

# ‘Un-Natural’ Floods, Speculation Hit U.S. Farmbelt; Cancel Biofuels!

by Marcia Merry Baker

The impact of the second “500-year flood” in 15 years in the U.S. Midwest farmbelt is an automatic supply disaster for world grains and meat, besides causing vast damage to the residents and economy of the Upper Mississippi River Basin. But the destruction from the “Flood of 2008” is not caused by Mother Nature; it is the result of the policy morass in Washington, D.C.

Congress and the Executive branch have been in the thrall of British imperial designs for globalization, cartelized food, opposition to public infrastructure—except where cartel interests desire it—, and commodity speculation. Now this is capped off by the mass diversion of food crops into bio-energy. The key emergency response needed for the Mississippi flooding crisis, is for Washington to declare, “Cancel biofuels!” This would indicate a return to policies based on moral and scientific economics, instead of the insanity now destroying the United States and world economies.

The LaRouche Political Action Committee (LPAC) is circulating the kinds of measures required, in a White Paper titled “Kill the WTO; Double Food Production.” Written by the LPAC Youth Movement, it was issued before the June 3-5 Rome conference of the UN Food and Agriculture Organization.

Among the paper’s recommended actions are to stop bio-fuels; ban speculation in oil and food; muster emergency food supplies for points of need internationally; support farmers with low-interest production credits and parity-based prices for their output; build needed water, power, and transportation infrastructure; stop cartelization, and especially, eliminate the World Trade Organization. Not pie-in-the-sky, such measures are being pursued in part by many nations the world over, from Honduras to Malawi to Vietnam.

Of great strategic importance is the fact that Russia, India and China have all initiated programs in the direction

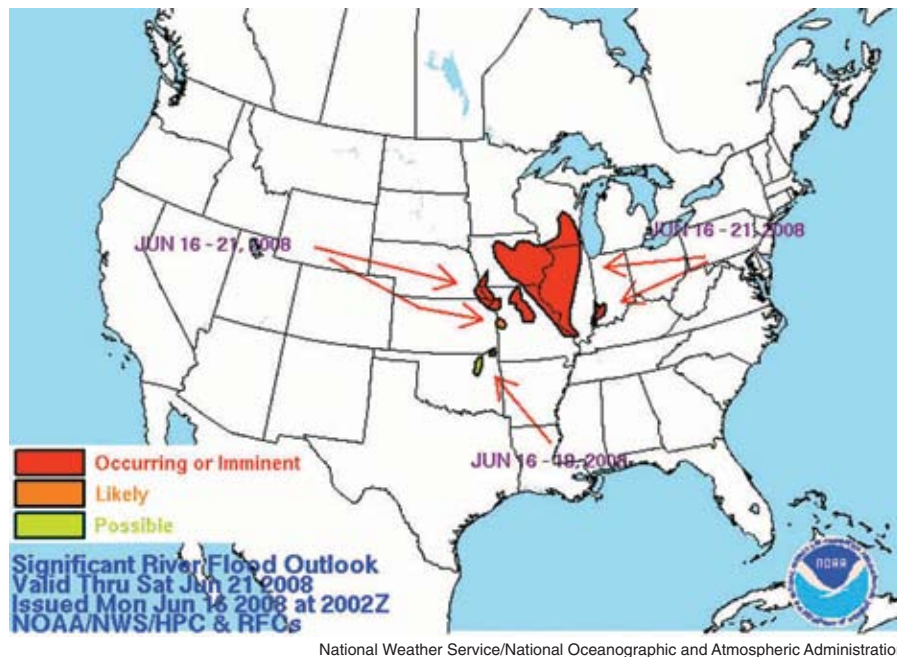


*On June 14, 2008, in Des Moines, Iowa, a town levee broke on the Des Moines River—a tributary of the Mississippi—causing floods that forced thousands to evacuate the 200,000-person state capital.*

Interiority

FIGURE 1

## Upper Mississippi Basin Flood Zones, Through June 21, 2008



of food-self sufficiency, and have imposed controls on food exports and prices, as needed, to protect their populations. This amounts to a rejection of the years-long WTO free-trade regime, enforced by the International Monetary Fund, World Bank, and London financial powers, which have disallowed such nation-serving actions. It's now time for the United States to sink or swim.

### Upper Mississippi Lacks Flood Defenses

For decades, the funding has been denied to the U.S. Army Corps of Engineers to build and maintain the needed Upper Mississippi Basin flood control infrastructure—flood lakes, levees, diversion channels, etc. For example, there are today about 1,500 levees in this region, only 5% built or managed by the Corps, which has lacked the backing to improve all structures—including locks and dams for navigation—to make the system work for maximum protection for all.

Even after the epic Flood of 1993, which temporarily created a “Lake Iowa,” the Army Corps was not fully backed. Funding has also been withheld from local entities (towns, soil

districts, agriculture associations), along with denial of resources to key Federal agencies, such as the Agriculture Department, which is responsible for thousands of small, upper watershed dams, a vital part of run-off control.

Meantime, under globalization, the Midwest countryside has been de-structured into vast croplands without hedgerows or stands of trees, into suburban sprawl, and into many riverside real estate boondoggles, where levees weren't built because they would “spoil the view”! Therefore, when the rains come down, the floods come up.

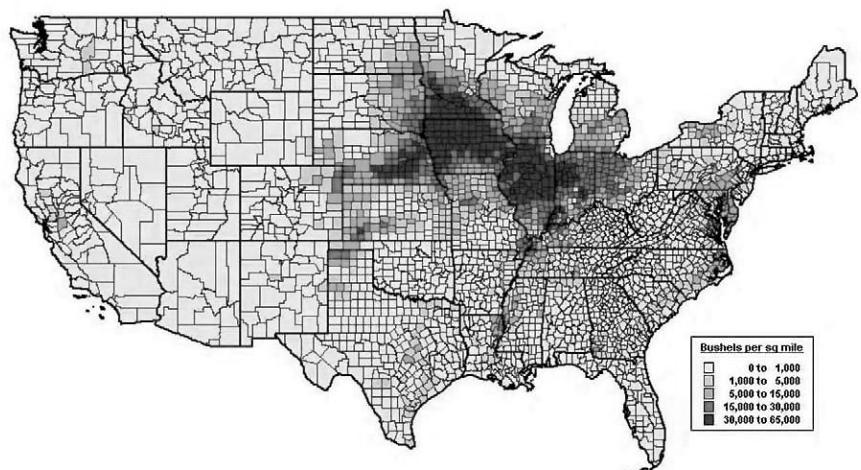
The Mississippi River Basin is second in area only to the Amazon Basin. What is called the Upper Mississippi Basin drains all or part of 13 states and several Canadian provinces, an area of 723,700 square miles above the confluence of the Mississippi and Ohio Rivers at Cairo,

Ill. The partially built flood-control infrastructure in the Upper Mississippi Basin is credited with reducing the damage by 50% from the Great Flood of 1993. But, if it had been fully built out over the past 15 years, it would have almost completely protected against the current flooding. Instead, vast areas are still under water.

FIGURE 2

## Concentration of Annual U.S. Corn Production in the Upper Mississippi River Basin

(10.6 Billion Bushels; Average Over 2000-04, in Bushels per Square Mile, by County)



Sources: USDA National Agriculture Statistics Service; Kansas State University.

## World Food Supplies Hit

The two maps shown here make the point about the world scale of agriculture losses from the Upper Mississippi Basin flooding. **Figure 1** is one of the flood warning maps issued daily in June by the National Weather Service/National Oceanographic and Atmospheric Administration, showing the locations and dates of the likely or imminent flooding. The most extensive flooding is right in the heart of the U.S. cornbelt, shown in **Figure 2**. Almost one-third of the entire U.S. corn harvest comes from this extended Midwest region; and the U.S. accounts for about 40% of world corn produced. There could be a 5% drop in world corn output at least. The Midwest losses will have a huge impact.

Whereas last year the United States produced a record corn crop of 13.1 billion bushels (333 million metric tons),

this year, only 11.735 bb (255 mmt) were projected by the U.S. Department of Agriculture *before the flooding occurred*; and now, a U.S. crop of less than 11 bb may be harvested. This is far below the U.S. corn usage projected for 2008, in the range of 12.51 bb, counting 4-5 bb for corn ethanol. Either this “ethanol corn” is cancelled, or the question becomes: Who won’t get U.S. corn? Mexico, Japan, nations in Africa? Or will U.S. livestock producers be stiffed?

A Purdue University Extension Service economist, Chris Hurt, is issuing warnings, “The corn isn’t there.” The National Cattlemen’s Beef Association (NCBA) put out a statement June 19 saying: “Corn growers responded to increased demand last year by producing a record harvest. However, the cattle industry does not operate in the past. Both the marketplace and Mother Nature have created a drastically different scenario this year. Lower acreage and below trend line yields can only mean one thing: less corn.” The NCBA is asking for a waiver on using corn for biofuels, given the shortages and high prices.

## Speculation Gone Wild

Speculators are making a killing off the crop loss prospects from the flood. This gaming comes on top of months of rampant speculation on the Chicago Board of Trade and other exchanges, both because of the world food crisis, and because hot money flows have no other “casino” available any more except commodities, given the blow-out of other speculative swindles, such as securitized mortgages. Yet Washington so far will not intervene, just hold hearings to decry it. Corn futures prices spiked 28% in the month of June; year on year, the price has more than doubled, hitting \$7.95 a bushel on June 26.

The physical damage to farming is enormous. Some 20% of Iowa farmland is directly flood-affected by sand, debris, silt, and pollution; and the other 80% is in poor shape from the wet Spring. Hundreds of grain elevators are down along the Mississippi. Farms with grain bins are stuck with water-logged grain several feet deep. There is a danger of aflatoxin. Mosquitoes and disease-causing bacteria are spreading. Veterinarians are worried about animals drinking contaminated water. With all the disturbance to the ground, they also are watching for anthrax showing up, as it can persist dormant in the soil for decades.

Some 27% of Iowa’s corn has typically gone to feed hogs—the state has raised 25% of the hogs in the United States in recent years. But now, the feed, energy, and marketing conditions are in chaos.

The washed-out roads, rail lines and downed or unsafe bridges have disrupted economic activity in all directions. There were 36 breached or overtopped levees as of the last week in June. An initial survey done by Texas-based Industrial Info Resources, noted that the state has 41 power plants, with many experiencing trouble. Three coal-fired plants in the state were shut down by Alliant Energy Corp.

## LaRouche: ‘The Greatest Part of Our Food Supply’

*Speaking on Sept. 15, 2005, at a webcast from Washington, D.C., after Hurricane Katrina, Lyndon LaRouche called for emergency re-building measures for the entire U.S. economy, stressing the significance of the Mississippi Basin:*

Remember, the greatest part of our food and export supply comes from an area which is between the two mountain ranges, the Rocky Mountains and the Allegheny Mountains. And you have river systems which flow down there: These river systems are not only water systems, they’re also transportation systems. The greatest amount of our exports comes from these areas—western Pennsylvania on down on one side, and so forth on the other. They come down toward the mouth of the Mississippi, into the Gulf area. And there, they are exported to the world. And then, of course, you have some transport that goes up the river, in reverse, but more comes down.

So this area, the whole area, has been in a process of economic collapse, from western Pennsylvania—the whole area, Michigan, Ohio, Indiana, Illinois, Minnesota, the grain states in general. They’re in a process of collapse, and *have been*, in a process of collapse, over a period of more than 30 years. It’s actually industrial collapse. Whole communities have vanished, or virtually vanished.



Many of the big-name food processing plants will remain closed into July, including sites run by Cargill, Inc., ADM, Quaker Oats, Tyson Pork, and Penford. Dozens of smaller facilities are also out of commission, among the 93 food and beverage plants total in the state. ADM said it may try to re-open its Cedar Rapids corn-processing plant the first week of July. Cargill, the privately owned cartel company, has not indicated when it intends to re-open closed plants. On June 17, Cargill declared *force majeure* on certain corn product contracts, releasing a statement, "This means that Cargill will not be able to meet all of its customers' contracted volumes, and supply of corn syrup from Cargill will be limited until further notice."

### Cancel Biofuels!

Under these emergency conditions of corn scarcity, the U.S. government's refusal to cancel the renewable fuel standards, RFS—set in 2005 and 2007, for how much bio-energy must be in use over the coming years, especially from corn ethanol—amounts to a mass death decree. If just the same amount of U.S. corn goes to ethanol this year, as in 2007, this amounts to food equivalent for potentially 150 million people (either milled, or through the livestock feed chain). That is the scale of food deprivation caused if the ethanol craze is allowed to continue.

The Mississippi Basin itself has wrought vengeance on the biofuels insanity, by closing several Iowa ethanol plants, either by flooding them out, or

FIGURE 3

### Upper Mississippi Flood Control Levee System



US Army Corps of Engineers



A farm in southern Indiana, June 12, 2008.

USAF/Senior Master Sgt. John S. Chapman

cutting them off from transportation. In addition, the soaring corn prices, spiked by speculation, will shut down other distilleries. VeraSun Energy Co. postponed its June opening of a new Minnesota plant, which would be one of the world's largest. Iowa itself—the epicenter of the farm disaster—has 30% of all the 131 ethanol plants in the United States.

In the midst of floods, two new ethanol plants opened in June. Bio-Fuel Energy Corp. announced the start-up of its operations in Wood River, Neb. and Fairmont, Minn., both sited next to old Cargill grain elevators. Cargill has contracted to provide the corn. So far, no one is stopping them.