

Agriculture by Suzanne Rose

Bad weather hinders U.S. corn harvest

But low cartel-induced prices and bad government policies are a far worse threat to farmers' livelihood.

As corn farmers struggle to get in their crops during a harvest plagued by late maturing crops and rainy and snowy weather, the primary menace to farmers' livelihood continues to be government policy, rather than bad weather. For farmers struggling in the fields, the corn prices are low and the costs of the crop are high. For the eaters of the world, their food supply potentials are being ruined. Why? Because of a series of incompetent and immoral U.S. government policies.

First, look at this year's crop itself. Due to unusual weather conditions over the 1992 growing season, the corn belt saw a crop with numerous, well-filled-out ears. Wherever the harvest was timely, record average yields of over 121 bushels per acre were common. But problems in harvesting are also widespread, as farmers feared.

After an exceptionally wet growing season, the moisture content of the corn is high—about 24% in Iowa. Many farmers in the state have left their corn in the fields to dry rather than face the costs of drying it after harvest. In addition, farmers have been unable to get into their fields to complete harvesting because of the fall rains, and the snow which came in early November.

The harvest has been behind schedule in the heart of the corn belt—Iowa, South Dakota, Indiana, Illinois, and parts of Minnesota. Only 37% of the 13.1 million acres of corn in Iowa had been harvested by the first week in November, as compared with a normal year when 93% would be finished.

The South Dakota corn harvest is

also way behind. The Illinois harvest has been about three weeks behind normal. Indiana has harvested 42% of its corn acreage compared with an average of 76% by this time of year.

But far worse than the weather is the low price for the crop. Because of collusion between the grain cartel companies, Cargill, Archer Daniels Midland (ADM) or Louis Dreyfus, and the U.S. Department of Agriculture (USDA), farmers are now facing corn prices of only \$1.85-2.00 a bushel. When adjusted for inflation, this is the lowest price for corn this century. In contrast, by the USDA's own calculation, a parity, or fair price, would be \$5.40 a bushel.

This low price means catastrophe for farmers. Their bare-minimum costs per bushel of corn are \$2.50. The government's answer? Push corn for ethanol, conduct trade wars using U.S. grain, and ignore the hungry and starving.

The ethanol gambit got a boost from the Bush administration which waived provisions of the Clean Air Act to allow ethanol-blended gasoline to be sold in five major cities. This sparked a boom in plans to build processing plants.

Sold to the farmer as a new market, the reality is that ethanol is only possible because of the commanding position of cartels like ADM in controlling this market. Operating at a net loss to the economy, the production of alcohol from the starch in corn is only profitable because the farmer is paid less than the cost of production and every bushel is subsidized by the federal government, to the benefit of ADM and the few other processors.

The processing facilities get huge federal and state tax breaks. Four ethanol plants are operating in Minnesota alone, and the Bush announcement is expected to spur the construction of five more.

The production of gasohol uses up to three times as much fuel energy and fuel energy products as its use can provide, and at a greater cost than the fuel it replaces. Thus, fuel from biomass degrades the environment, robs the hungry of needed food, and loots the farmer.

Instead, the U.S. crop, which is almost half the world's annual output of corn, should be going into the domestic and international food chain. The crop, though raised for livestock feed, could be specially milled for food relief for Africa and other points of need.

This year, drought in southern and eastern Africa caused a grain harvest loss of 50-95%. In the 10 countries in southern Africa, the corn belt of that continent, the average loss was 46% of the 1992 crop. In Somalia, grain output is half normal levels.

However, Washington is waging food warfare with U.S. crops, while blaming the decline in U.S. grain exports on the "loss of market share." Consider just the obvious examples. An estimated drop of 40 million bushels of U.S. corn to the former Soviet bloc will not be exported, because Russian livestock herds are decimated, and because the policy of the International Monetary Fund, World Bank, and Group of Seven is to enforce still more austerity instead of to rebuild meat herds.

Also, the U.S. government policy of subsidizing the cartel companies to export U.S. wheat cheaply is causing importers like China to use the cheap, imported U.S. wheat to feed their livestock, and then to export their corn to traditional U.S. markets in the Pacific.