



RIVER TRANSPORT NEWS

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Lower Mississippi Imports Remain Subdued in Q2 2023

Total imports of the major dry products coming into the lower Mississippi River region remained generally subdued during the second quarter of 2023. According to U.S. Commerce Department data compiled by Criton Corporation, aggregate imports of the commodities tracked by *RTN* through the New Orleans Customs District during the most recent quarter totaled 6.123 million metric tons. These imports were down 6.0 percent from the 6.516 million metric tons that were imported during the comparable year-ago period. Second quarter 2023 imports, however, increased modestly from the 5.858 million metric tons that were imported during the first quarter of 2023 (see Table 1, page 2).

The import commodities tracked by *RTN* either move directly by barge after importation into the lower Mississippi or are raw materials for intermediate goods processed locally that are then shipped by barge. Iron ore and bauxite fall into this latter category. All of these products represent proxies for northbound demand for dry cargo barge freight moving from lower Mississippi River origins.

Cement Volumes Rise

Cement recently has become a breakout commodity for the Lower Mississippi import sector. This breakout continued during the second quarter of 2023 as Lower Mississippi cement imports increased to 656,000 metric tons during the quarter; their highest

quarterly level since volume began rising during the second quarter of 2022. Prior to this quarter, only token volumes of cement were being imported into the New Orleans Customs District.

Lower Mississippi cement imports during the most recent quarter were up modestly from the 645,000 metric tons imported during the comparable year-ago period. Imports, however, were up sharply from the 459,300 metric tons that were imported during the first quarter of this year. First quarter volumes likely were relatively subdued due

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to seasonal factors that affect U.S. cement demand and consumption patterns.

Steel Sector Treading in Place

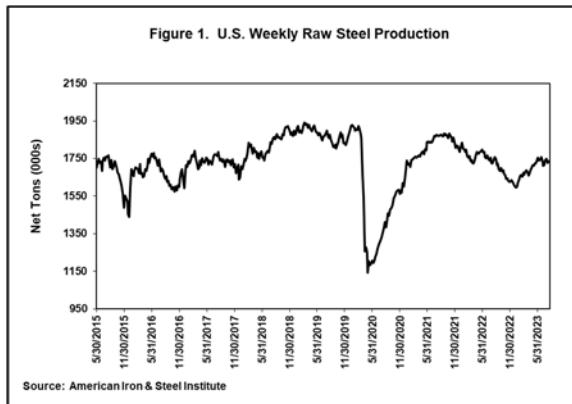
Lower Mississippi imports of steel and steel sector raw materials generally were range-bound during the most recent quarter. Aggregate imports of these commodities totaled 2.139 million metric tons during the second quarter of this year, down a hair from the 2.170 million metric tons imported one year earlier. Volume, however, increased by approximately 4.6 percent from the 2.045 million metric tons of steel and steelmaking raw materials that were imported during the prior quarter.

Overall, there were few, if any, macroeconomic developments to push lower Mississippi steel sector imports higher, especially raw materials. Weekly U.S. raw steel production during the second quarter of this year averaged 1.719 million net tons, up modestly from a weekly average of 1.651 million net tons realized during the prior quarter. Average weekly raw steel production during the most recent quarter, however, was down from 1.773 million net tons during the comparable year-ago period. While the U.S. steel sector staged a modest recovery during the most recent quarter from recent interim lows reached at the beginning of this year, U.S. raw steel production

Table 1.
Imports of Major Commodities Through
The Lower Mississippi River
(000s of Metric Tons)

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q2
	2021	2021	2021	2022	2022	2022	2022	2023	2023	22 to 23
										Change
Clinkers	10.6	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Cement	102.6	162.8	73.3	180.0	645.1	620.1	516.0	459.3	656.0	10.9
Subtotal	113.2	162.8	73.3	180.0	645.1	620.4	516.0	459.3	656.0	10.9
Iron Ore	749.1	1118.9	545.0	840.4	635.6	922.5	462.7	883.7	860.0	224.4
Pig Iron	948.9	1174.6	658.3	772.6	667.0	561.5	481.3	595.7	672.3	5.3
DRI	0.0	0.0	0.0	0.0	0.1	0.6	0.4	0.1	0.0	-0.1
Scrap Steel	106.2	183.8	0.1	24.7	119.8	53.2	0.0	48.6	98.5	-21.3
Ferroalloys	230.3	225.5	290.1	250.1	310.1	350.2	270.5	224.0	157.3	-152.8
Coke	3.0	1.5	5.1	5.1	3.0	2.4	3.0	3.0	3.0	0.0
Manganese Ore	101.5	120.8	146.0	262.2	138.3	217.2	67.8	31.2	173.6	35.3
Semi-Finished Steel	0.9	2.2	2.2	1.8	2.1	0.7	1.3	0.3	0.8	-1.3
Finished Steel	237.1	300.1	320.1	401.7	294.4	263.1	137.7	258.8	173.5	-120.9
Subtotal	2376.9	3127.3	1966.8	2558.6	2170.4	2371.3	1424.7	2045.4	2139.0	-31.4
Fertilizer	2776.0	1987.3	2446.4	1833.5	2085.7	787.5	1582.5	2117.3	1883.8	-201.9
Alumina	239.8	171.5	275.2	282.5	288.0	288.9	329.0	158.7	94.7	-193.3
Bauxite	805.1	673.3	919.0	801.4	777.4	539.0	768.4	722.4	856.0	78.6
Unwrought Alum.	55.0	71.0	165.7	71.6	199.8	167.1	71.6	73.5	185.5	-14.3
Salt	303.8	347.4	446.1	356.8	295.8	182.9	261.0	252.6	268.3	-27.5
Coal	72.0	49.6	62.1	21.5	53.5	65.8	113.1	29.0	39.7	-13.8
GRAND TOTAL	6741.8	6590.2	6354.6	6105.9	6515.7	5023.0	5066.3	5858.2	6123.0	-392.7

activity since the end of the second quarter has leveled (see Figure 1).



Looking at specific steel sector components, raw materials continued to account for the vast majority of the steel-related products being imported through the lower Mississippi. Among these, iron ore has been consistently the largest. The second quarter of 2023 was no exception. Lower Mississippi iron ore imports during that quarter totaled 860,000 metric tons, down slightly from the 883,700 metric tons imported during the first quarter of this year. Volumes, however, were up sharply from the 635,600 metric tons imported during the second quarter of last year.

The vast majority of the iron ore being imported into the New Orleans Customs District is material that is used by Nucor Steel at its Convent, LA direct-reduced iron (DRI) production plant. As such, lower Mississippi iron ore imports are strongly influenced by the operational status of this plant. Nucor ships DRI produced by barge to its upstream steel mills, where it is used as a primary ferrous feedstock. Consequently, while the iron ore being imported generally does not move by barge, the volumes serve as a proxy indicator for northbound barge demand for the shipment of DRI.

The other major steel sector raw material being imported through the lower Mississippi by barge is pig iron. Lower Mississippi pig

iron imports during the most recent quarter increased slightly to 672,300 metric tons from 667,000 metric tons imported during the comparable year-ago period. Import volume also increased by from 595,700 metric tons imported during the first quarter of this year.

Lower Mississippi pig iron import volumes also reached a new benchmark during the most recent quarter, climbing to their highest quarterly level since Russia's February 2022 invasion of Ukraine caused massive disruptions to the global pig iron market. Prior to this invasion, Ukraine and Russia combined to supply the vast majority of the pig iron being imported through the New Orleans Customs District. Importers have since found alternative sources. While lower Mississippi imports from Ukraine have resumed at reduced levels, Brazil has become the leading supplier of pig iron being shipped to the lower Mississippi market.

In general, imports of other secondary steel sector raw materials were unremarkable with the exception of ferroalloys. These imports were down sharply, falling to just 157,300 metric tons during the most recent quarter from 310,100 metric tons imported during the year-ago period and from 224,000 metric tons imported during the prior quarter.

Finished Steel Imports Softening

Finished steel has had a relatively small share of the lower Mississippi import steel segment. This share became even smaller during the most recent quarter as import volume fell to just 173,500 metric tons from 294,400 metric tons imported during the comparable year-ago period and also from 257,800 metric tons imported during the previous quarter.

Fertilizer Steady

Lower Mississippi fertilizer imports during the second quarter generally were consistent with both the prior quarter and comparable

year-ago levels at 1.883 million metric tons. Total imports through the first half of 2023 were approximately 4.0 million metric tons, up a hair from the 3.9 million metric tons that were imported during the first half of 2022. The relatively small year-over-year increase belies the significant increase in plantings of fertilizer intensive corn this past spring. Corn acreage this year increased by 6.2 percent year-over-year, hitting a 10-year high of 94.1 million acres.

Alumina Down

In general, the second quarter of 2023 was a mixed bag from the Aluminum sector. Lower Mississippi imports of alumina were down sharply from both the year-ago and prior quarter levels, falling to just 94,700 metric tons. Alumina is the primary metallic feedstock for the production of primary aluminum. The substantial decline in alumina imports, especially on a year-over-year basis, likely reflects the idling of primary aluminum production capacity at two major river-served aluminum plants at the end of the second quarter of 2022 (see

RTN 7/25/2022, p. 1). In late June 2022, Century Aluminum began idling all previously operating production lines at the company's 250,000 metric ton-per-year Hawesville, KY primary aluminum plant. At that time, the company cited skyrocketing electricity costs. The company's Sebree, KY plant continues to operate at full capacity. At around the same time that the Hawesville plant was being idled, Alcoa also announced that it was idling one of the three operating production lines at its Warrick, IN primary aluminum plant. Each of the Warrick plant's production lines has the capacity to produce 54,000 metric tons of primary aluminum annually.

While lower Mississippi alumina imports were falling during the second quarter of 2022, imports of bauxite increased, climbing to 856,000 metric tons from 777,400 metric tons imported during the year-ago period. Lower Mississippi bauxite imports during the first quarter of 2023, meanwhile, totaled 856,000 metric tons. Most of the bauxite imported into the lower Mississippi is processed locally into alumina.♣