

Agriculture by Marcia Merry

Will drought assistance help?

Congress has voted up some measures, but countering the effects of the drought in the southeast is a job for the army.

On July 30, the House Agriculture Committee initiated extraordinary assistance to farmers in the southeastern drought-emergency states, by voting up legislation that contained measures above and beyond the assistance plans announced by Agriculture Secretary Richard Lyng. The House provisions include livestock feed assistance, a stay on dairymen paying levies to the herd buy-out program, and permission to use idled crop land for forage.

Rep. Charles Hatcher (D-Ga.) said that the "normal" federal disaster assistance, which offers low-interest, stringent-term loans, is not enough. "The farmers I represent probably wouldn't apply for new loans because they couldn't service the loans they have."

At least half of the farmers in the drought states are financially in jeopardy because of the impact of the drought, on top of depressed economic conditions. The measures being enacted by Congress—the Agriculture Committee passed the relief bill by voice vote the day it was introduced—may nevertheless be too little, and too late. Agriculture Committee Chairman Kika de la Garza (D-Tex.) predicted that Congress will get the bill to President Reagan some time during August. But time is running out.

The measures Congress is mandating could actually be implemented now by the U.S. Department of Agriculture. But the USDA is dominated by cartel interests, e.g., Cargill man Daniel Amstutz, the undersecretary. Cargill and other international cartel

companies favor drastic food and farm shutdown, and population reduction worldwide.

The same week as the congressional action, the USDA produced a memo insisting that the drought affecting the nine disaster states, would *not* result in increased food costs to the public. The author, Kenneth Deavers, said that prices due to falling output would only rise within the southeast itself.

According to Deavers, acting administrator of the department's Economic Research Service, "The quantity of food commodities supplied from the stricken area is a relatively small percentage of the total national surplus of foods, and some of the affected commodities can be supplied by other areas." Deavers said that crop shortages will not cause a measurable increase in the consumer price index, and stuck to the current USDA forecast of a 2-3% rise in prices this year.

These predictions are "unrealistic," in the view of the Georgia State University's Economic Research Center, headed by Donald Ratajzak. Ratajzak said that peanut prices could rise between 40% and 50%. Poultry prices will rise at least 10¢ a pound and continue higher into next year.

The southeastern states produce over 80% of the annual U.S. peanut crop. They produce 36% of the chicken output. Percentages of national grain production are lower, but the southeastern states account for 25% of the national production of soft, red winter wheat (for quick breads, crack-

ers, and other specialty baked goods).

The national cattle and calf inventory in these drought states accounts for 12% of the national herd, which is diminishing yearly under the economic depression. Millions of tons of hay and protein rations are required to maintain these animals, or national output potential is drastically reduced.

The new congressional measures call for the issuing of feed certificates to drought-hit farmers, that they can redeem for CCC-held grain. Farms considered "critical" will be able to use certificates for free grain to cover all feed needs. Others will get up to half.

The Agriculture Committee plan was partly motivated by the desire to use up production they consider "surplus" in the Midwest. They mandate that up to 80% of the shipping costs to the recipient farm in the southeast will be met by federal payments. However, the dimensions of need, if met on the scale necessary, will require huge amounts of hay and feed to be shipped in. A military-logistical mobilization is needed. Instead, the media is serving to mislead both the public and lawmakers alike, by playing up the donations of animal feed and freight. They help, but are miniscule compared to requirements.

In 1984, there were an estimated 12,276,000 cattle and calves in nine southeastern states. To provide daily rations to merely "rough through" each animal for the next 150 days, would take about 20 to 25 pounds of hay a day, 5 pounds of some kind of protein feed (corn, brewers grain, soybean meal), and 20 gallons of water. Therefore, for the next 150 days, 23.017 tons of hay are needed—meaning that the National Guard and military have to coordinate the "haylift." And 4.603 million tons of protein feed are required—also a "job for the Army."