

## Agriculture by Marcia Merry

### Reagan discovers 'overproduction'

*The President's silly statements in Venice fooled no one; if there is so much food in the world, why are millions starving?*

**B**oth at the Venice summit and in his televised June 15 report-back speech, President Reagan called for the phase-out of government subsidies to farmers, and for an end to world food "overproduction." Using canned references to such things as the "dynamics of the international economy," he called for "market signals" to come along and govern agricultural production and trade.

In other words, the same old "magic of the marketplace."

Farmers and hungry people will not be confused by this rhetoric. The so-called subsidies going to farmers, are in reality, just passing through their hands, and lining the pockets of the cartel export companies (Cargill, Nestlé, Continental, Bunge, André/Garnac, Louis Dreyfus, Archer Daniels Midland) who broker world food trade.

The so-called overproduction of food also does not exist. Because of the policies of the International Monetary Fund and related commodity cartels, the volume of world food traded has declined, and in some parts of the world, food is stored and rotting, with no "market" because of the IMF.

President Reagan has been given a script about mythical "market signals," that in reality serves the purposes of the special-interest cartel companies who are positioning themselves (through mergers and buyouts of shipping and processing facilities) to dominate shrinking world food stocks, and to allow millions of "excess peoples" to die off. At the same time, representatives of these compa-

nies, like Archer Daniels Midland head Dwayne Andreas, shuttle back and forth between Moscow and the West, thinking they are making deals that will prevent Moscow from taking advantage of the Western collapse.

What is required is an agricultural mobilization to both produce more food and to organize the logistics to preserve and distribute it where needed to roll back the starvation and misery. Initiating this mobilization depends more on the average citizen's leading the charge for new food and farm policies, than on farmers themselves, or on the world's hungry and sick who are prevented from mobilizing. To keep the citizen stupid about the food supply, the major media have carried cartel propaganda about the "food glut," and fat subsidies to farmers. But the truth is now coming out even in local U.S. supermarkets, where bacon prices are up over 12% in the last two months, and good beef is up 25%. This is just the beginning.

Subsequent issues of *EIR* will present the story—in pounds, bushels, dollars and cents, about how much or how little food is in short supply at home and abroad.

But here it is worth reviewing the "off-the-shelf" facts that President Reagan has had available to him from his government agencies, that prove—despite notoriously inaccurate figures—that there exists a huge gap in world food supplies. The President is wrong on his facts.

First, in May, the U.S. Department of Agriculture published a report

on the "Effect of Fiscal Austerity on African Food Imports" (USDA Economic Research Service, Foreign Agriculture Economic Report # 230). This study took 25 import-dependent African nations, and analyzed the factors influencing how much food they are getting. The results show that some nations, such as Liberia, Somalia, Lesotho, and Egypt, are as much as 13-22% dependent on food aid as a share of total food consumed, and are not in a position to afford the additional food purchases required. Despite government jargon, the consequences are still clear: "Any deterioration in the financial situation of low-income countries, therefore, reduces food imports and increases vulnerability to malnutrition and loss of life."

Also in May, the USDA published its "World Food Needs and Availabilities, 1986/87: Spring Update" (USDA: Economic Research Service). This is part of a series begun in 1984, as a result of an official presidential initiative to assess world food needs. The tables in the latest issue show countries desperate for food. "The 69 developing countries are estimated to be short 17.5 million tons of cereals to meet minimum nutritional standards in 1986/87. Nutritional needs are greatest in South Asia at 7.8 million tons and East Africa at 4.3 million tons." When minimal stocks management and logistics adjustments are made, nutrition-based needs are 18.1 million tons.

Even the most optimistic estimates show that food aid pledges are way below these minimal needs. The May "World Food Needs" report says, "The Food and Agriculture Organization estimates shipments of cereal aid in the July 1896-June 1987 trade year to be about 10.2 million tons, down more than 15% from the 1984-85 peak of nearly 12.5 million tons."