

NATIONAL REVIEW

Planet Nebraska

A hungry world no more

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Answer: California, Iowa, Texas, Nebraska, Minnesota, Illinois, Kansas, North Carolina, Wisconsin, and Indiana.

Question: Whatever happened to world hunger?

World hunger is in dramatic decline. As our friends at HumanProgress.org reported over the summer, the hunger indicators are all moving in the right direction: Fewer people are going hungry, both in absolute numbers and as a share of the world's population; hunger has fallen dramatically in China after a program of partial economic liberalization; those people around the world who are underfed are less underfed than they were a decade or two ago, with their average daily calorie deficits down to about 85 calories — just 1.5 McNuggets short of a full day's nutrition; and world food prices are down steeply, having fallen by half in real terms over the past century.

The USDA reported on Tuesday that world wheat production is expected to hit a record high this year, and that U.S. producers will export — not produce, but export — more than 1 billion bushels of the stuff. Export projections are up 50 million bushels since January, driven higher by large orders from China.

Trade with China may stink if you are an aspiring manufacturer of flip-flops or plastic toys, but it is making you rich if you are a farmer in Nebraska. Nebraska's biggest export is beef. In fact, Nebraska's two biggest exports are beef, according to the federal government's statistics (fresh and frozen "meat of bovine animals" are separate categories), and a great deal of that beef goes to Hong Kong. And the Chinese are especially hungry for Nebraska's third-largest export: soybeans. China is hungry for soybeans from Illinois, Iowa, Minnesota, and other big soybean-producing states, consuming half of U.S. soybean exports. Despite its heavy reliance on U.S.-produced meat and soybeans, there isn't really a Chinese campaign for "protein independence," just hungry people with cash in their pockets looking for the best product at the best price.

Tourists used to enjoy visiting the New York Stock Exchange, back before it was a fortified bunker. It gave them a thrilling impression of the hustle of Big Business. But if you really want to see the best of real capitalism in action — capitalism as it actually exists in the world, not the capitalism of theory — then you should visit three places: a German automobile factory, an American farm, and the Port of Los Angeles, which handles about 165,000 automobiles a year and 8 million tons of food.

That's a lot of food.

No, really: That is a lot of food.

The United States, in fact, produces about twice as much corn as the No. 2 producer, China, and about five times as much as the No. 3 producer, Brazil. And we produce a lot of everything: wheat, potatoes, beef, pork, chickens, eggs, rice, cotton, vegetables, sorghum, maize, animal feed — everything.

Another way of looking at the question is to consider agricultural exports. The United States exports far more farm produce than any other country, nearly twice the amount of big agricultural powers such as Brazil, France, and Germany. (Funny little quirk: Tiny Netherlands is the world's No. 2 agricultural exporter, shipping out products with a dollar value equal to about two-thirds of that of the United States: A ton of fresh flowers costs a lot more than a ton of soybeans.) It is not as though the rest of the world doesn't know how to farm or doesn't have arable land and water. And it is not as though Nebraska soybeans enjoy some sort of special cachet, like French wine — soybeans are pretty much soybeans. American farmers are just better at producing them.

Which is why, while all those unhappy 26-year-olds with MFAs in creative writing are pissing and moaning about the state of the world, American farmers are getting rich. According to the USDA, 97 percent of U.S. farm households are both high-wealth and high-income, meaning that they score above the national median on both counts. But that doesn't quite capture it. American farm households own, on average, more than \$800,000 in wealth. And if you focus on real farmers — which is to say, families operating commercial agricultural operations — you have an average household wealth of \$2.5 million. Yes, net worth is different from gross wealth, but the average debt of a farm family is only about \$72,000, not very much in comparison with the average wealth. As the colorful investor Jim Rogers told NATIONAL REVIEW a few years back: “If you want to drive a Lamborghini, learn to drive a tractor.”

This is, for better and for worse, how it is supposed to work: Poor people get to eat, farmers get paid and maybe buy a German sedan to go along with that Ford truck, the guys loading and unloading the ships in San Pedro make a nice wage — prosperity. And you know what a commercial farm in Iowa, a Mercedes factory in Stuttgart, and the Port of Los Angeles all have in common? They are miracles of automation, extraordinarily effective engines of prosperity in industries that — because they are healthier than they once were — employ fewer people than they once did. Some people, mainly for reasons of nostalgia and complete lack of familiarity with actual assembly-line work, still romanticize working in an automobile factory. Not many people dream of growing up to be stevedores or soybean magnates. And, that's okay: It's a big world and a big market — big enough to accommodate all sorts of dreams and aspirations.

Not long ago, the great dream and aspiration of most of the people walking this Earth was to have enough to eat, for themselves and for their children, and to be liberated from worrying about whether they would eat again tomorrow or the next day. Capitalism can be a great deal of work, but it works if you let it work.