



Communication is key during low-water events



When low water began to develop on the lower Mississippi River in early October 2022, it was not a complete surprise since the inland waterways industry had been tracking water levels, and the autumn usually results in decreased river levels. But by mid- to late-October, when certain parts of the river began to fall out by more than two feet in just a week, it was clear that this was to become a dire situation that would impact inland barge shipping in a far more severe way.

The drought of 2022 compares to that of 1988, which had been called one of the nation's worst in 100 years. In 1988, the barge industry suffered a 20% income loss, with total losses, coupled with higher costs for shipping, at around \$1 billion, according to the Bulletin of the American Meteorological Society.

More recently, low water in 2012 extended for several months and exposed rock pinnacles near Thebes, Ill., that made it impossible for boats and barges to navigate.

In 1988, in 2012, and again this year, the inland waterways industry, despite its shipping challenges, communicated the critical importance of the nation's river superhighway and the need to continue to invest in the system.

Print and broadcast media outlets from around the world covered the near shutdown of the river, including the *Wall Street Journal*, *Washington Post*, *Bloomberg*, *USA Today*, CNBC, CNN, CBS, NBC, Fox, National Public Radio and many more. The

media attention spotlighted all that we know about the inland waterways: it is the most cost competitive, fuel-efficient, environmentally friendly, traffic congestion-relieving mode of surface transportation within the intermodal network. It is a vital link in the transportation supply chain and is crucial to our U.S. economy. This shipping crisis also underscored the reliance of the world on the U.S. inland waterways system.

With more than 60% of agricultural products bound for export utilizing the U.S. inland waterways system, the war in Ukraine further highlighted the global impacts of the low water disruptions in our country. According to the United Nations and media reports, Ukraine—considered the breadbasket of Europe—supplied around 45 million tons of grain (corn, wheat and barley) to the world annually, and exported 46% of the world's sunflower oil exports before the war. With Russia's invasion of the Ukraine and blockade of the country's Black Sea ports, global buyers began turning to the United States for its grain products to make up for the loss of Ukraine's supply, and to feed the world.

The same was true for energy products, primarily coal, being exported from the United States, as Russia limited supplies of natural gas that Europe depends upon for electricity and heat. Low water disruptions in the U.S. further delayed the export of these vital energy commodities in high demand around the world.

What makes U.S. farmers and energy producers most competitive in the world

market is the transportation options available to ship their products, with the inland waterways at the top of the class as providing the cheapest option. But low water changed the math due to restricted barge movements and the unavailability of them to load and unload these commodities.

According to the U.S. Department of Agriculture, "historically barge rates have hovered around \$20 per a ton. In the beginning of September, as the Mississippi River began to fall to record low levels and closures and disruptions started to mount, barge rates rapidly began increasing upwards. The St. Louis barge spot rate hit a record \$106 per ton during the week of October 11. This spot rate had eased slightly during the second week of October, however picked up once again during the most recent week of October 25 rising to \$88 per ton."

At press time for this column and as we wait for rain, low water continues, but thanks to the trifecta of the Corps of Engineers' dredging operations, the U.S. Coast Guard's channel tendering and buoy laying, and commercial operators' light-loading and barge queue management, commerce continues to move, albeit slowly.



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