Farm 'restructuring and destocking': How to create huge food reductions

by Marcia Merry

According to the estimates released by the U.S. Department of Agriculture in March on the cropland that will not be in production this year, the number of dairy cows that will be slaughtered, and the number of farmers that will go out of operation, there is a major food crisis in the making in the United States. And yet, the USDA, the State Department, and the congressional planning and information offices all concur that, "food reductions are necessary . . . this is restructuring and destocking."

What they purport to think is that less food produced will bring higher prices for the farmers—on the basis of the economics fairy tale that prices are set by supply and demand. The simple fact is, prices are set by international food cartels. The idea of a "free market" of supply and demand is a vicious myth.

The International Monetary Fund, collaborating with the cartel interests, has set international terms of trade, loan conditionalities, and investment constraints that have guaranteed the shut-down of world trade and production.

As U.S. farms, food storage, processing and distribution companies go bankrupt, they are either being closed down entirely, reducing our output capability, or they are being bought up, cheap, by the international food cartels, which will reduce their output. The latest example is the purchase by the British sugar cartel, Tate and Lyle, of the failed Great Western sugar beet company, that once spanned the high plains of Colorado, Nebraska, and Wyoming. What production is left there is under foreign cartel ownership.

'Restructuring'

To misrepresent this process, and misinform lawmakers and officeholders, meetings and statements have been issued since the beginning of the year to the effect that U.S. agriculture should be left to "restructure itself" so that the independent family farm—the traditional mainstay of high productivity U.S. farming since Abraham Lincoln—should be decreased in favor of the establishment of a very few, large-scale high-tech farms. In plain words, these new operations would be feudal-style estates, where serf-like employees would tend the fields and flocks with a few chemical "wonder methods" thrown in.

In March, the Congressional Office of Technology Assessment released a report brief (GPO 052-003-01018-6) called, *Technology, Public Policy, and the Changing Structure of American Agriculture*. It stated: "As America enters the era of biotechnology and information technology, agriculture productivity will increase significantly and the structure of agriculture and of rural communities will change forever. Approximately 1 million farms will disappear between now and the year 2000, mostly moderate-size and small farms. About 50,000 large farms will then account for 75% of U.S. agricultural production.

"The main beneficiaries of the new technologies will be the operators of large farms. Operators of small and moderate-size farms, the traditional 'backbone of American agriculture,' will be less competitive, partly because they will be unable to adopt many of the new technologies."

The bulk of the statement is not a prediction, but a statement of intention. The last line is a simple lie. The history of the agriculture extension service, since its beginnings during the Lincoln administration, shows that independent family farms are very ready to adopt advanced techniques any time they have the knowledge and the means, for example, the use of chemical fertilizers. The OTA is lying, in order to make certain Congress does nothing to obstruct the changeover to vast-tract, foreign-ownership agriculture. So far, Congress has fallen for every lie.

Rep. George E. Brown, Jr. (D-Calif.), member of the Technology Assessment Board and the House Committee on Agriculture declared: "As we approach an era of massive change in agriculture, we need the type of guidance this report gives us. Parts of this study have already provided a basis for amendments to the 1985 Farm Bill. This assessment should continue to guide Congress in making the difficult choices that we face in coming months."

'Destocking'

What the U.S. Agriculture Department should be doing is implementing emergency measures to expand output at parity prices, to meet overseas food needs on the model of the military and Lend Lease programs under the World War II War Production Board parity programs. Instead, the USDA is implementing a plan of food output reduction and "destocking" of existing storage in a starving world. U.S. food supplies are being marginalized to the point of impending domestic shortages.

The following is a summary picture as of March 31.

Liquidation of national beef cattle herd

Herd liquidation in the United States is now proceeding so quickly under depression conditions, that the national inventory of beef cattle and calves is down to the level of the 1960s. The total number of beef cows nationally, at the time of the last national inventory (July 1985) was 46.3 million, down drastically in the last few years. Beef cattle declined 7% from 1984 to 1985, and, during the same time, replacement beef heifers declined 11%. The 1985 calf crop is the smallest since 1961. This guarantees that the national herd will continue to decline this year and afterward. Last year the per capita beef produced in the United States fell to the level produced in this country in 1954.

The decrease in beef animals has been masked in recent years by beef supply imports. In addition, over the upcoming months, the slaughter of the 1.5 million dairy cows, under the government "buy-out" program, will add a temporary, one-shot amount of about 400 million pounds of beef to the national meat supply. However, then both meat and milk sources will be gone.

Grain production

Acreage planted with grain crops in the United States this year will be reduced significantly in all grains, according to even official U.S. Department of Agriculture reports, which notoriously overstate such statistics.

According to the March estimates:

Winter wheat. Fall planting was down to 54 million acres, the smallest amount since 1979.

Spring wheat. Plantings are down an estimated 3% from last year. There will be seeding-on

Corn. Spring plantings are estimated at over 75 million acres, down 6% from last year, and the smallest planting since 1983 when only 60 million acres were planted because the government offered the crazy Payment-in-Kind (PIK) program to lure farmers into the biggest acreage reduction in U.S. history. Corn acreage will fall by 7% in a dozen Midwestern states, accounting for 80% of national production.

Grain sorghum. Again, expected plantings of 15.9 million acres compare only to the 1983 low PIK acreage of 11.9 million acres. It is down 13% from 1985.

Soybeans. Spring planting is estimated to be 62 million acres, the lowest amount since 1977.

The estimates given above are a deliberate overstatement by the USDA, because they do not take into full account those farmers who do not have the means to plant, fertilize, or harvest. In addition, some farmers are attempting to remove their grain acreage forever from production, under the lure and coersion of the new "Conservation Program."

Dairy production

On March 28, the U.S. Department of Agriculture announced that it will pay 13,988 dairy farmers a minimal financial settlement to liquidate their herds, and to remain out of milk production for the next five years. This unprecedented herd "buy-out" procedure was written into the new farm law last December, and *is expected to eliminate 9% of all U.S. milk output in one blow*. This amounts to 13 billion pounds a year, milk that the United States will not have for any purpose. As many as 1.5 million head of dairy cows, heifers, and calves will go to slaughter over the next 18 months.

The rationalization for this stupid and immoral program is that there are huge dairy product "surpluses" hanging over the nation. In reality, this is calculated propaganda, mixed with confusion among many of the farmers and milk-processing production people themselves. The reasons why there are dairy products in storage—under the government "buyer-of-last-resort" program—is, first, that the domestic market is severely depressed because people cannot afford a quality diet; second, the international market is depressed by International Monetary Fund austerity conditionalities; and, third, the international dairy trade is completely controlled by a cartel of Nestlé, Unilever, and the New Zealand Dairy Board—a holdover from the British Empire.

It takes years of careful husbandry to build up a top dairy herd. What the government is implementing, is the slaughter of a precious pool of top milk-producing stock that could be the basis for upgrading of milk herds around the world. Beef cattle ranchers, worried about the milk-cow beef hitting the markets, suggest: At least, the animals should be sent to Mexico or elsewhere so they can still provide milk and offspring for the world.

Dairymen are signing up for the herd liquidation program because they have no financial alternative. They have been receiving less money per hundred pounds of milk sold every month, than it costs to produce that hundred pounds.

Farmers whose cows produced almost one-fourth of last year's milk supply got in line to participate in the herd "buy-out" program, because they have nowhere else to turn. A reported total of 39,534 dairy farmers applied for the program. The government did not accept that many in the plan; but it will in the future. Of the 14,000 farmers accepted for herd liquidation, fully 40% are in the top six dairy states, where the infrastructure has been so well developed that these states produce more than 50% of all U.S. annual milk output.

If you took all the famed dairy "surplus" in stock and distributed it for every person in the United States, here is all you would get (from USDA, March 21, 1986 figures): one pound of butter and 2.5 pounds of cheese (some of it inedible due to mold). If you were to distribute all the U.S. milk powder stocks to Africa, each African would receive three gallons.