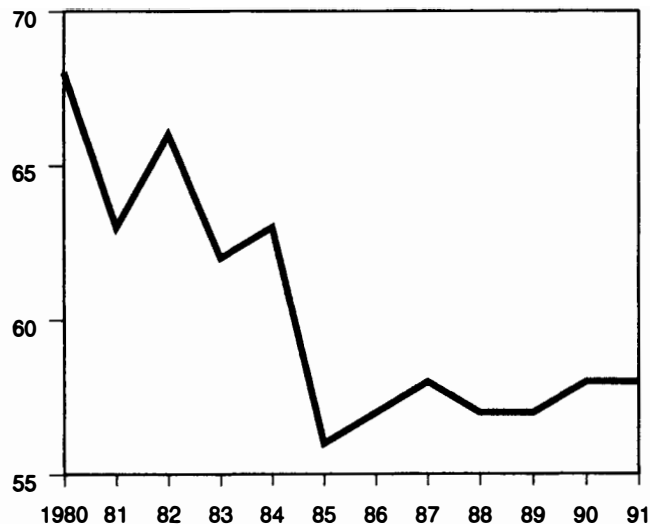


FIGURE 6
Phosphate applied per acre on Iowa corn,
1980-91

(pounds per acre)



Source: USDA.

fell from 53 pounds per acre in the 1970s to 45 pounds in the 1980s. Nutrient application rates for corn have fallen 1% to 3% per year since 1981. Corn alone accounts for over 40% of the total. These declines follow a nearly 40-year upward trend in fertilizer use, which peaked in 1981 (Figure 6).

Farm fuel (gasoline, diesel, liquid propane) used for field operation, irrigation, grain drying, and fertilizer production dropped about 50%, from 8.1 billion in 1978 to 4 billion gallons per year today.

Irrigated farmland in 1987, though only 14.8% of total harvested cropland, produced 37.8% of total crop value. Between 1978 and 1987, irrigated crop acres fell 2 million acres.

At the end of 1990, railroads owned 119,758 miles of track, down 30%—about 50,000 miles—from the 1979 total of 169,927 miles. Abandonment procedures resulting from the Staggers Rail Act of 1980 allowed carriers to discontinue service more easily, resulting in the abandonment of 3,766 miles of track per year during the period 1980-85 and 2,177 miles per year during 1986-88. Subsequently, thousands of small rural farm communities have been cut off from rail transportation service.

Farmers forced off the land

The most valuable resource, the human operator, continues to leave the farm. The number of Americans living on

farms has been cut by 50% since 1970. Most of those who have remained have off-farm jobs, as off-farm income is now higher than net farm income. The Future Farmers of America, the organization for high school and college students, has seen its membership shrink more than 20% since 1980, and just 25% of its members say they plan to go into farming, as against 41% a decade ago. Since 1980, the number of farmers under the age of 25 has dropped by half, while

U.S. demands end to food sovereignty

U.S. policy toward the General Agreement on Tariffs and Trade (GATT) during the Reagan and Bush administrations has been to demand the implementation of a radical free market agenda, which, if carried out, will worsen the worldwide food crisis by driving even more farmers into bankruptcy. This British liberal policy is the opposite of the American System economic program that built this country's agriculture, infrastructure, and industry, starting with Alexander Hamilton.

A key element of the current U.S. agenda is to deny nations the sovereign right to produce food for their own consumption, demanding instead that the political and economic vagaries of the "free market" determine whether a people will eat or starve. The following document lays out this policy. Titled "Proposal by the United States to the GATT Negotiating Group on Agriculture—The 'Uruguay Round,'" it was submitted to the GATT Secretariat on June 6, 1988.

Elaboration of U.S. agricultural proposal with respect to food security

The United States has proposed the comprehensive liberalization of and improved GATT disciplines for trade in agricultural products. The U.S. GATT Agricultural proposal calls for the elimination of all market access barriers and subsidies which affect trade as well as the harmonization of health and sanitary measures.

We recognize that food security is a concern of all GATT member countries. An effective global trading system is important in providing the type of economic environment such that each nation can assure access for all its people to enough food for an active healthy life. However, food security need not imply food self-sufficiency pursued behind restrictive trade barriers.

Food security and self-sufficiency are not one and the

the number of those over 65 has held steady, a circumstance that could leave tens of thousands of farms in the next decade without anyone in the family to tend the fields.

Three-fourths of all "non-metro" counties—in which over 50% of income comes from farm production—lost population in the 1980s. In the corn belt, Iowa, the largest grain- and meat-exporting state, accounted for almost half of the region's population loss, at a rate of 8%.

Reduced agricultural input use and agro-industry foreclosures have eliminated millions of jobs in non-metro counties. Since 1982, the non-metro labor force has dropped 22% from 33.7 million to 26.3 million. This loss of jobs compounds the low-income problem and increases the foreclosure rates of smaller farmers who depended on off-farm income to supplement their farming. Rural poverty rates continue to outpace city rates.

same objective or goal. Food security is the ability to acquire the food you need, when you need it. Food self-sufficiency means producing some portion of one's own food supply from domestic resources, regardless of market forces, with deliberate intent of displacing imports or reducing import dependence. However, food security does not demand self-sufficiency. In some cases, in fact, self-sufficiency can actually work against food security goals.

Self-sufficiency, as distinct from food security, is no longer justified by the possibility of massive global food shortages. Throughout human history, up until the technological advances of the green revolution, a global food shortage due to crop failures was a conceivable, and often real, threat. Today, due to the greatly diversified sources of agricultural products and the worldwide integration of agricultural trade, it is highly improbable that food shortages caused by shortfalls in agricultural production would have a lasting or harmful global impact. For example, the largest year-to-year reductions in world grain output in the last 25 years has been only 5 or 6%. Most annual variations fall within 2%. Good crops in some locations offset the quantitative effects of poor crops in others. Thus, the world market has been a dependable, stable source of food.

Disruptions or slowing of normal food supplies for short periods can be covered by stockholding at levels required to cover short-term needs. Countries which artificially maintain high levels of self-sufficiency gain minimal benefits in supply stability compared to that available on the world market. Yet the costs of self-sufficiency, due both to comparative disadvantage in production and the much higher risk and variability of individual country output means that artificially self-sufficient countries are paying very high costs for very meager benefits.

Domestic policies used to achieve self-sufficiency inevitably involve misallocation of resources through production support pricing, subsidies, import barriers, and, on occasion, export controls. The adverse economic impact of these misguided policies is not confined to the

countries utilizing the measures but is invariably spread to others through the limitation and reduction of access opportunities and unfair competition from dumped surpluses.

We believe that food security concerns of member countries, whether related to dependability of supply or ability to pay, can be addressed effectively without recourse to trade-distorting policies. An unrestricted global trading environment will encourage the effective use of national resources within and between countries. More efficient use of each country's domestic agricultural resources will enhance national income and increase consumer purchasing power. At the same time, food assistance programs have a critical and legitimate role in addressing food needs both in a national and international context. Therefore, in developing the U.S. agricultural negotiating proposal, *bona fide* food aid was specifically excepted from the phased elimination of all government programs that distort trade.

Recent World Bank-sponsored studies demonstrate the gains to global food security from unrestricted agricultural trade. The importing countries benefit from more reasonable food prices and more choice as to where to buy and when; exporting countries gain from more efficient and lower cost production, and all countries benefit from more stable world prices and supplies. Accordingly, the U.S. is prepared to discuss appropriate means of building national food security for all GATT members as part of the process of global agricultural trade liberalization.

Access to supplies by food importing countries is critical to an effective global trading system. Embargoes on food exports are as distortive as barriers to food imports. There is no place for either in a global trading system. The United States, as a food-exporting nation, is sensitive to its responsibility to those nations which count on free access to U.S. markets for the foods they need. Therefore, we propose removing from GATT Article XI 2.(a) permission for GATT Contracting Parties to restrict or prohibit exports of agricultural food products to relieve critical shortage.