

World Food Grains Output Potential Falls

by Marcia Merry Baker

The wheat harvest drew to a close in July in Kansas—one of the world's leading wheat centers—and the estimate is the crop will be down by fully 35% from last year's decent level. On July 18, the Kansas Agricultural Statistics Service reported that this year's area harvested will be 8.7 million acres, 1.3 million fewer than last year; the average yield per acre will be 36 bushels, down 12 from last year's yield; so all told, the harvest will be 313.2 million bushels (8.5 million metric tons), down 35% from 2003. In addition, the milling quality of the harvestable wheat is poor.

The immediate circumstances for such a large swing in the crop (Winter wheat, the predominant U.S. type planted in the Fall), include prolonged drought in western Kansas, harvest-time storms in central Kansas, and other "natural" factors. However, the reason for this occurrence is not at all Mother Nature, but rather, the combined impact of decades of policies undermining reliable, secure farm output, both here in the U.S. Grain Belt, and in other granary regions of the world, from Argentina to France, Australia, the Canadian Prairie Provinces, Russia, and so on. They include:

- Lack of infrastructure, refusal to rebuild or extend infrastructure;
- Decades of underpaying family farmers, who have had to rely on off-farm jobs to survive; many have given up farming altogether;
- High energy prices for fuel for farm machinery, drying grain, etc.;
- Cartel control over processing, transportation, inputs, and trade.

In June, at the onset time of the Northern Hemisphere Winter wheat harvest, the U.S. Department of Agriculture issues its first-of-the-season harvest crop estimates; and likewise, the UN Food and Agriculture Organization (FAO) issues its June global *Food Outlook*. For total world production of wheat and grains of all types (rice, corn, sorghum, oats, barley, rye, triticale, etc.), the picture is bleak.

How a once highly-productive agriculture region in Australia has been undermined over the past 30 years, is described in the interview below with farmers from the huge state of Western Australia, one of the world's leading wheat regions.

In contrast to this takedown process, China and India have

TABLE 1

Decline in World Grain Stocks

| Year | World Grain Stocks (Million Metric Tons) |
|------------------|---|
| 2000-01 | 598.5 |
| 2001-02 | 570.8 |
| 2002-03 | 474.9 |
| 2003-04 est. | 397.8 |
| 2004-05 forecast | 362.7 |

Source: UN Food and Agriculture Organization, *Food Outlook*, June 2004.

pursued policies intended to build-up and stabilize their agriculture production, with notable success in recent years. However, in so many parts of the world, the farm sectors have been in decline, or in the case of Africa—despite its vast natural agro-climatic potential—obstructed by global financial powers, that the trend of total annual grain production of all kinds has been *declining per capita*, and headed for guaranteed famine.

One way to look at the effect of variable and inadequate harvests, is in terms of the drastic drawdown taking place in carryover stocks of grains (of all kinds). **Table 1** shows the 40% drop in world stocks over five crop years from 2000/01 to 2004/05, from the June FAO *Outlook Report*.

For wheat in particular, the June USDA report forecast a serious gap between the amounts globally available, and needed for human consumption. In the 2003-04 season, the wheat harvest is estimated to be 550.02 million tons—almost 40 million tons less than what is needed for annual human consumption, estimated at 588.41 million tons. This simply means a huge drawdown in stocks; and hunger. This gap will help reduce world wheat reserves from the 167.14 million tons in reserve in 2002, to 126.43 million tons, a one-year drop of about 25%.

The ratio between wheat reserves available and consumption requirements is the worst since 1954, according to the USDA.

It was to highlight this threat and mobilize for economic development policies to avert it, that Lyndon LaRouche in 1988 initiated an international "Food for Peace" effort by the Schiller Institute. In December that year, at a Chicago conference of farm leaders and other activists, LaRouche gave a keynote address titled, "Give Us This Day Our Daily Bread," calling on them to provide leadership in their respective areas, to restore food security, by fighting to restore economic growth policies at large. Today, LaRouche is stressing the same principle, as a matter of national emergency. He points out (see page 4) how American agriculture—along with manufacturing, infrastructure, and medical and other services—has been eroded in what he calls "The incredible shrinking U.S. economy."