

# Rising economic toll from US flooding, storms

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Flooding continues along the Missouri River in the US, where hundreds have been ordered to evacuate and still more essential crops are threatened. The Midwest and South have been crippled by a series of severe storms and historic flooding for the past two months, the economic toll for which already ranges into the tens of billions of dollars.

On Monday, the US Army Corps of Engineers said a Missouri River levee protecting the town of Hamburg, Iowa, had been breached. Stressing that residents could not depend on the earthen levee to protect them, officials ordered half of the town, population 1,140, to evacuate immediately, and the rest to leave within 24 hours. The Iowa National Guard hastily began dropping sandbags onto the levee by helicopter.

The Missouri is a major tributary of the Mississippi River, and the two combine to form the longest river system in North America. Beginning in the 1890s, private companies began damming the river for hydroelectric projects. The federal government undertook construction on a series of levees, dams, and a chain of massive reservoirs to regulate the river's flow over the course of the subsequent six decades.

As with the levees girding towns along the Mississippi, the Missouri river system is now aging, patchwork, and crumbling under historic water levels. The Missouri valley is among the most productive agricultural regions in the world. Ten million people live in the river basin.

Large snowmelts and heavy rains have swelled rivers throughout the region. "Precipitation has led to near-record or record runoffs this year," an Army Corps spokesman told the *Kansas City Star*. "We haven't seen flooding like this in that area since the 1950s."

Last week the Army Corps began releasing water from the Gavins Point Dam, located upriver from Pierre and Fort Pierre in South Dakota. By next week, water will be pumped through at a rate of 150,000 cubic feet

per second, swelling the level and flow of the Missouri to record levels. South Dakota authorities have estimated 3,000 residents near the dam are in danger of flooding.

The Corps has said that the Hamburg levee will be fully breached as the river rises. Local officials have reported similar levee failures all along the river. Fremont County, Iowa emergency management coordinator Mike Crecelius said no one knew what would happen or where the water would go. "The situation down there is really unstable."

The US Coast Guard has halted river traffic on a 180-mile stretch of river south of Sioux City, Iowa, anticipating that the water will rise to seven feet above flood stage there and at Omaha and Kansas City because of the South Dakota dam release. The river may stay at this level until at least mid-July and as late as August, assuming normal rainfall.

Like the flooding in the Mississippi Delta region, the floodwaters will impact poorer residents in lower-lying areas, who are more dependent upon farming and river commerce. In Iowa alone, state officials have said they expect the homes of 30,000 residents to be inundated, some located as far as two miles from the current banks of the river.

As many as 58 of the 95 non-federally maintained levees between Kansas City and St. Louis may be overtopped by the end of June, the Army Corps estimates.

The National Weather Service issued a warning last week that "if rainfall is above the long term average this summer...major or even record flooding could result." The NWS notes that while normal rainfall for June in the river basin ranges between 3 and 5 inches over the past 30 years, levels surpassed that in each of the past three years. The service's Climate Prediction Center issued a precipitation probability outlook May 31 that once again anticipates higher than normal

rainfall.

The midsection of the country, a critical nexus of shipping and raw commodity production for the national and global economy, has sustained repeated damage from flooding and strings of catastrophic storms. Hundreds of residents have been killed, including at least 141 in Joplin, Missouri from the May 22 tornado.

A storm system in late April spawned multiple tornadoes that destroyed towns in Alabama and Mississippi. That system also produced a category EF4 cell that tore through St. Louis, damaging Lambert International Airport. Half a million acres of prime farmland in the southeastern portion of Missouri were destroyed by flooding after the Army Corps blasted open the Birds Point levee to save the town of Cairo, Illinois. A vast area of the Mississippi Delta and Louisiana bayou country were similarly flooded.

The risk modeler firm Eqecat estimates that the combined insured loss of these disasters amounts to at least \$8 billion. Uninsured losses have not been estimated. In the absence of meaningful federal aid, state governments, already mired in budget deficits, have been pushed deeper into debt by emergency response efforts. In addition, the destruction or interruption of thousands of businesses has reduced state and local tax revenue by millions of dollars.

The economic toll of the disasters continues to compound, posing serious implications not only for the region but internationally. Barge traffic carrying grain to New Orleans, one of the busiest ports in the world, has fallen 39 percent behind last year's levels. Critical Mississippi highways, including segments of US 61, remain closed.

The US is the world's largest producer of corn, and exports a substantial portion of the world's wheat and soybeans. Millions of acres of crops were destroyed, and thousands of acres remain flooded weeks after the Mississippi's crest. In some areas where the water has receded, erosion has swept away topsoil, destroyed farm equipment and facilities, deposited toxins and debris and left enormous sinkholes.

In less damaged areas, farmers are far behind planting schedule for corn and have opted to either plant soybeans, or have simply applied for government insurance payouts for the lost season. In the eastern area of the Corn Belt, corn seeding has been delayed by

more than a month. The US Department of Agriculture, which releases its supply outlook on Thursday, is expected to project poor production and low stocks. Currently, US corn stocks are at the lowest level in nearly 15 years.



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