

## 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.