



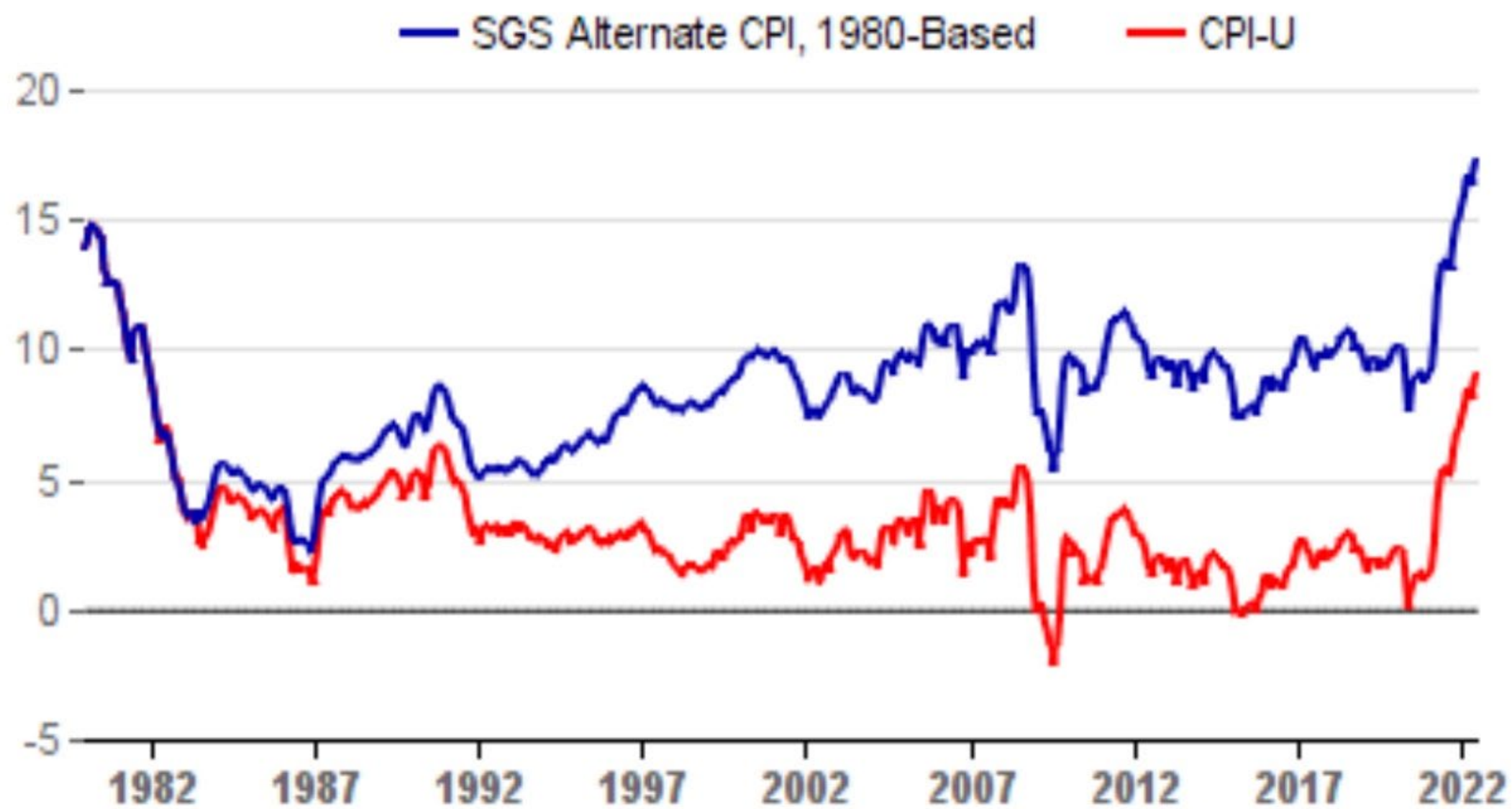
War, Pestilence, Famine, Drought,  
Floods, Inflation:

What on Earth is Happening?

Professor Jonathan West

# Consumer Inflation - Official vs ShadowStats (1980-Based) Alternate

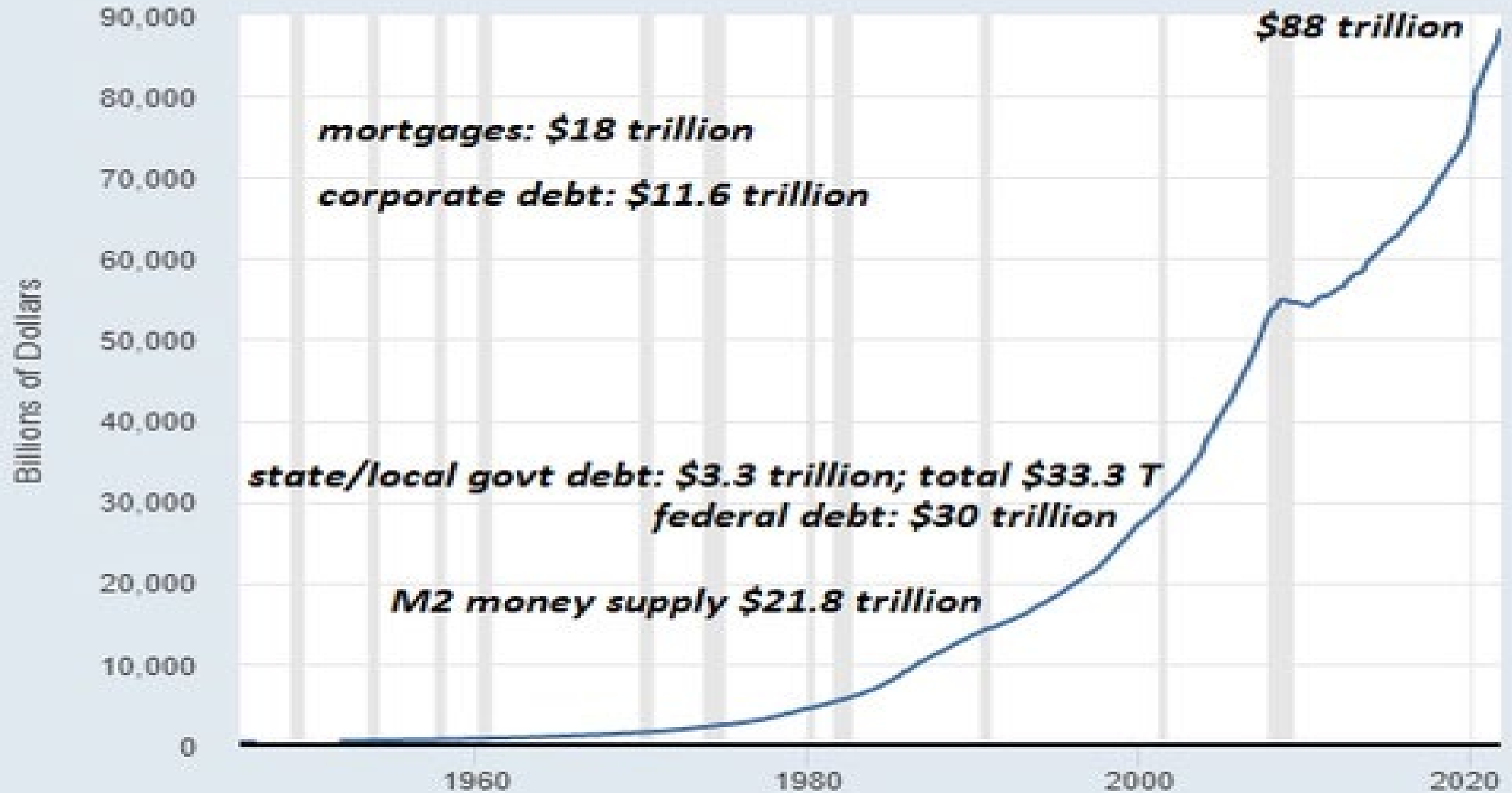
Year to Year Change. Through June 2022



Published: July 13, 2022

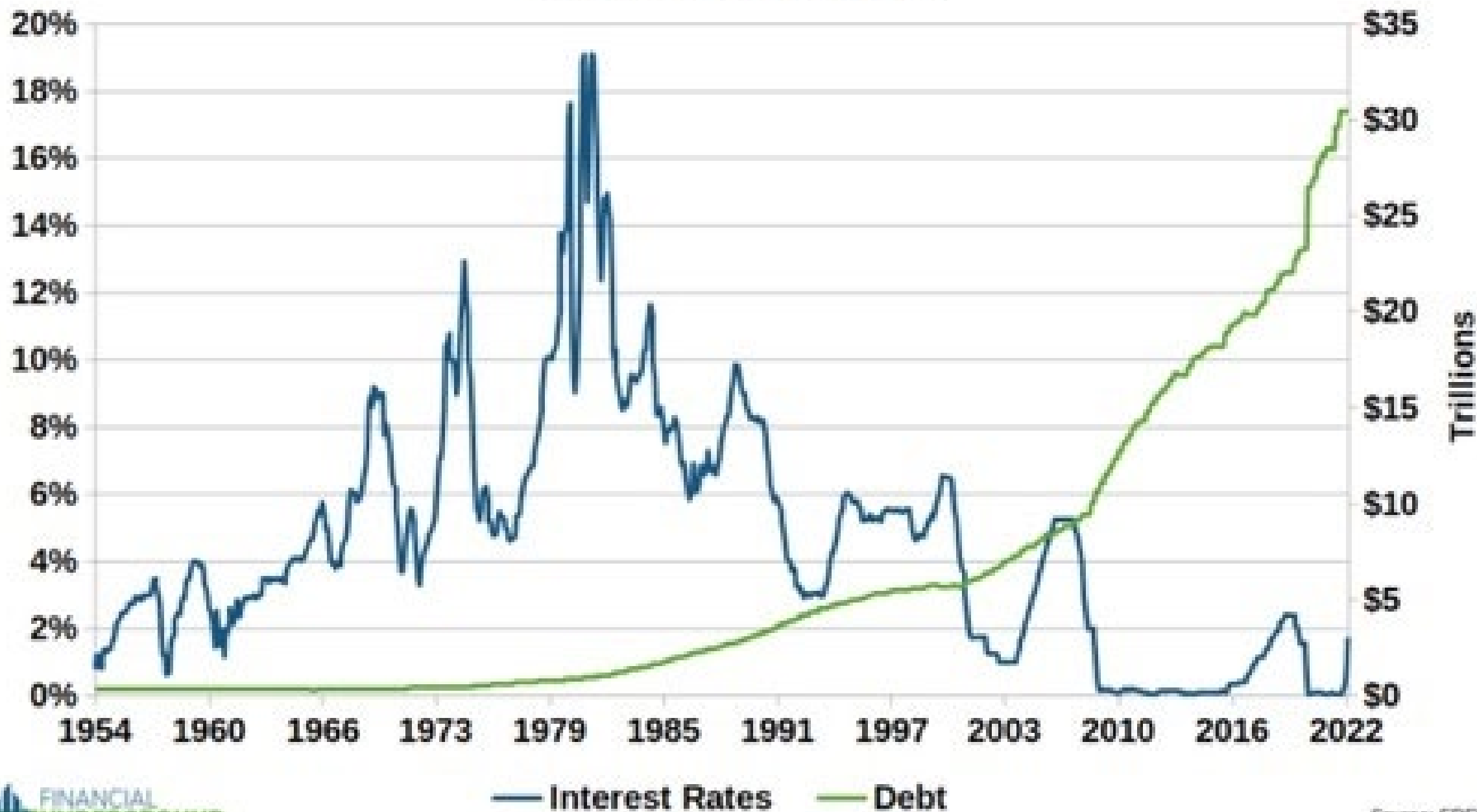
ShadowStats.com

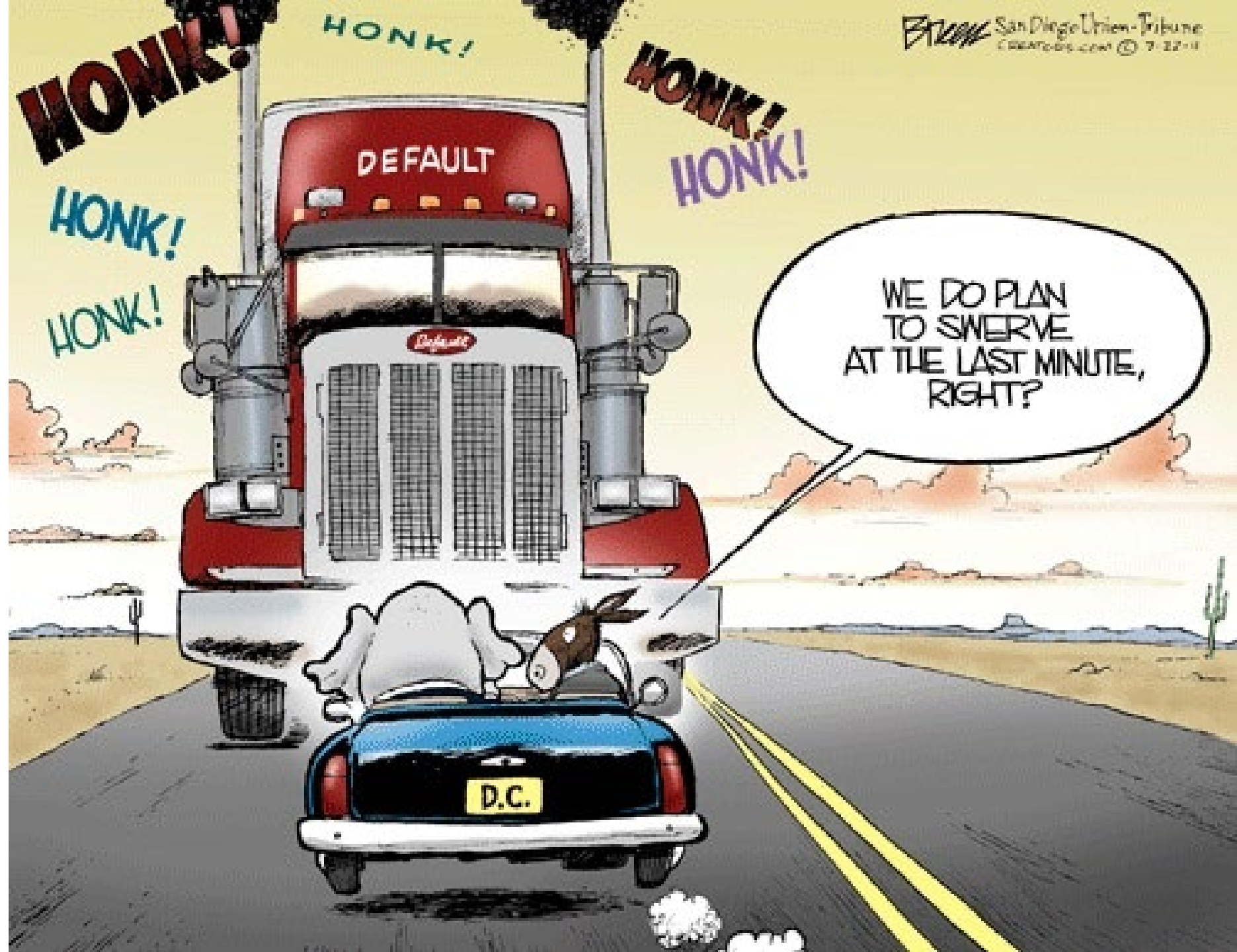
| <b>Tightening Cycle</b>          | <b>Fed Funds Rate Peak</b> | <b>CPI</b> | <b>Real Rate</b> |
|----------------------------------|----------------------------|------------|------------------|
| 1973                             | 11%                        | 7.40%      | 3.60%            |
| 1976-1980                        | 20%                        | 14.80%     | 5.20%            |
| 1983-1984                        | 11.75%                     | 4.30%      | 7.45%            |
| 1986-1989                        | 9.75%                      | 4.80%      | 4.95%            |
| 1994-1995                        | 6%                         | 2.90%      | 3.10%            |
| 1999-2000                        | 6.50%                      | 3.20%      | 3.30%            |
| 2004-2006                        | 5.25%                      | 4.30%      | 0.95%            |
| 2015-2018                        | 2.50%                      | 1.90%      | 0.60%            |
| 2022                             | 2.50%                      | 9.10%      | -6.60%           |
| <i>Data from Bianco Research</i> |                            |            |                  |



Source: Board of Governors of the Federal Reserve System (US)

# The Fed Is Trapped





HONK!

HONK!

HONK!  
HONK!

HONK!

HONK!

WE DO PLAN  
TO SWERVE  
AT THE LAST MINUTE,  
RIGHT?

DEFAULT

D.C.

## Famine in 2023?

#1 The hard red winter wheat crop in the United States this year “was the smallest since 1963”. But in 1963, there were only 182 million people living in the US. Today, that population has grown to 329 million.

#2 It is being projected that the rice harvest in California will be “half what it would be in a normal year”.

#3 The U.S. tomato harvest will come in at just 10.5 million tons in 2022. That is over a million tons lower than a normal year.

#4 This will be the worst U.S. corn harvest in at least a decade.

#5 Year-to-date shipments of carrots in the United States are down 45 percent.

#6 Year-to-date shipments of sweet corn in the United States are down 20 percent.

#7 Year-to-date shipments of sweet potatoes in the United States are down 13 percent.

#8 Year-to-date shipments of celery in the United States are down 11 percent.

#9 Total peach production in the U.S. is down 15 percent from last year.

#10 Almost three-fourths of all U.S. farmers say that this year’s drought is hurting their harvests.

#11 Thanks to the endless drought, the total number of cattle in Oregon is down 41 percent.

#12 Thanks to the endless drought, the total number of cattle in New Mexico is down 43 percent.

#13 Thanks to the endless drought, the total number of cattle in Texas is down 50 percent.

#14 One beef producer in Oklahoma is now predicting that ground beef “could eventually top \$50 per pound”.

#15 At least 40 percent of the United States has been suffering from drought conditions for 101 consecutive weeks.

#16 Overall, this is the worst multi-year megadrought in the United States in 1,200 years.

#17 Europe is currently experiencing the worst drought that it has seen in 500 years. In some parts of central Europe, river levels have fallen so low that “hunger stones” are being revealed for the first time in centuries.

## Famine in 2023?

#18 Corn production for the entire EU could be down by as much as one-fifth in 2022.

#19 We are being warned that there will be crop losses in France of up to 35 percent.

#20 It is being projected that crop losses in some areas of the UK could be as high as 50 percent.

#21 It is being reported that there will be crop losses “of up to 50 percent” in some parts of Germany.

#22 Some farmers in Italy have already lost “up to 80% of their harvest”.

#23 Agricultural production in Somalia will be down about 80 percent this year.

#24 In eastern Africa, the endless drought has already resulted in the deaths of at least seven million animals.

#25 In China, they are facing the worst drought that they have ever experienced in recorded history.

#26 India normally accounts for 40 percent of the global rice trade, but we are being warned that production in that country will be way down in 2022 due to “considerable rainfall deficits in key rice producing states”.

#27 A third of the entire nation of Pakistan was under water after recent floods absolutely devastated that nation, and agricultural areas were hit particularly hard. As a result, the vast majority of the crops in the country have been “washed away”... It has also been estimated that roughly 65 per cent of the country’s food basket — particularly crops like rice, cotton, wheat and onion — have been washed away. Pakistan Foreign Minister Bilawal Bhutto-Zardari, in an interview to CGTN earlier this week, offered an even starker outlook by saying that “about 80 to 90 per cent” of the country’s crops have been damaged by the floods.

#28 The prices of some fertilizers have tripled since 2021, while the prices of some other fertilizers have actually quadrupled.

#29 One payment company is reporting that the number of Americans using their app to take out short-term loans for groceries has risen by 95 percent.

#30 Demand at U.S. food banks is now even worse than it was during the height of the COVID pandemic.

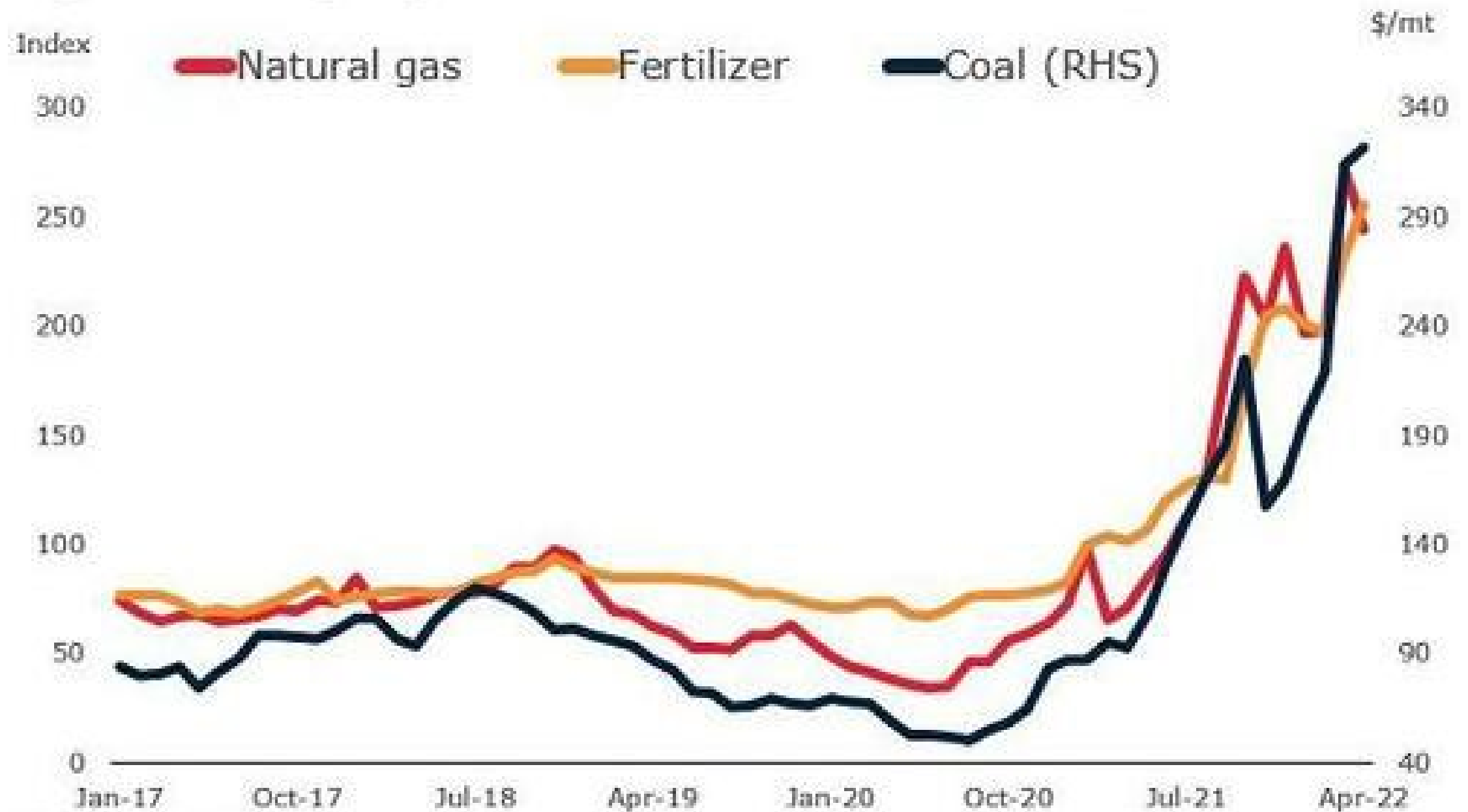
#31 The World Health Organization is telling us that millions of people in Africa are now potentially facing a very real possibility of starving to death.

#32 According to the World Food Program, 828 million people around the world go to bed hungry each night. Needless to say, that number will soon be much higher.

#33 UN Secretary General António Guterres has publicly stated that he believes that it is likely that there will be “multiple famines” in 2023.



# Agriculture input prices

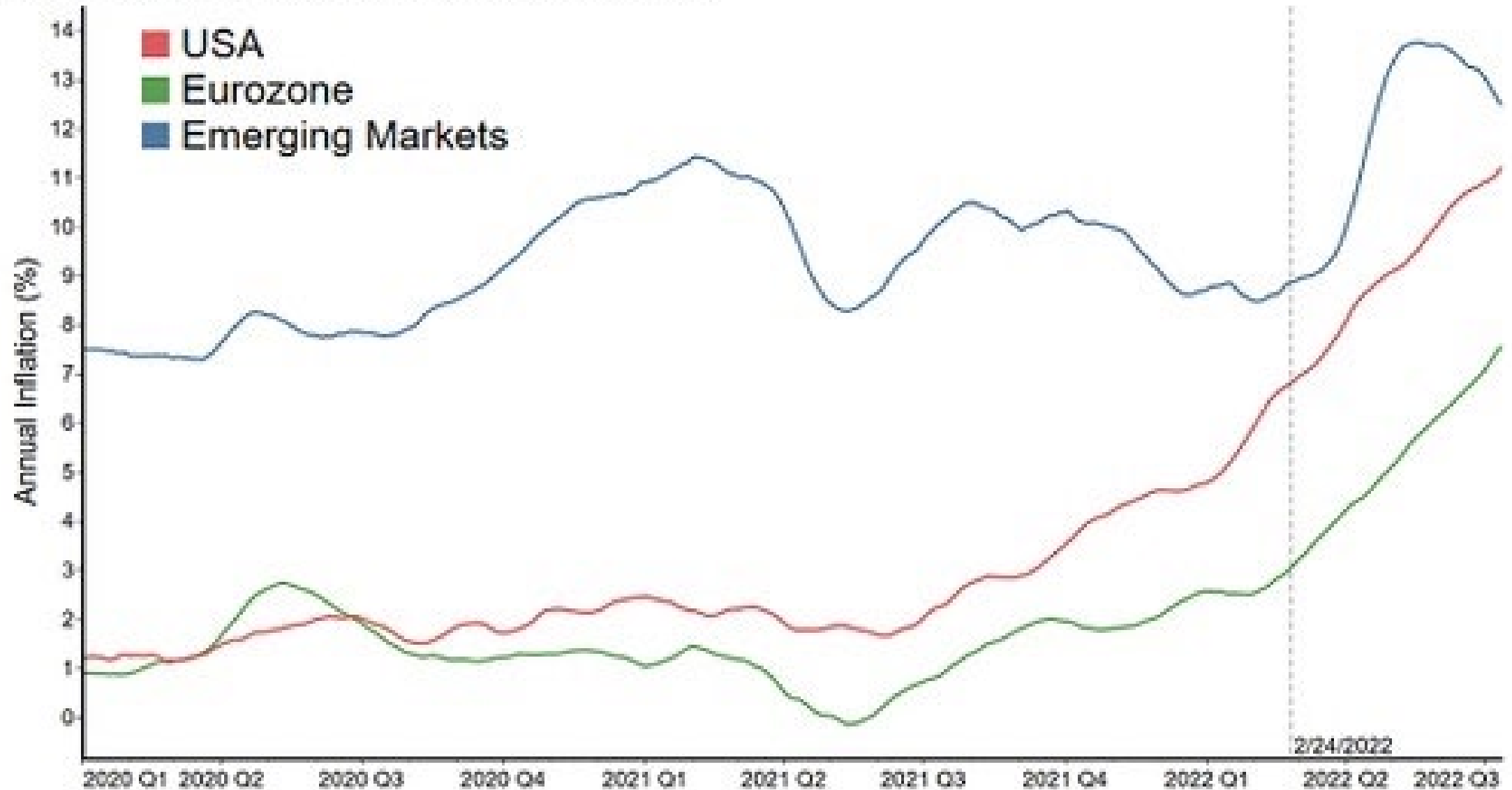


Note: Last observation is April 2022.

Source: World Bank.

# ANNUAL INFLATION OF FOOD PRICES

DAILY INDEXED VALUES, JAN. 2020–JULY 2022

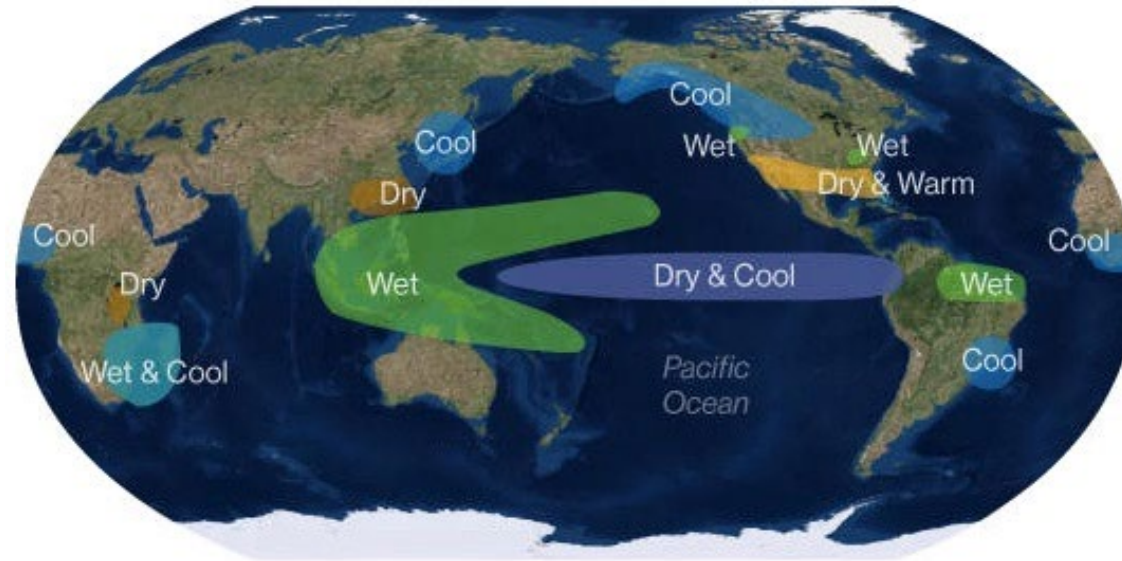


Source: The Billion Prices Project, PriceStats, State Street

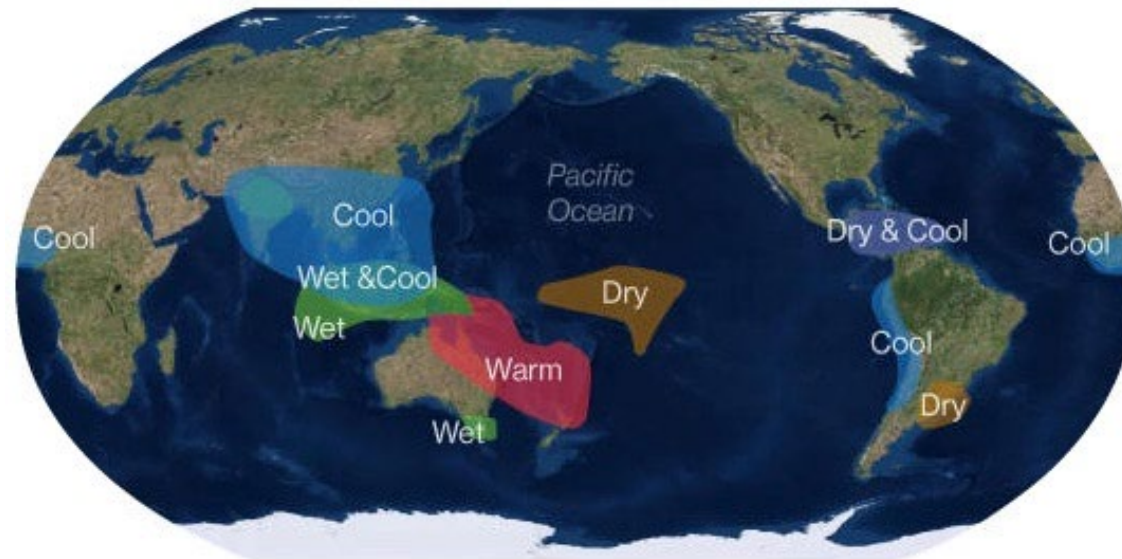
EconoFact econofact.org

# Weather Impacts of La Nina

During December – February



During June – August



## **What does it all mean for olives?**

Juan Luis Avila (President of Andalusian Co-ops) **“It is the worst harvest that I can remember.”**

Jose Manuel Bajo (DOP Baena) **“Current information is extremely concerning.”**

Cristobal Cano (University Dean) **“Current structural issues and draught make us fear for the future of olive growing in Spain.”**

Gabriel Estevez (SOVENA) **“If we don’t receive above average rainfall over the coming months, the situation will be critical.”**

Juan Gadeo (Interoleo) **“It will be a very short harvest, with productions below 50%.”**

Antonio Gallego (MIGASA) **“We desperately need to try to avoid consumption to drop due to extremely high prices.”**

Cristobal Gallego (JeanCoop) **“Given the current situation, we are very pessimistic about the future.”**

Arturo Hernan Gomez (ASAJA) **“We estimate olive oil production will be under 800,000 tons.”**

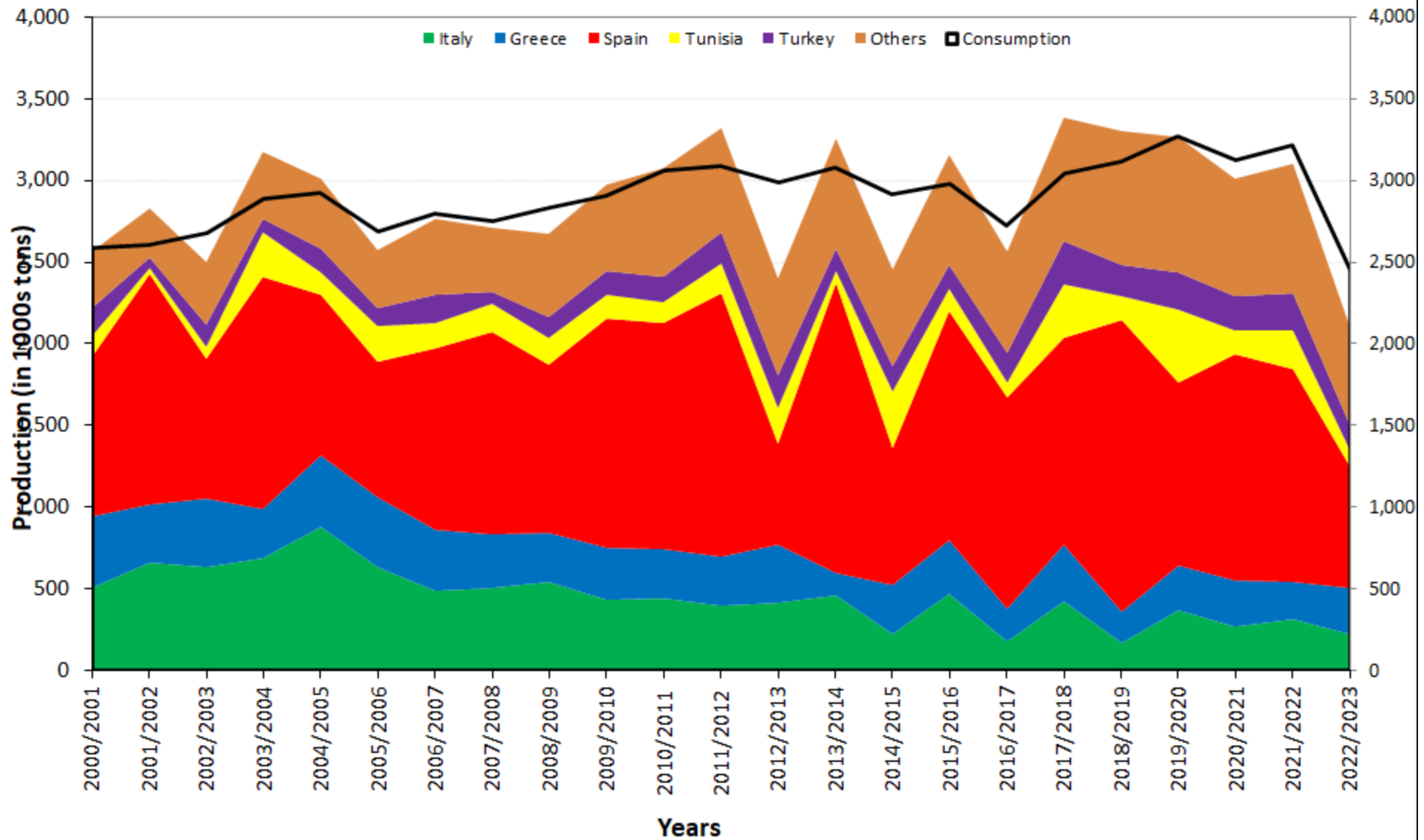
Antonio Luque (Dcoop) **“ I can only pray for rain, and a lot of it.”**

Alvaro Olavarria (Oleoestepa) **“The past 12 months have broken all records in terms of high temperatures and drought and have taken the olive groves to their limit.”**

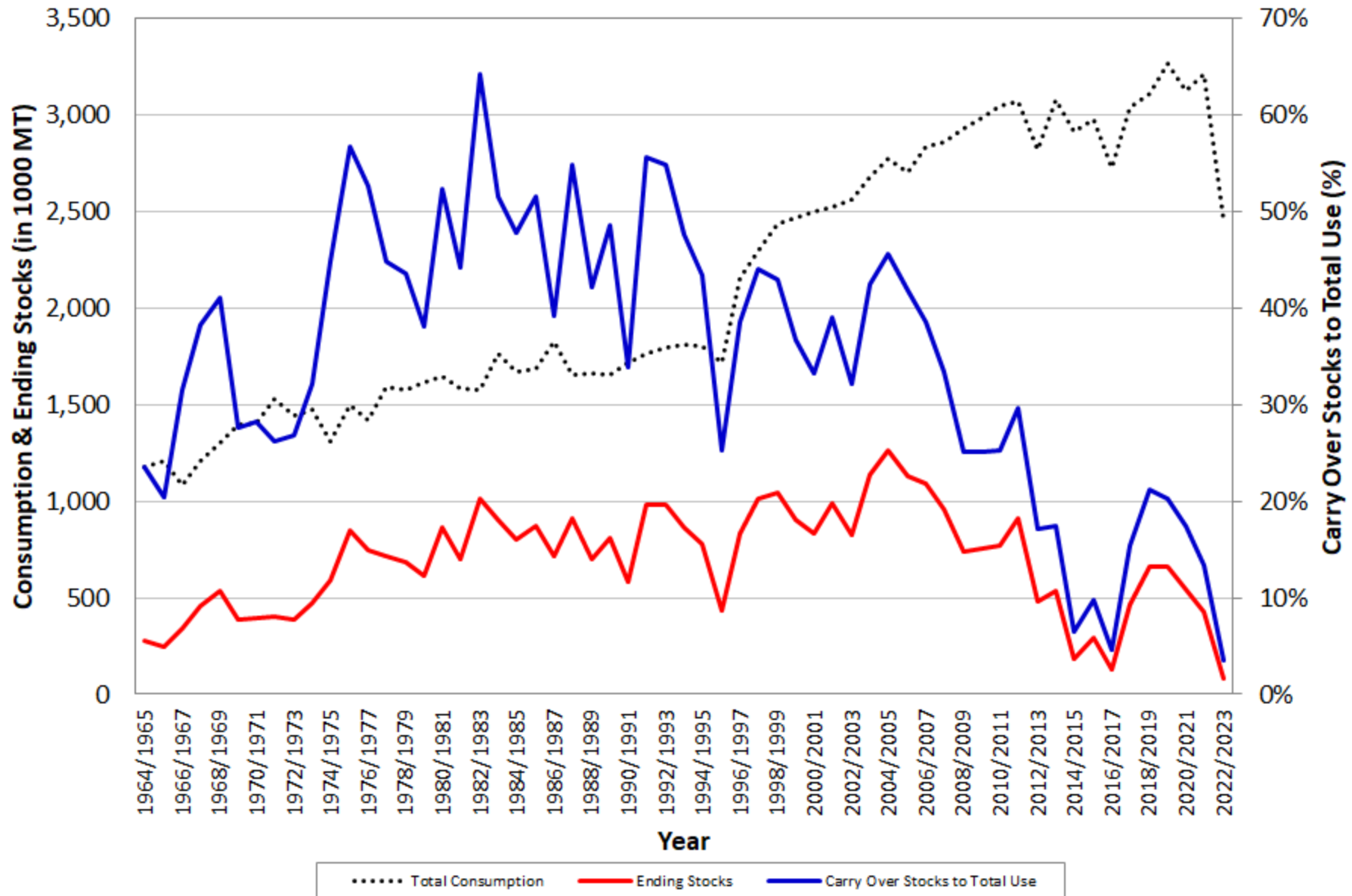
Jose Maria Penco (AEMO) **“I have no doubt we are facing the most uncertain season in over 20 years.”**

Juan Morales (SLU) **“We keep an eye on the sky and another on consumers’ pockets.”**

# Evolution of World Production of Olive Oil per Country



# World Olive Oil



### Analysis of the Spanish Olive Oil Industry (in tons of olive oil)

|                      | 2019/20   | 2020/21   | 2021/22   | 2022/23   |        |
|----------------------|-----------|-----------|-----------|-----------|--------|
| <b>Carry over</b>    | 755,700   | 491,200   | 423,600   | 443,600   |        |
| <b>Production</b>    | 1,125,700 | 1,389,970 | 1,490,000 | 745,000   |        |
| <b>Imports</b>       | 244,283   | 182,900   | 185,000   | 122,100   |        |
| <b>TOTAL</b>         | 2,125,683 | 2,064,070 | 2,098,600 | 1,310,700 |        |
| <b>Domestic Cons</b> | 516,409   | 542,800   | 565,000   | 450,000   | -20.4% |
| <b>Exports</b>       | 1,118,074 | 1,097,670 | 1,090,000 | 670,700   | -38.5% |
| <b>TOTAL</b>         | 1,634,483 | 1,640,470 | 1,655,000 | 1,120,700 |        |
| <b>Balance</b>       | 491,200   | 423,600   | 443,600   | 190,000   |        |

