

## Agriculture by Robert Baker and Marcia Merry

### Not enough corn for export

*The floods wiped out this year's crop as well as the potential for the future, while the USDA spreads lies.*

**I**t is now harvest time. This year, even a stupefied TV viewer can tell you why 1993 harvest volumes (corn, soybeans, spring wheat) will be down compared to recent years. The Flood of 1993 directly and indirectly destroyed millions of acres of crops, centered in the nation's food belt, Minnesota, Wisconsin, Iowa, Illinois, Nebraska, Missouri, Kansas, and the Dakotas.

However, there is more to the story. The crop output is down, but relative to what? And what is the harvest potential for the future, if farmers are wiped out?

Take corn, for example. This year's output of corn, the foremost U.S. commodity for exportable surplus and potential food aid, is now on a par with *domestic use only*. This has devastating implications for food policy the world over.

The Sept. 9 estimate by the U.S. Department of Agriculture for the 1993 corn crop was 7.223 billion bushels (183.9 million metric tons). That is a high estimate, to serve various USDA purposes. At the same time, the USDA is projecting a relatively low estimate for domestic use: 6.76 billion bushels this year, dropping to 6.7 billion for next year.

In reality, the 1993 corn crop may be easily *below* 7 billion bushels. For reference, a record year (1992) was over 9 billion bushels; very low years were 4.174 billion (as a result of the 1983 drought and federal set-aside programs) and 4.929 billion (after the 1988 drought.)

The National Farmers Organiza-

tion (NFO), based in Iowa, estimated this year's corn crop at 7.19 billion bushels as of Sept. 13, with the qualification that this forecast could drop in the case of early frosts, which have since come to pass.

The *EIR* estimate as of Aug. 1 was for a corn harvest of 7.23 billion bushels, or even lower in the case of bad weather in the period from August through the completion of the harvest. Now, we estimate a harvest under 7 billion bushels.

Therefore, where is corn for export, for potential food aid? It doesn't exist.

Darrel Good, a University of Illinois corn marketing specialist, stressed that to put the USDA corn crop estimates into perspective, you have to look at what harvest volume is the bare minimum to meet current "trend" uses of all types (domestic and exports.) Good said that the minimum 1993 crop level is 7.426 billion bushels, much higher than even the shameless USDA dares to project.

What is the response among government and grain trade "experts"? To fake the statistics, underpay the farmers, and control who gets food and who doesn't. And to keep the lid on the news.

The USDA's massaging of the statistics applies across the board, not just for corn. For example, a Sept. 13 *Agweek* article was headlined, "USDA Report Counts Wheat Crop Producers Say Isn't There."

Meanwhile, to protect their profiteering, food cartel companies that dominate the grain trade (Cargill, Archer Daniels Midland, ConAgra,

Bunge, Continental, Louis Dreyfus, Pillsbury) are systematically underpaying farmers. Corn is selling at only \$2.15 or so a bushel, which is lower than it sold 20 years ago. In real dollar terms, it's the lowest price in history.

As for wheat, grain dealers in the Dakotas are paying farmers as little as \$1.00 a bushel. The issue here is that the wet weather fostered many pest problems in the grain. However, farmers are being docked far more than is fair; and secondly, compensation should be coming to them in order for them to continue in operation, to guarantee the national food supply.

The situation is so blatant that Sen. Kent Conrad (D-N.D.) has asked the General Accounting Office to launch an investigation into the low prices farmers are receiving for blight-damaged wheat, after farmers told him they were suspicious that the big grain companies were taking advantage of the wet weather and the flooding to take deep quality discounts on new grain now being marketed.

Finally, to complete the "Big Lie" campaign to downplay the lack of grain relative to need, all of a sudden the USDA projects that Russia and China, two of the largest importers of U.S. grain, are having bumper crops. And other factors are cited that supposedly mean that there will be no "need" for a U.S. corn crop anyhow.

Officials point to the Russian default on export loans, which now top \$1 billion, and say that this will force a cutoff in sales of U.S. grain. The USDA says that Russia and other countries of the former Soviet Union will cut their total imports of corn and other coarse grain nearly in half this trade year.

USDA officials also point to President Clinton's decision to impose economic sanctions against China, which can cause that country to limit purchases of U.S. grain.