Keynote address

The Brightest Prospect in U.S. Livestock History

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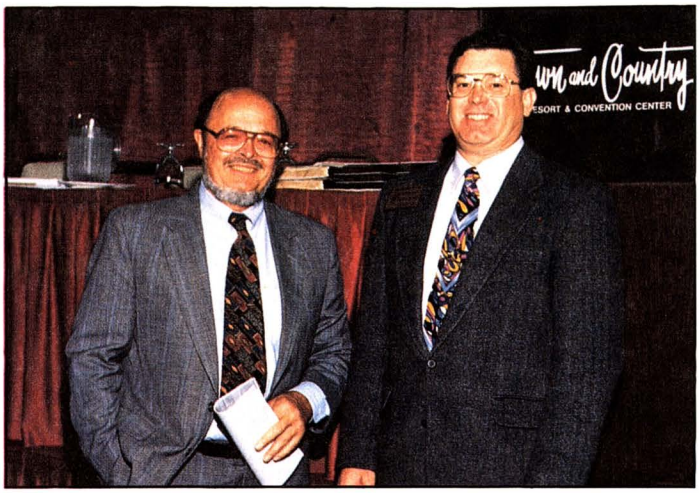

Dr. Jim Sears, Program Chairman, right, with Keynote Speaker Dennis Avery.

America has a history of farm exporting that reaches clear back to the Jamestown Colony in 1610, when we shipped hogsheads of tobacco and indigo dye in tiny wooden sailing ships.

But nothing in the export history of American agriculture stacks up to the enormous opportunity that lies before American farmers today.

— This opportunity should mean that America's livestock industries will earn far more from exports than they have ever received from Federal farm subsidies.

— It should mean continued rapid growth in beef exports.

— It should mean that the dairy industry will begin to earn significant export profits for the first time in history - due to 1) the burgeoning demand for dairy products among hundreds of millions of people in tropical countries; and 2) advances in dairy technology such as refrigerated container freight, UHT milk and chilled concentrated milk.

— For America's rural communities, the export opportunity should mean broad growth in jobs and prosperity - in sharp contrast to the price support and cropland diversion programs provided until recently by the Federal government. (Estimates now indicate that cropland setaside has eliminated one-third of the non-farm jobs in American rural communities since 1950.)

All types of American farms, and most of our rural residents, should share in the export gains.

This opportunity is far too big to be offered by the U.S. government. For 60 years, that government has tried to provide and guarantee prosperity for the America farm - and failed. Third World poverty and the broad, rapid spread of higher-yield technologies have depressed farm prices for most of our working lifetimes.

Now, however, burgeoning world trade is generating prosperity for billions of people in the Third World. As a result, the world is in the midst of the last and biggest surge in food demand it will ever see. The food challenge for the 21st century is not just to triple the output of its farms over the next 45 years, but to triple it without taking more land from wildlife for food production.

Successfully meeting that food challenge would be humanity's greatest environmental triumph, and America's livestock industries should play a major role in achieving it.

The Huge Change in Washington

The immediate reason for the change in American livestock and dairy prospects has occurred in Washington, D.C. The Congressional decision to balance the Federal budget - at long last - has freed U.S. livestock industries to seek export markets.

The farm surpluses are gone. There are no more price supports to generate unsaleable surpluses. There is no Commodity Credit Corporation to store them and depress the markets.

Anyone who thinks farm subsidies are going to come back after the current seven-year law has not looked at the projected Federal entitlement obligations after the baby boomers start reaching retirement age in 2005. Shortly after that year, Social Security and Medicare are projected to take nearly all of the revenue

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from the current tax system. Changes will be made in the entitlement programs, but they will be politically painful - and the money saved will not be offered to commercial farmers who have $1 million apiece in farming assets.

Soaring World Farm Demand

Clearly, if American farmers are to prosper in the next century, they will have to prosper from market earnings. Fortunately, the world will urgently need their production. In fact, with free trade, I expect that American farmers would have the opportunity to *supply one-fourth of the world's food demand growth, during the biggest economic boom the world has ever seen.*

In 1933, you could argue the world had inadequate demand for farm products. You cannot argue that in the world of 1995 and 2000.

The fundamental reasons for the change in American farm export prospects is the combination of rising human populations and rising world prosperity - which will increase world farm product demand by 250 to 300 percent over the next 45 years. Farmers will need to increase their production of beef and dairy products by *more* than three-fold. The surge has already begun.

Population now looks like it will stabilize a good deal faster than many people thought. The Third World has come from 6.5 births per woman in 1960 to 3.2 births today - roughly three-quarters of the way to stability in one generation. Meanwhile, high-income countries average only 1.7 births per woman, and more countries will decline to that level. An honest statistical projection of current world birth trends, done by the Winrock Foundation, concluded that the world's peak human population would be 8.5 billion in 2035, trending downward after that year.

Affluence, however, is applying *more* farm resource pressure sooner than we thought. The reason is simple and profound - *trade*. That trade is being sponsored by the General Agreement on Tariffs and Trade (GATT). Since Japan, Taiwan and South Korea proved the opportunity works, the whole Third World has lined up to become GATT Tigers.

This surge in world economic growth is no Oil Producers' Economic Cartel (OPEC) boomlet, doomed to fizzle out after a few years of phony oil prices. This is permanent and solid economic growth. Unlike oil money, the income gains are being spread very broadly among average citizens.

Nearly 3 billion people in Asia are now living in market-oriented economies that have been increasing their national economic output by nearly 10 percent per year, compounded, since 1980.

For example, since China began liberalizing its economy in 1977, its total output has probably increased five-fold, and its exports by more than ten-fold. Foreign direct investment has gone from zero to more than $120 billion. Per capita incomes in the southern half of the country have quadrupled. Sixty percent of urban Chinese households now have refrigerators and more than three-fourths have *color* TV's.

Surging Demand for Better Diets

Almost the first thing that poor people do when they get more income is to bid for better diets. They first want more rice and wheat. Then they buy more cooking oil. Then they start buying more eggs, more milk and finally more meat, fruits, and vegetables. These farm products take three to five times as many farming resources to produce as a calorie of cereals - but there is an innate human hunger for them.

— In China, meat demand has increased by 10 percent each of the last five years. The Chinese ate 5 million tons more meat last year than it did the year before - and permanently added more than 20 million tons to our annual feed grain demand.

— India's consumers are trying to buy an additional 1-2 million tons of milk and dairy products per year, despite feed shortages, high prices and poor quality.

— Indonesia expanded its broiler flock by 25 percent and 150 million birds in 1995 alone!

Asia today has 3 billion people consuming an average of perhaps 17 grams of animal protein per day. America eats 71 grams and Japan 55. By 2030, the world will have to supply at least Japan's current 55 grams of animal protein per day for 4 billion Asians.

Thus the world's biggest food gap is opening in the region least able to meet that demand - the densely-populated nations of Asia. That region will have nine times as many people per acre of cropland as North America. It has already developed more of its cost-effective farming potential than any other part of the world.

America's Comparative Advantage in Farming

The world has a shortage of cropland with the soil structure, temperate climate and rainfall to support high yields (and thus low costs per bushel). North America has the biggest chunk of such land anywhere in the world. The other three "green jewels" are smaller: in the Ukraine, the North China Plain, and Argentina.

Good temperate-zone farmland has fewer wildlife species and less erosion risk than most tropic land. The tropics have high soil temperatures that burn up organic matter, they have long dry seasons, and the rains come as torrential monsoons.

The U.S. has by far the best infrastructure supporting its farms. This translates directly into lower costs of delivery. We have four coasts for low-cost trans-

port, and such rivers as the Mississippi, Missouri, Ohio, Arkansas, Columbia and Snake. Where we don't have rivers, we have railroads, already built, along with the world's best road net. Nobody else has been diverting 40-50 million acres of good farmland. Frontier land is expensive to plant; it doesn't have schools or farm supply stores, let alone railroads.

Additionally, America's agricultural research system is second to none. American farmers have had first crack at everything from hybrid corn to no-till herbicides to BST. Pest-resistant soybeans, corn with its own built-in pest-killer and cows that produce 40 percent twin calves are on the way to our farms right now.

Food self-sufficiency - Government Goal or Error?

Ninety-five percent of the world's food demand growth is being supplied by domestic farmers. But the domestic farmers aren't winning because they're so good. They're winning the markets because the game is rigged.

None of the world's export farmers are being allowed to compete. High tariffs, import quotas, government purchasing and phytosanitary barriers are all being used to keep out food and feed imports.

— Annual world grain consumption increased 185 million tons in the 1985-95 decade, but trade increased by only 21 million tons, due to trade barriers. Trade provided a mere 11 percent of the world's grain consumption, exactly the proportion of ten years earlier and a lower proportion than 20 and 30 years ago.

— The world's oilseed crush rose by 60 million tons in the 1985-95 decade, but trade rose only 8 million tons.

— The world's meat consumption rose one-third in the countries with enough cash to be monitored by USDA - but exports captured only 10 percent of the expansion.

— Asian dairy demand is rising by more than 1 million tons per year - and would like to be rising by 2 million tons. Only Hong Kong and Singapore are encouraging dairy imports. Asia has the money to buy more, but they are constrained by the combination of high costs, low quality, feed shortages and hot, humid climates.

— India's dairy industry is struggling to supply 1 million tons of additional milk per year. Thirty percent of its cattle fodder is being stolen from it forests, and much of the rest is biomass stolen from its crop fields. Neither is a sustainable source, due to high labor costs, environmental damage, and terrible soil erosion risks. No one has yet found a good way to breed dairy animals for the heat, humidity, insects and poor feed they encounter in India.

— China's demand for dairy products rose sharply from 1980 to 1993 - but high feed costs and government-induced pricing problems then stalled the industry, and there has been no production growth since.

The reason why American dairy exports are not expanding is farm import barriers, not a lack of buying power in Asia. I was in Beijing last year with the Chinese Minister of Agriculture, for a conference on the world food outlook. The Minister repeated China's government policy goal of food self-sufficiency.

He bragged that China was feeding 20 percent of the world's population on 7 percent of its cropland. But why should a country *try* to feed 20 percent of the world's people on so small a share of its cropland? This is an era of low-cost transportation and food preservation. There are millions of acres of underused cropland and lots of high-yield dairy genetics in places like the U.S. and Europe. Half of the growth in Hong Kong's food imports is being smuggled into China to meet soaring consumer demand.

I told the conference that food self-sufficiency in China was the wrong goal, from the wrong century, for the wrong country. Countries from now on will not judge their success by their food self-sufficiency. Too many consumers in the newly-industrializing world can read, and watch TV. They know that better foods are available and they want them.

From now on, governments will be judged by how quickly affordable they can make a high-quality diet, with lots of meat, milk, fresh fruits and vegetables. China and India cannot succeed in this context by barring farm imports, because they are too short of good cropland and high-yield farming systems.

U.S. Farmers Should Win One-fourth Demand Growth

There is no reason to doubt that American farmers could get one-fourth of the growth in world food demand over the next three decades under free trade rules.

— In the big picture, the U.S. got 48 percent of the growth in the world's combined trade in grain and oilseeds the 1985-95 decade.

— In the last big export boom, between 1974 and 1981, world grain exports rose from 137 million tons per year to 216 million. America supplied 59 percent of the increase!

— World meat imports have been expanding, and the U.S. has supplied half the increase *without subsidies.*

There is no reason to doubt that the U.S. would get a major share of the growth in world dairy demand, especially as Europe's exports are reined in by its government deficits and new international agreements.

America has not been winning half of the world's growth in cheese exports - yet. But the growth has been

strong. World cheese consumption has risen by about 1 million tons in the past five years, while trade has increased 150,000 tons. U.S. cheese exports have nearly doubled, but that has amounted to only 18,000 tons, because America's share of world cheese trade has been so small. Until now, the world market has been dominated by Europe's export subsidies.

In the future, as more countries confront their feed shortages and climate constraints, and as refrigeration chains are extended into densely-populated Asian countries, there will be more trade in more high-value dairy products, such as ice cream mixes, whole milk powder, and even milk itself. America will be in a strong position to supply a substantial share of it.

What About Global Dairy Competitors?

Australia is already using all of its rainfall, for either grain or livestock.

New Zealand is the world's low-cost dairy producer, essentially because they have good year-round pasture. But they're already using all of their grass. How can they expand to supply the new markets?

Canada will expand its output, but it lacks America's degree-days and rainfall.

Western Europe's commercial farmers are reducing their output, because their subsidies are being slashed. The European Union's grain production last year was down 20 million tons from 1991/2, and its milk production has been cut by 8 million tons.

Eastern Europe has the land and climate to produce dairy products for export. However, it lacks infrastructure, institutions, capital, farm inputs and political stability.

Argentina will perhaps double its farm output, but it has only one-third as much cropland as America. It may actually cut back its beef production in favor of more crops.

The Environmental Need for Higher-Yield Farming

If high-yield agriculture is going to regain its rightful place in our public policies, it must be seen as a public benefit. If our farm legislation is going to unleash American farm exports, we'll need to defuse the opposition of groups like Greenpeace and the Worldwatch Institute which are preaching food self-sufficiency and traditional farming.

No farm policy will survive that does not reassure the American public on environmental concerns.

But if farmers understand and emphasize the *environmental* benefits of high-yield farming, we can convert the momentum built up for protecting the environment and saving wildlife into support for high-yield farming too. *America's high-yield commercial farmers deserve to win approval from the general public for saving millions of square miles of wildlife habitat and thousands of tropical wildlife species.*

The big problem for agriculture is that we've kept bragging about saving human lives, preventing famine, fighting hunger. We haven't realized that the public is now more concerned about an overcrowded planet than they are about world hunger. Many people tell me the world *needs* a big famine to make more room for wildlife!

Of course, they don't realize what a famine would really mean to the wildlife. Last year, I told a Senate hearing that world farm productivity was continuing to rise at about 3 percent annually - while world population growth has fallen from 2.3 percent to 1.7 percent. Only if we managed to stall our agricultural research efforts should the world face severe famines. (Most of the planet's recent famines had been small, and caused by civil wars, not crop failures.)

I warned the Senators that the real question was not *famine* but *wildlife*. Famines don't occur until after hungry people have hunted down virtually every wild creature, and plowed the remaining forest for low-yielding crops.

The only way the world can have wildlife in the 21st century is by *tripling the yields - again - on the planet's best and safest cropland.* If we continue to pursue higher yields, through research, technology and especially the new frontier of biotechnology, we should be able to meet that food challenge from *less* land than farming takes today.

Saving Wildlife Habitat With High Yields

Here is a quote from a recent article by an ecologist named Dr. Michael Huston, of the Oak Ridge National Laboratory, writing in the Bulletin of the *Ecological Society of America* (June, 1995).

"Conservative economists may be far ahead of the environmental community in their plans for a sustainable future that will save the Earth's biodiversity and environmental quality . . . . The bottom line [is] that the only way to save wildlife and biodiversity from the increasing demands of the growing human population is through increasing the food output from the Earth's existing farmlands . . . . failure to increase agricultural productivity through new intensive farming methods will lead to the devegetation and destruction of vast areas of marginal lands that cannot support sustainable

agriculture, but do support most of the earth's remaining biodiversity . . . . All ecologists who are concerned about a sustainable future should take these ideas seriously, regardless of their philosophical differences . . .give them an unbiased evaluation and consider how their own work and activities relate to this pragmatic framework for using and conserving the earth's resources."

Huston was responding professionally and powerfully to the message in Hudson's book, *Saving the Planet With Pesticides and Plastic: The Environmental Triumph of High-Yield Farming.*"

He was endorsing our analysis that high-yield farming is already saving 10 million square miles of wildlife world-wide - the acres that didn't have to be plowed for food. The world today is cropping about 5.8 million square miles of land. If we were getting the yields we obtained in 1950, we'd need not 5.8 million square miles but 15 or 16 million square miles of crops. Instead of planting the land area of South America, we'd be plowing both North and South America. If we committed ourselves to organic farming for the next century, we could expect to plow down the whole Western Hemisphere, Europe and half of Asia to get our food and fiber!

Agriculture is the key to world land use, and thus to preserving the world's wildlife. Cities currently take up only 1.4 percent of the earth's land area. By 2050, they will still use less than 4 percent. Agriculture directly takes one-third of the world's land - and because of its high yields leaves another one-third in forest. But remember that the forest is the land left over after we have "enough" food.

We simply don't need to sacrifice millions of square miles of wildlife. We don't need to trigger the biggest wildlife disaster since the Age of the Dinosaurs because we can raise crop and livestock yields instead. (Dr. Dale Bauman at Cornell has estimated that it would take another 1.9 million acres of land to produce New York State's current milk output if we farmed today the way we farmed in 1950. That's nine times the land area of New York City, and probably comparable to the land area of the whole New York Metropolitan Area!)

The U.S. has been diverting from production perhaps 40 million pretty good acres of cropland (by world standards). That's land we've been wasting. The sunlight and rainfall have just come and gone. Nor is there any evidence that we raised world farm prices. More likely, we exported farming jobs to the countries where food demand was rising faster and the farmland was poorer.

Americans have deplored the destruction of tropical forests, but they haven't understood that our cropland diversion was directly responsible for the destruction of tropical forests. They haven't understood that the forests were being sacrificed to grow low-yielding crops and feed poor-quality animals.

The so-called "sustainable agriculture" movement tries to evade the wildlife habitat question by claiming they have more wildlife *in their fields*. But nobody's fields have much wildlife. Virtually all of the world's wildlife and biodiversity live in its forests and wild meadows.

The Eco-activists' fallback position is that the world must conform to their view of perfection, no matter what the impossibility of imposing their narrow ideals on humanity.

"The world simply shouldn't try to feed so many people; population must be reduced."

(And will they volunteer to be the first to go?)

"People should become vegetarians."

(No country or culture in history has ever been voluntarily vegetarian.)

Eco-activists cannot eliminate agriculture's fundamental responsibilities by airily dismissing them. The media cannot produce food by singing the praises of low-yield organic farms.

Conserving With Cows

Even the noble cow, which converts grass that humans can't digest into high-quality healthful protein, has now been charged as an environmental villain. However, it is hard to see what the world would gain by letting its grasslands grow tall and ungrazed - and then watching them turn to instant C02 when the lightning hits dry grass.

To prevent wildfire, we must graze the grass. If we graze the grass, it makes little sense to let the wolves have all the benefits - in a world that keeps threatening tropical forest for meat and milk production. It is environmentally wise to graze it with high-efficiency meat or dairy animals, protected with the best pharmaceuticals we can find to minimize the disease and death rates that would lower the feed conversion ratio. (European veterinarians say it might take twice as many animals to produce today's meat and milk supply without animal pharmaceuticals.)

Global warming may at some point demonstrate that it will be a serious problem. So far, we have very little warming that can be associated with human impacts, and a set of computer models that cannot successfully account for the weather of the last century, let alone the next. If research demonstrates that we need major reductions in greenhouse impacts, it is the burning of fossil fuels, not cows that will be the main object of policy change.

The grass will still need to be grazed.

"Pesticide" is Not a Dirty Word

Nor are we threatening wildlife with our pesticides. Farm chemicals pose virtually no threat to the world's wildlife. Farm chemicals

have yet to cause a single species extinction that I have been able to document. (The boll weevil is thriving despite 100 years of human efforts to eradicate it with any means at hand.) Farm chemicals are not even obliterating any significant wildlife *populations*.

Virginia recently proposed a ban on Furadan 15G because it had been implicated in the deaths of several hundred birds in the state over a period of years. Sometimes the granules were left on the soil surface and birds ate them. The manufacturer agreed to take the product off the market in states where it posed a problem to birds of concern. Fortunately, we had other cost-effective soil insecticides. However, if Virginia banned *all farm pesticides*, it might lose 50 percent of its crop yields - and have to plow down another 2 million acres of wildlands to make up for the losses. How many birds (and other wild creatures) live in 2 million acres of Virginia wildlands?

Naturalists are not worried about losing wildlife species to pesticides; they are worried about losing habitat. *The real threat to wildlife habitat is low-yield farming!*

Saving Soil With Farm Chemicals

The key element in farming sustainability has always been soil erosion. For 10,000 years, humanity accepted soil erosion as the price of having food for more than a few million hunter-gatherers, living constantly on the edge of famine.

High crop yields radically cut soil erosion in and of themselves. When we triple the yields on the best crop acres, we cut soil erosion per ton of food produced by two-thirds because we're only opening one-third as much land to wind and water. Even better, we have less need to farm the steeper and more fragile acres.

Since 1970, herbicides have given high-yield farming another equally-powerful tool for conserving land, water and wildlife. Herbicides have created no-till farming and conservation tillage. These low-till farming systems cut already-reduced rates of soil erosion by another 65-95 percent.

When we combine fertilizer and chemical weed killers with conservation tillage, we stop soil erosion in its tracks. We are already using them on 100 million acres in the U.S., on much of the cropland in Canada, and on rapidly-increasing acreages in such diverse places as Western Europe, Brazil, Australia and Zimbabwe.

Low-till farming also gives us a strong increase in soil tilth, with two to ten times the earthworms and soil bacteria per acre, and far less soil compaction.

The Promise of Biotechnology

Biotechnology is the largest unexploited piece of knowledge we have about how to increase the productivity of plants and animals. Already, we have developed safer vaccines against diseases by genetically-engineering the outer coating of disease organisms. It is radically speeding the traditional breeding process that has been the key to raising farm productivity. We have learned to copy nature's growth hormones, so that cattle and hogs can grow faster with less feed, and produce more milk and meat with fewer acres of grain to support them. Biotechnology is letting us use far more of nature's genes - and making the genetic resources of the wildlands truly important for the first time.

Preventing Cancer With Pesticides

The final and most crucial question about farm chemicals is their impact on the health of people. Overall, farm chemicals play a major role in helping us save human lives, by preventing natural toxins from infesting our food, by reducing cancer rates, and by preventing heart disease.

The Food and Agricultural Organization (FAO) says that one-fourth of the world's grain and oilseeds are dangerously infested with natural toxins such as aflatoxin and ergot. We don't let our crops become so infested. We use fungicides to prevent the fungi from attacking our fields or our stored commodities. We use insecticides and rodenticides to prevent the seed damage that lets the fungi in.

Even more important, pesticides are a key factor in providing our consumers with ample supplies of attractive, low-cost fruits and vegetables. Medical professionals all agree that fruits and vegetables are humanity's strongest defense against both cancer and heart disease, the two most dreaded diseases of affluent societies. Eating five fruits and vegetables per day cuts cancer risks in half, compared to people who eat little produce. Only 9 percent of Americans eat enough fruits and vegetables for full protection right now. How many of us would eat adequate fruits and vegetables if they cost twice as much and were full of worm-holes? On that basis, organic produce is literally a threat to public health!

Recently a big fuss has been raised in the media about pesticides in our drinking water. The most widely-detected of these chemicals is atrazine, a very cost-effective herbicide with a 30-year track record of human and environmental safety. Since there was a theoretical question linking atrazine and breast cancer, women in agriculture and forestry, where atrazine has been used, were recently surveyed. In fact, they had only 85 percent as many incidents of breast cancer as the average American woman.

The Environmental Protection Agency (EPA) doesn't advertise the fact, but EPA researchers have

recently upgraded atrazine's human safety rating by about seven-fold. (This was done by EPA's science arm, in the midst of a campaign by EPA's political leadership to ban it entirely.) Given EPA's new safety rating, a woman would have to drink 154,000 gallons of water per day for 70 years just to meet the "no effect" level in the rat tests - and for ten months per year she'd have to add her own atrazine!

I recently debated a Greenpeace official, who said flatly, "Captan causes cancer." In fact, studies show that captan may offer the average consumer one ten-millionth of the daily cancer risk we get from chlorinated drinking water.

How much wildlife habitat should we sacrifice to prevent this level of "risk"?

Organic Farming Can't Save the Planet

The bitter truth for organic believers is that low-yield farming can't save either the people or the wildlife. Organic yields are just too low. Organic farms produce about half as much total output per acre as the good mainstream farms with similar land endowments. Worse, the world has only about 20 percent of the organic nitrogen needed to support current world food production - let alone tripling farm output for the future.

The only practicable way for the world to get huge increases in organic nitrogen would be to grow millions of square miles of additional legume crops - sacrificing wildlife for clover and alfalfa.

What about LISA, or low-input sustainable farming? Well, if chemicals aren't dangerous to people or wildlife, why are we spending research money to find lower-yield farming systems? Higher yields are better, in and of themselves, unless we can *prove* some of the negatives against chemicals. The wildlife habitat is too important to gloss over. "Concerns" aren't enough. We need proven impacts, and I mean proven, with peer-reviewed scientific consensus.

Our Leadership Role

To save the critical wildlife habitats, we'll need to use the world's best cropland, wherever it may be. Because America has a huge proportion of the world's best cropland we have a responsibility to lead.

Asia will have eight times as many people per acre of farmland as North America. Moreover, Asia has already planted most of its good cropland with high-yield technology. Most of its available expansion area is tropical forest.

Equally important, it is the poor-quality land that harbors the most biodiversity, all over the world. The best cropland has the fewest wild species everywhere in the world. The best land has big populations of a few species, like the deer and the antelope. Tropical forests harbor perhaps three-fourths of the world's wild species. In contrast, America cleared the forests from 100,000 square miles of prime cropland in Ohio and Indiana during the 19th century. The only species known to have been lost was the passenger pigeon, which was done in primarily by market hunting, not loss of habitat.

The world and the environment need farm trade to prevent losing thousands or even millions of tropical wild species in the next century.

Fortunately, the prospects for liberalizing farm trade are bright.

America's own farm subsidies were one of the biggest barriers to free farm trade, and now they are gone. During the Uruguay Round, many American farm advisors were really siding with the French and Germans against free trade, to protect their allotments and payments. Now that the payments have been decoupled, farm trade reform needs to become the #1 priority for U.S. farm organization.

American farmers have the most to gain from farm trade liberalization. If they want the opportunity, they will have to not only accept free trade in farm products, they will have to lead the rest of the world's farmers to accept it in the World Trade Organization meetings that will start in 1999.

(The Washington establishment will probably not offer its farmers much help on free trade. Washington is tired of free trade. Bill Clinton thinks he spent a lot of political capital on NADTA without getting much gratitude in return. Bob Dole may actually talk against the WTO in the election. Washington officials remember clearly how long the plane ride to Geneva, Switzerland, really is. Farmers will have to prod Washington into action.)

The surprise will come when *French farmers* support our GATT reform effort - as they will. The French farmers have found that the European Union's new farm policy is direct payments to politically-correct small farmers. The commercial farmers are being pitched overboard. They're going broke.

Germany will quietly support freer farm trade too, because its top priority now is bringing Poland, Hungary, Romania and the Czech Republic into the European Union. (To serve as a buffer against possible Russian militarism.) Extending the current EU farm policy to those big agricultures would double its cost, to $100 billion per year.

The Cairns group of 15 big countries (Canada, Australia, Brazil, Hungary, etc.) will strongly support market-oriented farm reform. They've long been caught in the subsidy cross-fire between the U.S. and the EU.

Even the newly-industrializing countries should welcome free farm trade. It will provide a political ex-

cuse to let in lower-cost food, avoid inflation, and avoid the farm price support/surplus trap that the Western countries are still trying to dig out of.

That level playing field is within reach. It will take some time to organize the next WTO round, and several years for the round itself. But the message for American farmers is clear - the sooner the better.

Dennis Avery is Director of Global Food Issues for the Hudson Institute, and writes a weekly column on world food and agriculture for Knight-Ridder News. He was formerly the expert on international agriculture for the U.S. Department of State. His latest book, ***Saving the Planet With Pesticides and Plastic: The Environmental Triumph of High-Yield Farming,*** *is available from Hudson for $19.95 postpaid. Call 800/876-8011, or write Hudson Institute, P.O. Box 202, Churchville, VA 24421.*

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