

Agriculture by Marcia Merry

The 'continued recovery'

Secretary Yeutter makes optimistic pronouncements, while drought and farm finance disasters threaten the food supply.

On May 10, Agriculture Secretary Clayton Yeutter made his official bow to Congress in the opening scenes of the debate on the new 1990 five-year farm bill. To a packed hearing of the House Agriculture Committee, he presented a slick talk praising the "recovery" in agriculture, and offering "my views on future farm policy that will sustain agriculture's recovery."

Yeutter said, "Much of the turnaround seen in U.S. agriculture in recent years has been due to sustained economic growth at home and abroad. Overall, prospects for the U.S. and world economies favor continued recovery for agriculture." He forecast a growth of 3% in the U.S. economy, calling it the "seventh straight year of expansion."

The facts of the condition of U.S. agriculture could not be more at odds with Yeutter's views. Emergency actions are needed to avert an unprecedented food crisis in-the-making.

On May 11, the USDA itself released its first official estimate of the 1989 wheat harvest—which will begin in southern winter wheat regions in June—and forecast that the crop will be the lowest in 11 years. This means that national wheat stocks, already low, will not be replenished, and much less will be available for export.

One of the hardest hit wheat states is Kansas, where over half the crop may be lost due to drought and winterkill. Kansas alone accounts for 18% of the national wheat harvest, and about 34% of the preferred variety of bread wheat. Oklahoma, Colorado, and other states are affected.

In Montana, over 90% of the winter wheat is lost. Farmers have scrambled to put in spring-planted small grains, but the chances of a decent crop are poor, because of the continued dryness.

Although not the focus of the May 11 wheat harvest report, the prospects for other major grains this summer are also grim. According to the latest 90-day government weather forecast, the cornbelt might be hit by a lack of rain for its summer growing season.

Already, the National Guard has been aiding farmers in southern Iowa to get water for their livestock and farmsteads. The subsoil moisture is down to four feet in many areas.

After the drought last summer, the USDA eased up its annual cropland set-aside requirements to 10% of acreage base required to be idle this year, down from the 27.5% required to be idle for wheat and some other crops in 1988—which guaranteed disaster when the drought hit on top of the set-aside.

Since January, Yeutter has insisted that a drought two years in a row would be "unlikely," so therefore, no emergency measures were needed. Now reality is proving him wrong, at the cost of endangering farms, losing crops, and losing lives.

Private crop forecaster John Schnitker estimates that food prices will be up at least 8 to 10% this year due to the effects of drought. Internationally, millions of people in poor nations will be priced out of the food market, or deliberately prevented from buying by the USDA.

Farmers themselves are facing

disaster because of the combined effects of the drought, and years of low prices and high debt service rates. North Dakota Sen. Kent Conrad (D) has held two hearings this month at which testimony was given on the forced dispossessions against farmers by the USDA/Farmers Home Administration, the Farm Credit System, and others under the Agriculture Credit Act of 1987.

But in Yeutter's view, expressed May 10, "The recovery is also reflected in better financial conditions for farm lenders. Prospects for the Farm Credit System have improved. . . . Most commercial farm lenders reported stronger loan portfolios in 1988 with declines in the number of delinquent accounts, write-offs, and foreclosures."

While misrepresenting the present farm situation, Yeutter presented his views of "Future Farm Policy," by cloaking himself in the mantle of the General Agreement on Tariffs and Trade (GATT) and stressing the issue of keeping farm prices low to compete in the world market.

Yeutter called for "enhancing our leverage at the negotiating table," in terms of undercutting our allies in world trade.

"If the Uruguay Round is successful [it ends at the end of 1990], we will need to modify the 1990 Farm Bill accordingly—probably sometime during 1991. Will we then be writing the 1991 Farm Bill in Geneva? To some degree perhaps, but only if we believe it is in the best interest of American agriculture to do so. . . . If the Geneva negotiations are successful, we'll also be writing a segment of the European Community's 1991 Farm Bill in Geneva, rather than Brussels . . . and the farm bills of Canada, Brazil, Argentina, Australia, and several other countries in Geneva."