USDA projections: anatomy of a big lie

by Marcia Merry

Since the release of the annual U.S. Department of Agriculture fall harvest projections on Aug. 11, USDA spokesmen have kept up their reassuring litany: "There are no food shortages." Yet, the effects of this summer's worldwide drought are becoming more and more apparent, despite the USDA's attempted cover-up; the reports confirm *EIR*'s prediction of massive shortages.

Just days after the USDA released its August crop report, the United Nations Food and Agriculture Organization in Rome published its own monthly "Food Outlook" report, warning of international food shortages on an precedented scale—mostly attributable to the worsening drought in North America, which accounts for 50% of the world's annual corn output, and 68% of the world's soybean production. An FAO spokesman in Rome said privately that world food reserve stocks *are already certain to fall below minimum emergency reserve levels by September*. He warned that it is "certain that at the end of the current 1988-89 harvest year [effectively September-October], world cereals reserve 'carryover' stocks will be below the 17% of annual harvest considered minimum emergency reserve." The spokesman said that stocks will fall to an even lower percentage of the harvest, if the drought persists through August.

All indications are that the drought will continue. On Aug. 17, the National Weather Service released its 30-day forecast for mid-August to mid-September: The intense heat and scarce rainfall will persist for the Dakotas, Nebraska, Iowa, and the western Great Lakes area—the farming heartland already parched by the drought. The Weather Service reported that, although recent rains provided some relief for parts of the Mississippi Valley, "much more precipitation is needed for areas east of the Rockies for moisture to return to normal levels."

The USDA's own statistics predicted an overall drop from last year of 31% in the 1988 harvest of all types of grain; their own figures confirmed that there is a massive kill-off of beef cattle, and a deterioration in pasture land, but still the Agriculture Department projected only a small increase in food prices, and insisted that there will be no shortages.

Yet on the state and local level in the United States, agencies distributing U.S. government surplus food supplies to the poor have sounded the alarm: They lack the stocks to keep crucial programs going.

On Sept. 10, the USDA will release its next, "updated" crop harvest forecast, which will likely show things a little worse, but still underestimate the drought losses, and stocks depletion.

Worse than incompetence

How can an agency which has been making crop and livestock estimates since the Civil War, be so wildly off the mark? It's not that they are incompetent; they're lying outright.

Over especially the past 20 years, the USDA has been serving as an instrument, hand-in-glove with the State Department, for policy in the interests of the international food cartel companies—Cargill, Continental, André/Garnac, Louis Dreyfus, ADM/Toepfer, Bunge, Nestlé, Unilever. The cartel has dictated national farm and food policies for the United States and other nations—not to increase production and efficiency, but to create scarcity and tighten their own control over one of the most powerful political weapons: food.

The USDA will say whatever is necessary about the U.S. food and farm situation in order to further the desires of these cartel interests. Part of the function of the Aug. 11 USDA crop report was to minimize drought damage estimates of food supplies, in an attempt to "justify" the fact that the new Drought Relief Act—signed into law the same day—did not take an emergency food mobilization approach, and stayed within Gramm-Rudman budget constraints.

The following are case studies of how the USDA covers up the truth, by ordinary lying and "impartial" surveys.

The dairy shortage

At the USDA press briefing on Aug. 11, Ewen Wilson, Assistant Secretary of Agriculture for Economics, was asked this question: "There are reports that stocks that are available as surplus for giveaway to programs to feed the needy and so forth, have dried up in seven different commodity areas, that they're no longer available for distribution at missions and other places where they're handed out. To what extent is that actually true? And also, what effect does this have on concessionary stocks, foods that we have available for needy areas in the world?"

Wilson replied: "It's true that stock levels have been drawn down; however, we do have enough stocks committed to those programs to continue running most of those programs. I don't have the precise details for all commodities, but in general, we have enough stocks allocated to continue running those programs."

The "precise details" that Wilson claimed not to know, show that he falsely represented the situation, even according to the USDA's own published statistics.

Consider the depletion of dairy supplies for the Temporary Emergency Food Assistance Program (TEFAP), established in 1981. This program has come to supply 15 to 18 million people annually with staple food stocks on a weekly or monthly basis. Dairy products—dried milk powder, cheese, and butter—have been a significant part of the protein foods given out to needy families. Cheese distribution completely ran out in April, and milk powder will be exhausted by the early fall.

During 1987, about 427 million pounds of cheese were given out through TEFAP, at a rate of about 35 million pounds a month. This continued up through 1988, until April, when the cheese ran out. Only 245 million pounds of cheese were given out this year. Butter is still in the "pipeline," but only at a trickle. The USDA's Commodity Credit Corporation (CCC) anticipates that supplies of cheese and butter for the school lunch program and domestic charitable institutions will be reduced from 200 million lbs. in 1988 to 150 million lbs. in 1989.

Additionally, contrary to Wilson's statement, dairy supplies for the U.S. international food relief program—Public Law 480—are shrinking to nothing. In 1987, PL 480 supplied 325 million lbs. of nonfat dry milk to points of need abroad. This year there will be 225 million pounds, at most. The CCC office says that there will be no milk powder available for PL 480 relief in 1989. In addition, the "concessional" sales export program, through which poor nations can import milk powder at below market prices, is shrinking to nothing. The CCC sold 514 million pounds in 1987, then only 180 pounds in 1988.

A spokesman for the CCC rationalized these cutbacks by saying that it is a "popular misconception" that Congress has mandated supplies of food for school lunch programs, distribution to needy families, or impoverished Third World nations. "If you read the fine print in the legislation," the spokesman said, "supplies to these programs are contingent on the state of USDA stocks. . . . We are not in the business of supplying food to people; we are in the business of supporting the price paid to farmers."

More hoaxes: grain, soybeans

Wilson similarly asserted falsehoods regarding corn and soybean supplies. "Despite this massive reduction in the corn crop [37% decline from 1987, according to the USDA estimate], existing stocks ensure that supplies will be adequate to meet domestic and export needs. Based on projected use, we estimate that stocks on hand at the end of the crop year, on Sept. 1, 1989, will total 1.6 billion bushels. This level of stocks is equivalent to 22% of our annual needs. In other words, it will be enough for nearly three months of projected domestic and export use."

EIR's estimate is that the 37% corn loss estimate is itself too low. The actual loss will be as high as 50%, and corn ending stocks could fall to 545 million bushels—way below the danger level, as the FAO predicts. Conrad Leslie, the Chicago forecasting service, predicts that the corn loss will be over 40%. The rate of loss for the top cornbelt states—Iowa, Illinois, Indiana, and Ohio—is running at 50-70%. The additional yields expected in certain border zones such as Nebraska, will not compensate for the massive corn output reductions in the top states.

The USDA soybean crop harvest loss predictions are similarly underestimated. The USDA predicts a 23% drop in soybean output from last year, and an average yield of 26 bushels per acre (compared with 33.7 last year). In fact, this is adjusted somewhat for the drought-to-date, but does not reflect the persisting drought, as predicted by the Weather Service, nor the impact of secondary drought factors, such as the widespread spider mite infestation of bean plants, or the small size of the beans. These factors are widely known, but the USDA figures will not reflect them, until perhaps the final, year-end, "adjusted" figures are given.

On Aug. 11, a special videotape and packet were released by Charles E. Caudill, administrator of the USDA's National Agricultural Statistics Service, to defend the Department's forecasting methodology. All Caudill did was to defend the USDA computer tally of results gathered from 1) a survey group of about 60,000 farmers (of whom only about half, at most, report back); 2) a direct visit to about 1,000 corn and soybean fields; and 3) special for the drought year, a survey of about 16,000 farmers in some states.

Revelations from Ceres, goddess of the harvest, would be more accurate.