

Mississippi River Low Water Update

The Mississippi River is once again seeing record low water levels due to consistently high heat and a lack of rainfall both in Southeast Louisiana and regions upriver. The New Orleans region is currently in a state of "Extreme or Exceptional Drought." While this has been an issue for some months, the current harvest season in the midwestern breadbasket further emphasizes the Mississippi's commercial importance.

Currently, almost every water level gauge from the mouth of the Ohio River down is below low water thresholds. While the navigable channels around the Port of New Orleans are generally sufficiently deep to avoid a great increase to grounding risk for ocean going vessels, the extremely low water levels further upriver in places like Memphis and St. Louis have a great effect on transportation of cargo for export via barge. We have experienced a few minor groundings at the Port of Baton Rouge. We do note that special care should be given when vessels leave the COE maintained channel to berth at river terminals.

Roughly 60% of US grain export is transported to New Orleans via the Mississippi on barges. The river carries more than 45% of all US agricultural exports. The drought affects import cargos such as steel as well. Many of these cargoes are brought upriver to ultimate receivers via barge. Reduced load drafts, smaller barge fleets, and shrunken navigational channels have caused delays to transit. Drought conditions in the Upper Midwest have also reduced crop yields and poorer cargo condition.

According to the USDA, as an example of the effects of the low river, barge spot rates from St. Louis are up 49% from last week and 42% from last year at \$23.34/ton. This is 85% higher than the past 3-year average. Low water levels are creating delays of up to 2 days and barge lines are reducing loading drafts around 15% below normal capacity.

Delays in transported import cargo upriver increase the importance of discharge and follow up inspections as longer transit times provide more time for deterioration. Concerns about the quality of cargo when it finally does reach New Orleans for export lends to greater potential for disputes at load port. Lamorte Burns remains always ready to assist on the Mississippi River and beyond.

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Respectfully submitted,

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