'Radical restructuring' under way

The grain cartel's spokesmen are now explaining their plans in detail, and they mean no more family farmers.

The spokesmen for the food cartel are now coming right out and saying what *EIR* has been warning of for months. Their policy is to deliberately destroy history's most productive agricultural sector, based on the American family farmer, with consequent food shortages in the United States and genocide abroad.

"If we want food produced efficiently, we need to separate ownership from operators. Lenders and investors that are non-farmers are the trend," said Lester Tweeten, an "agricultural economist" at Oklahoma State University. The word normally used for what he describes is share-cropping.

Tweeten referred to planned changes in the farm-sector's structure that will be brought about by continued low commodity prices and an extremely tight farm-credit policy designed to drive the family farmer into bankruptcy—and into the waiting arms of "lenders and investors" like Cargill, et al.

The *Wall Street Journal* also spelled out the policy in the first of a five-part series on "The Changing Face of American Agriculture." The *Journal* calls the family farmer "outdated," and therefore, a "radical restructuring of agriculture in the United States" is under way. This radical restructuring involves a "shakeout" of the family farmer, and it is now under way "full tilt."

The *Journal* hails the advent of "professional farm managers," overseeing farm acreage the size of the state of Kansas, worked by former family farmers reduced to the status of share-croppers (of course, the *Journal* doesn't say that). The professional farm managers work for wealthy investors who only "dabble" in farming.

This "new breed" of farm manager "clamors for commodities-marketing reports via telephone and computer." And while "rural community ties are being broken," and "old-line farm equipment makers" are in trouble, scores of "smaller, newer businesses" are thriving by catering to this "new breed."

Such contract farming administered by "farm managers" is now responsible for 63% of all farm sales, reports the *Journal*.

Why are rural banks going bankrupt? The *Journal* claims that these "new breed" agents of the age-old Swiss-based grain cartel have "outgrown" the need for credit from the small rural banks. Hence, the rural banks are going bankrupt—and with them, the family farmer who needs credit from them.

Of course, it was Paul Volcker's introduction and maintenance of usury, as the policy of the U.S. Federal Reserve for the past five years, that is breaking the back of the American farm sector. But according to "agricultural economist" Tweeten, "The *Fed* is doing a beautiful job and has been since 1980. . . . It's a good thing we reduce lending to the farm sector. It's too capitalized already."

Tweeten uses the grain cartel lie that the U.S. is producing food in abundance ("surpluses") and therefore must cut-back production. And he proposes that cutting farm programs and eliminating credit is the best way to do it. With rural banks going under, like their farmer-clients, "The Farm Credit System [the Production Credit Administration and the Federal Land Banks] is now the major lender to farmers," he reports. "The FmHA should stick to its original mandate and lend for emergencies only. Credit reduction is a good thing to get the surpluses under control. . . . If FmHA sticks to its mandate as lender of last resort, it's cheaper for the government to help fewer farmers in trouble than continue farm programs for everyone."

A lobbyist for the Farm Credit System in Washington revealed that the FCS is now making loans on a one-year basis. Their loans used to be made on a five-year basis. The real problem, he reported, is farm income. "There is no shortage of funds, just the basis for extending them. . . . We haven't seen the worst of it yet."

Thus, America is on the verge of losing its farmers, and with them, its food supply, as a matter of policy of the U.S. Federal Reserve, the U.S. Agriculture Department, and the grain cartel. A report presented to the American Bankers Association conference in September revealed that on average, 20% to 50% of farmers' financial condition has declined severely over the past three years, and another 10% to 15% who were in bad condition experienced no improvement.

Nearly 800 U.S. banks are currently on the "problem" list, according to a report released by the chairman of the Federal Deposit Insurance Corporation (FDIC) in October. Many of the banks on the "problem" list have up to 70% of their loan portfolios committed to the farm sector.