Example Economics

MISSOURI RIVER FLOODING

World Food Supply in Crisis; First Step Is Remove Obama

by Marcia Merry Baker

June 4—As of this month, the extensive flooding throughout the Missouri River Basin has taken a huge toll on agriculture, and caused destruction across the nine-state region. Losses to crops in this Northern Plains wheatbelt, and Western cornbelt, are now piling on top of the already drastic agriculture damage from flooding in the Lower Mississippi/Ohio Basin, and in drought-stricken Texas and the Southern Plains. This all adds up to a world-scale food supply crisis, given the impact of extreme weather on other grainbelts around the globe, e.g., the drought in France (see below), underscoring the point that there is no bountiful harvest potential elsewhere in the world to "compensate" for the sweeping losses in the United States.

In the United States now, because of the extent of ruined fields, delayed planting, and soggy conditions or drought, crop losses are mounting across all the basic grains—corn, rice, and wheat, and also to hay and fodder for cattle. The prospect of high feed costs is a disaster for all livestock. This is a meat supply crisis in the making. Emergency measures are urgent.

Where is President Obama in all of this? In London, inside his head. Look at the timing of his Springtime royalty tour in Britain, which he refused to alter, no matter what devastation was hitting at home. Obama left Washington on May 22—the evening of the Joplin tornado, and did not return until late May 28. Obama stayed away from a disaster visit to Missouri until May 29, longer than George W. Bush's infamous five-day lapse before visiting New Orleans after Katrina.

The day the mega-twister flattened Joplin, the storm wave brought other tornadoes, hail, and torrential rains across this farm region of Kansas, Missouri, Arkansas, and nearby states. At the same time up north, on May 23, Montana Gov. Brian Schweitzer declared an state emergency, as flooding was gathering strength from the record snowmelt and Spring rains; water was high and rising throughout the Missouri Basin.

But Obama, when asked repeatedly by Irish and English reporters, why he wasn't on his way back home, said, "No need." He kept to all his scheduled dates, including two dinners with the queen and her court, including a 41-gun salute at her palace. He laid it on thick, praising the royals, and discounting the entire anti-British Empire history of the United States, and Ireland too.

In fact, the Obama Administration is not even acknowledging the food crisis impact of the extreme weather disasters. The media is likewise blacking it out. Thus, the storms, drought, and food shortages all point up the real disaster: allowing Obama to remain in office,

4 Economics EIR June 10, 2011



The Spring flooding throughout the nine-state Missouri River Basin continues to wipe out huge swaths of farmland, threatening the food supply. Shown: an aerial view of Mississippi River flood of farms, wilderness, and populated areas, as of May 19, 2011.

and allowing the continuation of the dying monetarist system of bailouts, speculation, and destruction. The mobilization in the United States to reinstate the Glass-Steagall law and its principle of credit for public-good activities, is urgent.

The scope of the U.S. agriculture crisis is presented below in excerpts from the May 28 LaRouche Show (www.larouchepub.com/radio) by Texas cattleman Rich Anderson and by Ron Wieczorek, a South Dakota farm leader, who is in the midst of the Missouri Basin flooding. Anderson is sounding the alarm about the drought disaster, expressed the mood of his countrymen: "I cannot believe this fellow Obama. He's gone over there to lick the boots of the British people, and you know, we kicked them out of this country once, and they came back in 1812, and tried to take us over again, and burned our capital down.... And he's over there licking their boots.... He ought to be over here, working

with Congress to do something about these disasters."

The Policy Needed

Two policy responses, in line with the Glass-Steagall mobilization, are critical: First, immediate emergency measures can and must be taken. Lyndon LaRouche addressed this on the LPAC-TV Weekly Report April 27 (see *Feature*), issuing a call for maximum effort for replanting, and related measures, as the Ohio/Mississippi Basin flooding was ruining newly sown crops. In France this week, a statement outlining emergency measures to deal with the drought was issued by Jacques Cheminade, an international cothinker of LaRouche, who heads up the Solidarity and Progress party, and is running for President (see below).

Secondly, there must be a restoration of the *scientific outlook of intervening in the natural, that is, man-*

June 10, 2011 EIR Economics 5

made land and water system of our planet. This year's flooding in the Mississippi Basin—including the Ohio and Missouri systems, makes clear that wherever flood-control and water-management systems are in place, built mostly by the Army Corps of Engineers, the flooding damage is far, far less. These projects and outlook must be renewed, especially by launching the long-delayed, continental-scale program, the North American Water and Power Alliance (NAWAPA).

The plans for the Upper Missouri River improvements—the Pick-Sloan Plan (1944)—for flood control, irrigation and navigation, were never completed. We now see the consequences of that in vast flooding and destruction. Below is a reprint of a history of the Pick-Sloan, and the obstruction of it by neo-British Empire networks of monetarism and pseudo-environmentalism.

Missouri Basin—Weeks of Flooding

The Missouri River Basin, part of the huge Mississippi drainage area, is now in full flood. The heavy snowmelt in the upper reaches of the Rockies, where the Missouri River rises, combined with heavy Spring rains in the entire multi-state basin, has produced record runoff in the tributaries and mainstem. This has created emergency conditions across a huge area of the High Plains, affecting all or parts of Montana, Wyoming, Idaho, Colorado, Nebraska, the Dakotas, western Iowa, Kansas, southwestern Minnesota, and down through the state of Missouri, where the Missouri River joins the Mississippi. Depending on the daily rain volume, the situation will go on for weeks.

Since the May 23 Montana declaration of emergency, the states along the Missouri River have done likewise. The capitals of North Dakota (Bismarck) and South Dakota (Pierre), are both on the River. Some 2,000 residents of Pierre are expected to have to evacuate. Many are warned to be prepared to leave their homes for two months. River neighborhoods and businesses—some of them huge agri-processing plants—are rushing to sandbag, if they think this has a chance to work. Prison inmates and volunteers are deployed. For example, in Yankton, volunteer teams are working alongside the 600 National Guardsmen deployed at present.

The basin-wide flood-control system, although not

fully completed by the Corps, is nevertheless now being used to the maximum, to try to prevent deaths and to mitigate damage. But the extreme conditions are causing evacuations, heavy flooding, and huge agricultural damage.

The Corps operates a sequence of dams on the mainstem of the Missouri, whose reservoirs are all now at gigantic volumes. There is a constant monitoring of the inflow at points along the river, the height and extent of the impoundment, etc., in order for the Corps to determine the optimum time to release some flow, and from which dam, to mitigate flood damage. The night of May 30, the Corps of Engineers began the first of what are now daily telephone briefings with government leaders, emergency response teams, and the media, to inform people of the latest developments.

The Corps' Missouri River Basin Water Management Division, headquartered in Omaha, is where the decisions are made on how to best "regulate" the river flow. For instance, over Memorial Day weekend, the Corps announced that releases at Gavins Points Dam would commence, reaching a volume of 150,000 cubic feet per second by June 14. This will surpass the previous record high of 70,000 cfs, set in 1997. People came out to watch the spillway spectacle, surpassing anything ever before seen in the community. The Corps has posted an inundation map for Gavins Point to Sioux City, Iowa.

Jody Farhat, the chief of division supervising decisions on each dam, said May 30, "The bottom line is, the sooner we can reach maximum release rates, the less risk there is that we will eventually have to go higher. Once we have evacuated some storage in the reservoir system, we will have more flexibility to respond to these rapidly changing conditions."

Unplanted, Waterlogged Crops

Large areas of wheat, barley, and corn were never planted in this flooded basin. Some fields which were successfully sown, are now so waterlogged that the crop is jeopardized. There is flooding along dozens of tributaries of the Missouri, besides the mainstem itself.

The North Dakota State Extension Service is sounding the alarm. Joel Ransom, agronomist for the Service, warns that there is oxygen depletion in fields with water-saturated soils, and this can affect crop growth

6 Economics EIR June 10, 2011



While President Obama turns a deaf ear to the cries for help from the flood-ravaged Plains, Mrs. Obama, joined here by Ag Secretary Vilsack, promotes "healthier choices" of foods that will no longer be available. The two are shown here passing out fruit at an elementary school, in November 2009.

in the short and longer term. Crops can differ in their tolerance to waterlogging. The most tolerant, down to the most susceptible, are rice, soybeans, oats, wheat, corn, barley, canola, peas, dry beans, and lentils. Other than rice, many of these crops are produced in the Missouri River Basin. Some farmers cannot reach their fields, because roads are flooded out. Bridges are unsafe.

Along with the flooding, the traditional season of tornadoes is now in play, but with prospects of extreme events, as are occurring elsewhere on the planet, given the heightened solar and galactic activity. The first week of June, torrents of rain, and high winds blew across the Northern states, resulting in several confirmed twisters, in a large band from the Dakotas through Michigan and eastward. In southern Michigan, an EF-1 tornado hit Shiawassee County on May 29. The storms uprooted trees, knocked down power lines, destroyed a barn, and tore up fields and roads. Power was cut to at least 138,000 residences, farms, homes, and businesses during the storm wave.

Huge Agriculture Losses, Disruptions

New estimates are coming out daily from state agriculture extension services and private analysts on

the dimensions of damage and loss for key crops. On May 31, the Department of Agriculture (USDA) also issued its weekly Crop Progress report from the NASS (National Agricultural Statistics Sevices). Of the 325+ million acres currently utilized in the U.S. field crop base (for some 21 major crops), millions of acres were not planted, are damaged, or otherwise the crop is delayed, because of weather extremes, flooding, and lack of Federal intervention to assist farmers. Ranchers in drought areas are selling off cattle. There are disruptions throughout the food chain, and worse to come.

The U.S. corn acreage decline could easily drop to below 87 million acres, down from 88 million in 2010, and certainly far below the March forecast of the USDA of 92 million

acres.

At least 2 million acres of corn have been lost, because of the lower Mississippi River flooding, and the soggy conditions in the eastern cornbelt in Indiana and Ohio. Added to this, are the losses in the flooded Missouri River Basin. Estimates are coming in that up to a million acres of corn will be out of production in Missouri, Nebraska, Iowa, and South Dakota.

Spot shortages of corn are already showing up, as domestic stocks are at a 15-year low, and under pressure from ethanol and continued exports.

Spring wheat acreage is also down. North Dakota expects that as much as 500,000 acres won't be planted at all. The USDA reported May 31 that, in the six states which account for 99% of the Spring wheat (North Dakota, Montana, South Dakota, Idaho, Washington, and Minnesota), only 68% of the wheat had been sown as of May 29, in contrast with the five-year average of 95% by then. In North Dakota, only 55% was sown, compared with 93% in a normal year.

Disruptions are occurring all along the food chain. Cattle numbers are dropping, as ranchers in Texas and other drought areas reduce their herds. Other producers of meat animals and eggs are doing likewise, or soon to do so, as they face soaring feed costs.

June 10, 2011 EIR Economics 7

Nationally, the U.S. cattle inventory was down to 93,881,200 in January 2010, way down from 98,198,000 in 2000, and dropping year by year. The Texas cattle herd—biggest in the nation—is falling rapidly under drought conditions.

Beef slaughtering capacity can't keep up with the selloff. Now there is worry that the Missouri River flooding will force Tyson Foods' 5,000-head-a-day packing plant in Dakota City to temporarily close, which will cause huge problems in the tenuous supply chain.

Cal-Maine Co., the biggest single shell-egg producer in the U.S., accounting for 18% of all consumption, has seen a 16% rise in the cost of chicken feed in recent months, and it continues to rise. Based in Mississippi, the company sells eggs in 26 states (Eggland and other brands), and has 26 million laying hens, and 7 million pullets and breeders.

Emergency Measures Required

The scale of the U.S. food-supply disaster to date, from agriculture damage under extreme weather and flooding, shows that only Federal intervention, with emergency measures and a Glass-Steagall restoration, are sufficient to the task of reducing losses and rebuilding farming capacity.

In contrast to this task, Obama's Department of Agriculture, along with other agencies, are only going through the motions of disaster-aid-as-usual, while diddling with foody fads and biofuels, and backing genocidal globalism for "transformational agriculture" in the proposed 2012 Food Bill.

On the state and local level, farmers and community leaders are raising specifics about the kind of emergency measures urgently required. State agriculture extension services and land-grant and other colleges, have the networks to connect with farmers, and to work with the relevant Federal agencies, to see through what must be done.

Crops. Even at this late time, where crops can be still planted, or replanted, in the various latitudes, farmers must have Federal government support to carry through on this, in the form of seeds, fuel, chemicals, fertilizer, field preparation. Additional lands can be identified and brought into crop production. There must be a stay on food crops going for ethanol. This will free up corn for livestock feed, for other food-chain processing, and for export.

Livestock. Multi-state efforts must be initiated to re-

verse the impact of liquidating cattle herds in the drought regions, to build up livestock inventories in the flood and storm areas. Cross-state efforts must be initiated to muster hay and fodder, and ship it to areas of need. Help must be provided to move livestock where required, and provide water and protection.

Stable prices. Speculation must be banned in farm commodities on the exchanges, price controls set for retail foodstuffs, and stable prices set for farm inputs. The principle involved, is parity pricing for farming, as a guarantee for reliable, ample food for the general public.

Farm region restoration. Farmers must be provided with the full confidence that their entire region will be restored, at levels higher than before. This means a Federal commitment to build roads, rail, levees, bridges, water management, and other infrastructure. In floodways, where farmers sign water-flow-easements to operate, the farmers must be given full Federal support to continue farming there, or support to relocate, if they choose to do so.

National interest agriculture. The period of emergency measures must be undertaken, from the perspective of departing the collapsing "markets-based" system altogether, which is dominated by private cartels of commodity firms under the pretense of the WTO, etc. Instead, restore national-interest agriculture and parity pricing. Bust up the cartels, including the retail control by Wal-Mart, Carrefour, and the rest. End the wrongful private patent-control of seeds, breeding stock, and bio-research, by Monsanto, DuPont, BASF, BayerCrop Science, and all. Make way for NAWAPA.

Obama's USDA: Denial, Disaster-Aid-as-Usual

The Agriculture Department is offering only the inadequate raft of disaster-aid programs under the Farm Service Agency (FSA), covering livestock and other loss reimbursement, but for a maximum payment of only 75% of the farmer's outlay; and otherwise offering loans to already debt-burdened farm operations.

Moreover, the Obama Administration has requested a cut in the FSA/disaster-assistance budget line in its original FY 2012 budget request for the Department of Agriculture, from \$2.028 billion, down to \$1.523 billion. This is crazy, given the number of federally approved disaster farm counties, and unapproved ones as well; but the Obama proposal for cuts is consistent

8 Economics EIR June 10, 2011

with the playing down of the threat to the food supply.

The USDA in its March 31 forecast for this crop season, titled, "U.S. Farmers Report Increased Corn, Wheat, and Cotton Planting Intentions in 2011," completely overstated likely plantings, crops, and harvestings, ignoring the reality that farmers are faced with soaring prices for farm inputs, and threats of violent weather. Now, as of its May 31, "Crop Progress" report, the USDA has had to tone down its earlier, exaggerated projections, but still, there is no acknowledgment of the food-supply threat.

In fact, on May 24, Agriculture Secretary Tom Vilsack again reiterated the Obama Administration line extolling corn-for-ethanol, saying that "biofuels played only a minor role" in increased food prices over the last two years, and all is swell. He was speaking at a Washington, D.C. event sponsored by the Bill Gates-funded Global Agricultural Development Initiative (sub-group of the Chicago Council on Global Affairs), co-chaired by Dan Glickman, a board member of the Chicago Mercantile Exchange, who is an international spokesman for "transformational" agriculture, meaning genocidal food control.

Overall, the Obama Agriculture Department budget for 2012 (\$145.4 billion) was originally less than that of 2011, and as of May 31, the House Committee has cut it back to \$125 billion. There is no nation-serving principle involved on any side between White House and Congress over the cuts-mania. Over 60% of the USDA budget now goes to domestic food aid programs, which are cut back, despite 44 million poor being on the roster for foodstamps. All USDA spending is eliminated entirely from maintenance of upper watershed structures (some 10,000 small dams and related) for flood control and other purposes. There is empty boasting about cutting commodity price-support payments to farmers with big off-farm income. The same miasma prevails in the Senate field hearings for the new 2012 Farm Bill (to replace the 2008 Bill to expire next year), which began in Michigan May 31.

On June 2, Michelle Obama and Vilsack staged a fanfare press briefing to announce the First Lady's new "MyPlate" icon (choosemyplate.gov), on how to "help consumers make healthier choices" among foods. Vilsack said, "With so many food options available to consumers, it is often difficult to determine the best foods to put on our plates when building a healthy menu." Yes, especially when you are making it difficult for there to be any food at all.