## **Exercise** Economics

**OBAMA'S EPA DECREE** 

# Corn-for-Gasoline: Kill the Livestock, Starve the People

by Marcia Merry Baker

Nov. 19—The Obama Administration, as expected, issued its decision Nov. 16, refusing to reduce corn usage for ethanol, at a time when corn scarcity, and lack of Federal relief from high prices and speculation, are causing mass liquidation of meat animals and shortage of corn for milling. The Environmental Protection Agency (EPA) denied the appeal by eight state governors and dozens of livestock producers, food processors, restaurants, and others, to waive the Federal Renewable Fuels Standard (RFS, which mandates annual volumes of ethanol and biodiesel).

The EPA simply lied, saying that no harm is ensuing from so much corn going for ethanol, with corn supplies short from the drought. The Nov. 16 EPA press release stated, "EPA finds that the evidence and information does not support a determination that implementation of the RFS program during the 2012-2013 time period would severely harm the economy of a State, a region, or the United States."

### At the Threshold of World Hunger

In reality, there is a rapidly worsening food supply crisis in the United States and internationally. Corn production in the U.S., which accounts for over a third of the annual output of the world, is way down this year because of the drought, on top of the fact that more and more U.S. corn is going for ethanol. In 2011, for the first time ever, the volume of corn distilled for gasoline

exceeded the amount going for livestock feed. Corn supplies for direct human consumption are also seriously crimped—cereals, corn oil, citric acid, sweeteners, etc.

This crisis could be righted overnight, by a Federal emergency food-policy order to divert corn back into the food chain, and at the same time, put a floor-price under corn, in order to support stability for corn farmers. Along with that, put a ban on corn futures speculation in Chicago, and price controls to prevent any gouging.

But mere ignorance and venality aren't the principal factors preventing this. What's in play, is the fact that the Obama Presidency, and the Bush Administration before that, have served as an agency of an anti-nation, globalist policy, run by the political/financial nexus best understood as the neo-British empire. National food systems are being undermined by the green lies promoting "alternative" biofuels, combined with the World Trade Organization (WTO) strictures enforcing the right of cartels of mega-firms to control agro-science, inputs, processing, and distribution of food, over and above national governments—by an empire actually committed to depopulation. This deliberate subversion is euphemistically called the "free market." Years of these practices have now brought us to scarcity and hunger, at the threshold of world famine. That is the intent of the British empire crowd.

What's urgent is to change the system. Banning bio-

fuels, and restoring a U.S. food-increase policy, with parity-pricing for farmers, is just an essential part of the overall three-part emergency policy-shift essential to preserve the United States right now: 1) re-instate the Glass-Steagall law, to separate commercial from speculative banks; 2) re-establish a national-interest credit system; and 3) launch priority projects, especially water provision, for agro-industrial development, especially the NAWAPA XXI (North American Water and Power Alliance XXI).

#### **Food Shortages, Inflation**

The Obama Administration's upholding of cornethanol, amidst outright corn scarcity, constitutes a deliberate food shortage and hyperinflation policy, and it is being denounced as such. The coalition of livestock, poultry, and dairy organizations calling for a waiver, issued an angry statement after the Administration's denial: "We are extremely frustrated and discouraged that EPA chose to ignore the clear economic argument from tens of thousands of family farmers and livestock and poultry producers, that the food-to-fuel policy is causing, and will cause, severe harm to regions in which those farmers and producers operate."

The Drovers Cattle Network noted the drastic decline in numbers of cattle going into feedlots, because of the high price of corn. The rancher media wrote on Nov. 19, "On the same day that EPA rejected the request for waiving the ethanol mandate, a USDA survey of feedlots showed further dramatic reductions in the number of cattle placed on feed.... Feedlot placements have been declining steadily since feed prices rocketed higher in June. Accumulated placements since June are down 1.3 million head. The survey indicated that as of November 1, there were 11.254 million head of cattle on feed, 293,000 head or 5.3% less than a year ago. October placements were 2.180 million head, 12.5% lower than last year...." (The U.S. Department of Agriculture report, "Livestock, Dairy and Poultry Outlook," was issued Nov. 16.)

The National Council of Chain Restaurants executive director Rob Green said on Nov. 16, "We are very disappointed in the Environmental Protection Agency's decision not to grant a waiver from the Renewable Fuel Standard ethanol mandate. This year's catastrophic drought seriously reduced corn yields and has led to a situation where the RFS unsustainable mandates force ethanol fuel to commandeer a shrunken pool of available corn for food and livestock feed. The RFS statute

provides a safety valve in the form of a waiver for precisely this kind of situation, but the EPA has failed to let it work. We will now face higher prices as a result."

#### **World Dairy Disaster in California**

The dairy farm crisis in California—the biggest milk-producing state in the country, and a world center—is part of the same dire picture as the nation-wide livestock disaster, resulting from the Obama/London food subversion policy. California dairy operations are being forced into bankrupcty because of the triple-hit of scarce, high-priced feed, lack of Federal intervention, and lack of state intervention to help set a milk price for the dairymen to be able to survive.

Farmers staged demonstrations in Sacramento, the state capital, in September and October, to dramatize the crisis, in which their costs of production far exceed the price they are receiving for their milk. In addition, on Nov. 6, a petition for an emergency state hearing on the milk-price crisis for farmers was filed with the California Department of Food and Agriculture (CDFA), by three dairymen organizations—California Dairies, Inc.; Diary Farmers of America Western Area; and Land O'Lakes, Inc. Many other dairy farmers supported this.

But on Nov. 13, the state agency CDFA denied the petition, on the grounds that there were "language technicalities" in the request. This snub and inaction is directly in line with the Federal food-scarcity policy under Obama.

All the while, the process of bankruptcy and shutdown of the few remaining family dairy farms, cattle ranches, and all other kinds of traditional food-producing operations, gives way to the select cartel outfits controlling what is produced, where, and how—which means, controlling, who eats and who does not.

#### 'Mass Destruction in the Third World'

This process is at the stage of mass destruction throughout poor nations. A new book is out, titled, We Let Them Starve, Mass Destruction in the Third World, by Jean Ziegler, the Swiss national who formerly served as the UN Special Rapporteur on the right to food, and now advises the UN Human Rights Council. Ziegler indicts the cartels and their allies as responsible for mass murder greater than Hitler's—and he's right.

One of the policies he identifies as contributing to this murder is expanded diversion of food into biofuels. Along with speculation in foodstuffs, and WTOenforced "free trade," it must be ended now.