FOOD FOR FREEDOM WEEKLY NEWS RELEASE #61

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WORLD FOOD SURVEY AND FORECAST

Cold statistics about calorie intake or famine oedema or technical terms about diets at "temporary maintenance" or "emergency subsistence" levels do not convey to most people any conception whatever of the tough time vast numbers of people, especially in cities in large parts of Europe and Asia, are going through right now to obtain food. Certainly the overall food situation is better than last year. With equal certainty food shortages as a consequence of the war will not be entirely overcome in a decade and that a very considerable amount of US food will be needed in Europe during the next year or two.

Mr. Harold E. Stassen, after his conference last week with Mr. Stalin, said he believed that "the tightest period for food would be between the present month and June. This is true", he added, "not only of the Ukraine but of all Europe and the Soviet Union". A recent decree by the Soviet Government calls the "battle for high crops" the most important factor in the economy of that nation.

Sir John Orr, Director General of the FAO, released on April 12 a brief report on "The World Food Situation Today". In it he states that total exports of grains for this fiscal year (July 1, 1946 to 1947) "are now expected to be between 27 and 28 million metric tons, which, though considerably below the needs of importing countries, is in the neighborhood of two million tons more than appeared attainable some months ago." Sir John mentions the "great efforts" of the US "to break the bottleneck of internal transportation".

Amazing US Record. If shipments during the next two months keep up to schedule, the US will have exported during the year ending July 1, 1947, about 534.6 million bushels (around 14 million long tons) of grains. This is over a third more than the US exported during last year with the help of the famine emergency campaign. This amazing and little known accomplishment is in part due to the efforts of the President's Cabinet Committee on World Food Programs, under the Chairmanship of the Secretary of Agriculture, and in large measure to the acceleration of grain procurement, movement to port and shipment overseas accomplished by Captain Conway, appointed by President Truman, Coordinator of Emergency Export Programs on December 17, 1946. Since Captain Conway's appointment more grain has been shipped in 4 months than was sent in the previous 5 months. The average monthly tonnage was increased from 248,000 to 1,439,000. The schedule for April is "on the nose" to exceed 1½ million tons. There is every reason to expect a similar record for May. If that is kept up in June the final total may surpass 550 million bushels.

The above US exports would leave our wheat carry-over on July 1, below a safe level except for the fact that almost a billion bushel crop of winter wheat is now assured. With the addition of even an average spring wheat harvest, last year's all-time record harvest of 1,156 million bushels may be surpassed by over 100 million bushels.

Argentina Seeks Maximum Profits. The world's export total for the year is being concurrently reduced by the failure of the Argentine to live up to expectations. Exact figures are not yet available but the countries which
were to obtain a portion of their essential grains from Argentina have been unable to secure full delivery. The Peron Government decreed that all grain for export must be purchased by governments through the Central Bank of the Argentine which is the sole buyer of grain for export from Argentine farmers. This bank pays the farmer about $1.25 per bushel for wheat and is holding it for the maximum obtainable-$3.80 to $4 a bushel from the purchasing countries (over a dollar a bushel more than US wheat). The Peron Government is financing much of its five year plan on this profit. But the farmers don't like this system and are not bringing in the grain. At this time of the year until northern harvests begin about half of the world's grain imports are usually supplied from countries in the southern hemisphere where the year's grain harvest is already gathered.

Grains Basic to the World's Food The close interrelationship of the world's food problems is not well understood. One of the reasons for pressure on the world's supply of wheat during the past two years has been the great shortage of rice in the Far East. The bulk of Asia's rice crop is harvested in mid-winter. Rice prospects for next year are reasonably favorable, though strikes in Burma and unrest or fighting in China, Java, Sumatra and French Indo-China may slow production. By comparison with prewar, rice exports are lower than those of any other staple food.

The amount of grain available here or abroad has a very direct bearing on the fats and oils situation which remains acute. Ample feed for animals increases fat production. It also enlarges the volume of milk and egg production. The demand for pulses (dried peas and beans), the poor man's protein substitute for meat, is decreased as soon as meat becomes plentiful provided price reduction follows.

Effect of High Prices on Continued Hunger Food prices generally have risen more than that of other commodities or consumer goods.

Prices for most foods moving in world trade have been alarmingly increased especially since last fall when most US price controls were removed. The effect is serious indeed for the deficit countries where funds are running out faster than ever. This puts greater pressure on the least expensive foods, chiefly cereals, from which the largest number of calories can be obtained. Numerous predictions have been made about US food prices coming down shortly or at least by next fall.

Some of the Critical Areas To indicate some of the critical spots: we have already reported about Roumania and Yugoslavia; the Irish food crisis is the worst in memory following an appalling harvest last year and the most severe winter and wet spring in half a century; a week ago the Italian Government reported "present wheat stocks sufficient for only about another week" and that "more than 500,000 tons would have to be imported before its new crop begins to come in at the end of June"; the US Army authorities are alarmed because "there is simply no sign of enough food, particularly grain, to get Austria through July, August and September"; and the food situation in Japan is "rapidly deteriorating with agricultural prospects no better than for western Germany".

Delay on Peace Treaties Affects Food The solving of food problems is being deplorably delayed by failure to reach basic agreement about policies concerning Germany and Japan. This creates great economic and political uncertainties which retard world recovery. The US cannot be expected to carry much longer such a large share of financing food exports. Agricultural rehabilitation must be stepped up rapidly in all countries.

Undernourishment Prevails The conclusion to be drawn is that great undernourishment prevails especially in the ex-enemy countries, in most of the UNRRA countries and of course in the Far East. Even with the help of UNRRA or civilian feeding by the Military these countries have not been able to import enough food to restore the vitality, efficiency and resilience of their people. Bad weather has lessened the chances of a good European harvest this year. Considerable assistance will be needed at least until their crops are gathered in 1948.