exporter, through its Nutrena Feed division, is also the biggest producer of animal feed, as is Continental Grain, through its Wayne Feed division.

Almost all marketing of seed is controlled by Cargill and six other conglomerates, closely interlinked with chemical and pharmaceutical cartels. Among the seed giants are Cargill Hybrid Seeds, ICI Garst (a division of the British Imperial Chemical Industries), Novartis (formed in 1996 from a merger of Sandoz and Ciba Geigy), Mycogen (half-owned by Dow Chemical), DeKalb Genetics (40% owned by Monsanto), and Pioneer Hi-Bred International Inc., which accounts for 45% of U.S. corn seed planted, and is the world's largest seed producer. Charles Johnson, the president of Pioneer, was part of the official U.S. delegation to the Rome World Food Summit.

Domestic markets

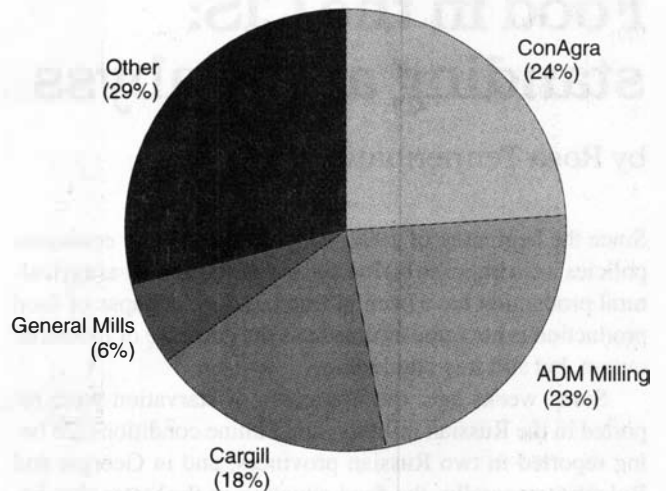
The cartel maintains an iron grip over the domestic agricultural economies of various nations, especially those comprising their four export source regions. This is carried out through the processing industries: If one controls the processing industries, one controls domestic trade. Except for use as animal feed, corn, wheat, and soybean cannot be eaten in their unrefined form (except for the sweet corn we like to eat, which is only a minuscule percentage of the annual corn harvest). The grain, or soybean (which is a legume), must be processed. The same is true of meat, which must be slaughtered and cut, before it can be sold to the individual household.

This is where the processing-milling industries, in the

FIGURE 7

Four members of the grain cartel control 71% of America's flour milling

(percent of U.S. flour milling capacity)



Daily milling capacity = 1,259,296 hundredweight of wheat

Sources: 1994 Grain and Milling Annual, Milling and Baking News magazine; research of William Heffeman and Douglas Constance, Department of Rural Sociology, University of Missouri.

case of grains and soybean, and the packing/slaughtering industries, in the case of meat, come in.

Taking America as the test case, in order to make the case generally, one can see the cartel's domination in grain processing: **Figure 7** demonstrates that the main grain companies of the oligarchy's food cartel control 71% of the milling of America's flour. They also control 76% of the crushing of America's soybeans, 57% of the dry milling of America's corn, and 74% of the wet milling of America's corn. (In the dry milling, the corn is turned into corn meal, or products such as muffins and breakfast cereals. In the wet milling, the corn is turned into sweetener, starch, alcohol, ethanol, etc. Of America's corn crop of 7.4 billion bushels, 5.6 billion bushels will be consumed as animal feed; 1.5 billion bushels will be wet milled; and 0.3 billion bushels will be dry milled.)

Finally, four of the six leading grain cartel companies own 24% of America's grain elevator storage capacity. However, this figure is deceptive. In many areas of America, local grain elevators are substantially owned by individuals or cooperatives. When one gets to regional grain elevators, the percentage of cartel ownership rises steeply. And at ports, where grain is transshipped, the same four grain cartel companies own 59% of all American grain elevator facilities.

A farmer must sell his grain either to a grain elevator, or, in the very rare case where he can afford transport, to a miller. In either case, it is a grain cartel company to which he must sell. By this process, the grain cartel sets the price to the farmer—at the lowest level possible.