

The advent of chemical nitrogen fertilizers (manufactured by a retooled munitions industry following World War II) had a short-lived boost on yields, but instead of improving the bottom line for American farmers they had the opposite effect. More crop meant lower prices. Fertility, which once came from livestock raised on-farm, now came in a bag from the agri-chemical company down the road. In less than one lifetime, farms went from being self-contained ecological production systems, to debt-ridden, input-dependent "agri-businesses" that soon required massive government subsidies to keep them afloat. In less than one lifetime, farms went from being biologically diverse systems that relied upon animal husbandry, crop rotation and perhaps additions of mined substances (calcium, for example) to specialized single-crop systems that were merely extensions of the chemical companies who manufactured the toxic brews to be spread on American soil.

In order to afford to buy tractors my uncles had to borrow money. In order to make payments on their tractors they had to buy more land in order to grow enough crops (at declining prices) to pay for the new equipment. More land meant more borrowing. More borrowing required a larger cashflow which called for bigger tractors which meant more borrowing and the cycle continues to this day. The seemingly inevitable upsizing of the American farm and the bleeding of the American farm economy shifted into overdrive in 1973-74 with what appeared to be caused by a wheat crop failure in the former Soviet Union.

Ken Meter, an agricultural economist at the Crossroads Resource Center in Minneapolis, Minnesota, has repeatedly shown how critical this time period was for the American farmer and the entire U.S. economy. In a report written for the Indiana State Department of Health in 2012, Meter writes:

It was not until 1973-74 that American farmers would experience bountiful prosperity. This occurred in the aftermath of the OPEC decision to restrict oil production. This had the effect of raising the price of oil, and since most of the oil America purchased at the time came from the Middle East, our purchases funneled dollars into the hands of the oil industry there. At the time, Middle Eastern oil producers did very little to reinvest in the United States, so these dollars flowed steadily away from our shores.

In an effort to bring dollars back to the U.S. economy, and to offset higher prices induced by oil costs, the White House created what they said would be a "win-win-win" solution. The government asked American farmers to produce more grain, promising them "permanent export markets abroad" if only they

would ramp up production. The Soviet Union agreed to purchase considerable wheat and corn, using dollars they held in savings accounts; this was necessary because crop failures and distribution breakdowns had made many Soviet citizens hungry. According to the plan, Soviet consumers would eat better, farmers would make more money, and the treasury would recover the dollars that had been sent overseas.

Many farmers remember Secretary of Agriculture Earl Buttz standing in front of microphones asking them to "plant fence row to fence row." Further, he encouraged farmers to expand their operations, saying "Get big or get out of farming." Both federal and private lenders responded accordingly, encouraging farmers to take on additional debt. This analyst interviewed several farmers in the 1980s who had approached lenders asking for a loan of, say, \$250,000, and were rejected because they asked for "too little." As one farmer recalled, the lender responded that he would not consider making a loan unless the farmer asked for \$400,000 at minimum. Given the promise of permanent export markets, these farmers felt they had no choice but to go along.

However, in 1974, the Soviet Union stopped buying massive quantities of grain, saying they had restored their own capacity to feed themselves. Suddenly, markets for grain commodities collapsed. As sales plummeted, so did farmgate prices, since there was no other buyer who could buy in quantity. Rural elevators across the Grain Belt loaded grain high onto immense cone-shaped piles on their lawns, since storage was full. The "permanent export markets abroad" had been an illusion.

Farm income returned to levels similar to those prior to the oil crisis, but with one big difference. Farmers now had higher debts to pay — loans they had taken on, at times under duress, thinking prices would stay high. Farmers now found they could not repay their debts. It took a decade for this to become obvious to the rest of the nation.

From the article "Hoosier Farmer? Emerging Food Systems in Indiana" by Ken Meter.

The "get big or get out" policy very quickly led to the real estate cannibalism of rural America. A farmer who got bigger, typically bought out a neighboring farmer who, for whatever reason, decided to sell. In the 1980s, when farm real estate prices no longer rose fast enough for farmers to roll their debt forward by "riding the inflation train," the farm economy fell into a severe credit crisis. This was the outgrowth of the only two years of substantial prosperity for farmers since the early 1950s and was caused solely by the federal government. Not even farmers with the best agricultural practices were immune to this government-caused catastrophe. Net cash income for