

Agriculture by Marcia Merry

Moscow pulls Yeutter's strings

The agriculture secretary is junking the set-aside folly, but don't expect American eaters to benefit.

In August, Agriculture Secretary Clayton Yeutter made a sharp about-face, and started making sounds about putting more acreage into production, producing more grain next year, and rebuilding depleted food stocks.

For years, Yeutter promoted just the opposite. He backed the scarce food policies dictated by the international commodities cartel which dominate the U.S. Department of Agriculture. Millions of acres were locked up into the Conservation Reserve Program, and also set aside each year by order of the annual U.S. Department of Agriculture Commodities program.

With the impact of the 1988 "kill-er drought," followed by continuing adverse weather, a food shortage crisis has been created—obvious even for the USDA to see. As of harvest period in the northern latitudes, world "carry-over" of grains—the difference between what is consumed and the excess—has dropped to merely 60 days or less of grain use. That is the "red alert" level. This fall's harvest marks the third year in a row in which grain consumption is more than annual grain production. In some commodities, soybeans for example, the U.S. has effectively none in stockpile. Milk output is running behind need. And staple grains, wheat and corn, are not much better.

A new report from the World Health Organization estimates that 1.3 billion people are suffering from malnourishment and related diseases.

In the face of this situation, Secretary Yeutter has not brought out the blaring trumpets nor made any media fanfare about producing more food;

that would make the Bush administration look bad. But Yeutter is trying to cajole more grain production for next year.

In September, Yeutter announced a change in the acreage formula for wheat growers, permitting them to plant more acres in 1990 than usually allowed by the USDA programs. This is a change from May, when Yeutter called for a 5% wheat land set-aside.

By Sept. 30, Yeutter is required by law to announce the 1990 USDA plans for U.S. feed grains acreage. He may also try to induce more production.

The finger pulling the ring in Yeutter's nose comes from Moscow. Although recent headlines say there is "uncertainty" about how much and when the Soviets will be buying grain again, this is just propaganda for the gullible. The food riots in Russia make clear that the Soviet Union expects food imports from the West as a matter of political tribute. The strategic issue is that the food isn't there.

USDA officials are bowing and scraping to meet expected Soviet demands. Yeutter has repeatedly announced that the USDA will implement food output policies that will meet all food aid and export commitments. Ray Nightingale, Agriculture Department food needs analyst, said, "The U.S. could increase production tremendously. Canada could too. Europe could, too."

However, the flow of grain is not like a water tap that you can turn on and off.

The first response of many farmers is: How can we be expected to produce

more, when we don't get paid a fair price for our output now? The USDA will not touch the issue of farm prices. The group of grain cartel companies that control 90% of the world grain trade (Cargill, Bunge, Louis Dreyfus, Archer-Daniels-Midland, Ferruzzi, Garnac/André, Continental) is deliberately suppressing grain prices. If such a fairy tale as "the laws of supply and demand" actually prevailed right now, farm grain prices would be astronomical.

During World War II, when federal officials wanted to increase food output, they decreed that parity prices must be paid by any and all grain dealers—a move which Yeutter and his cartel backers abhor.

Therefore, there should be no presumption that Yeutter can get any results when he waves his magic wand and calls for more grain to be produced.

Congress likewise has been content only to "study" the problem and hold hearings about shortages. On Sept. 26, a hearing was held by the House Agriculture Subcommittee on wheat, soybeans, and feedgrains. Subcommittee chairman Dan Glickman (D-Kan.) insisted that regarding the grain stocks shortages, "It's no cause for panic . . . but it is cause for caution."

Likewise, Congress has done nothing about the dairy shortages except express "concern." On May 16, House Agriculture Committee chairman Kika de la Garza (D-Tex.) issued a press release to officially recognize shortages affecting dairy products in the school lunch programs. He said, "The Deputy Secretary of Agriculture, Jack Parnall, has confirmed that due to reduced surplus production of dairy goods there will be far less milk and other dairy products to distribute to school districts for use in lunch programs across the nation."