

## Agriculture by Marcia Merry

### Food exports down, except to U.S.S.R.

*Congress and the President dumbly watch as U.S. agriculture collapses—but shipments to the enemy continue.*

**T**he latest U.S. Department of Agriculture (USDA) figures report that FY1985 American farm exports dropped 12% in volume from 1984 levels. Farm exports for 1985 were 125.8 million tons. A total of 38.1 million less tons were exported than the previous year. In contrast, in 1980 U.S. farm exports were 163.9 million tons.

At the same time, U.S. grain exports to the U.S.S.R.—especially feed corn for Soviet meat herds, are high. Over the last trade year (October to October), a record 15.5 million tons of U.S. corn went to the Soviet Union. In the last two weeks, the Soviets immediately proceeded to line up new imports. According to the USDA, 200,000 tons of corn orders have been committed for the U.S.S.R.

While the Soviets are counting on their channels in the West to guarantee their food supply as they put resources into military industrial build-up, the total tonnage of food shipments traded in the world is shrinking under the worsening depression.

For example, in 1980-81, the total world grain traded measured about 228.4 million tons. In 1981-82, the total dropped to 215 million tons. In 1982-83, the total dropped to 100 million tons. In 1983-84, world grain traded did not go much over 203 million tons. During the last year, less than 200 million tons was traded.

The need for millions more tons of food output and trade shipments is made deadly clear by the AIDS epidemic, and the resurgence of other diseases contingent on nutrition and

health-infrastructure collapse. Yet Congress and President Reagan are standing by dumbly as U.S. food production capability crumbles and the Soviets move ever more boldly to demand additional special food trade concessions.

In September, USDA Undersecretary Daniel Amstutz met with a Russian trade delegation and promised them at least 22 million tons of grain for this trade year, and hinted at discount prices. All the grain contracts are handled through the private channels of the grain cartel companies—among others Cargill, for whom Amstutz has been a lifelong executive, and Continental—all of which are supporting the “New Yalta” relationship with the Soviet Union, in which the era of free republics is to end.

Although Congress has not ratified the idea of giving the Soviets bargain-priced grain, they may do this soon in the name of “enhancing exports” and “free trade.”

The danger unfolding in the food-exports decline is the process of collapse of the production capability of the country. In recent years, the United States accounted for 50% of all the feed corn produced and 60% of the soybeans. The United States exported the most wheat and rice of all food-surplus nations. In fact, the U.S. farmer produced enough food to feed at least 70 other people. However, 1985 could be known as the “year of the last harvest” if the collapse process now under way is not reversed.

Agriculture output—at the best of times—depends on well-timed culti-

vation, application of fertilizer and water, and sowing, and gleaning. That usually involves credit. But, at present, the entire credit structure of U.S. agriculture is collapsing, bringing down the whole system, and—along with other debt failures—threatening to plunge the entire Western economy into chaos.

In October, the Farm Credit System, which represents \$74 billion, or about one-third, of the total national agriculture debt, went to Congress to ask for a \$5 billion stop-gap bail-out. When President Reagan began leaning in the direction of some assistance package, Donald Regan, at a meeting Nov. 4, insisted there was no need.

Two days later, Farm Credit System representatives met with congressmen on the consequences of the collapse that will ensue without emergency action. The FCS released a special report on this by Chase Econometrics that, for a change, reported accurately some of the dimensions of the disaster—because it's too big to ignore.

The study concludes, “A default by the Farm Credit System under the economic conditions of 1986 will cause: Loans to an additional 88,000 farmers to be foreclosed, commercial bank capital to drop by \$28 billion; the number of agricultural banks with inadequate capital to rise to 2,300 from 141 currently; the nation's gross national product to lose \$32 billion in year one and \$44 billion in the second year and the deficit to rise by \$32 billion in the first year and \$53 billion in the second year. . . . This unprecedented default would further depress agriculture, severely disrupt financial markets, and seriously weaken an already fragile U.S. economy.”

They neglected to make the ultimate point Congress won't make for themselves: There won't be any food.