



# RIVER TRANSPORT NEWS

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## Third Quarter 2023 Lower Miss Imports: Lackluster

Imports of major dry cargo products into the lower Mississippi River region were at generally lackluster levels during the third quarter of 2023. Based on a review of U.S. Commerce Department data compiled by Criton Corporation, aggregate imports of the major dry cargo commodities tracked by *RTN* through the New Orleans Customs District during the most recent quarter totaled just 5.345 million metric tons. While these imports were up 6.4 percent from the anomalously low 5.023 million metric tons that were imported during the comparable year-ago period, third quarter imports were down 12.0 percent from the 6.123 million metric tons that were imported during the prior quarter. In fact, lower Mississippi imports during the most recent quarter were at their lowest quarterly level so far this year (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.

Lower Mississippi imports cover a broad range of products and assessing the strength of the aggregate market can be difficult. Imports for some of these segments are often driven by seasonal factors. Highly seasonal

commodities include fertilizer and salt. Other segments are primarily influenced by economic cycles. This include products associated with the steel and aluminum sectors. Other industries, such as cement, are affected by both seasonal and cyclical influences.

For the cement sector, it seems that weakening economic circumstances are having an adverse impact on U.S. cement demand. The combined effects of high inflation and rising interest rates has resulted in a significant decline in residential construction activity. According to U.S.

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Department of Commerce data, residential housing starts during the first nine months of 2023 were down 15.78 percent relative to the comparable year-ago period. Imports of cement through the lower Mississippi, meanwhile, fell to 527,700 metric tons during the third quarter of 2023 from 620,100 metric tons imported one year earlier. Cement imports during the second quarter of 2023, meanwhile, totaled a robust 656,000 metric tons.

### Steel Sector Softens

Aggregate lower Mississippi imports of steel and steel sector raw materials also reflected slowing demand during the third quarter of 2023. Aggregate imports of these products

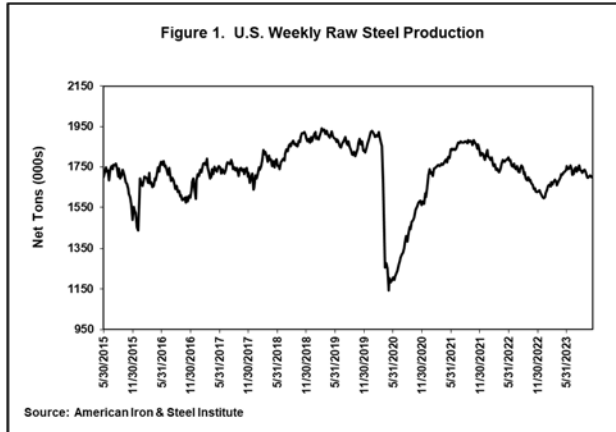
fell to 1.987 million metric tons from 2.371 million metric tons imported during the comparable year-ago period. Aggregate steel sector imports also declined from the 2.139 million metric tons that were imported during the prior quarter.

A decline in lower Mississippi steel sector imports generally mirrors a softening in the overall domestic steel market environment. For the third quarter of 2023, however, this was not necessarily the case. According to American Iron & Steel Institute data, weekly U.S. raw steel production averaged 1.732 million net tons, up slightly from a weekly average of 1.727 million nets tons realized during the comparable year-ago period and

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

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3
	2021	2021	2022	2022	2022	2022	2023	2023	2023	22 to 23
										Change
Clinkers	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	-0.3
Cement	162.8	73.3	180.0	645.1	620.1	516.0	459.3	656.0	527.7	-92.4
<b>Subtotal</b>	<b>162.8</b>	<b>73.3</b>	<b>180.0</b>	<b>645.1</b>	<b>620.4</b>	<b>516.0</b>	<b>459.3</b>	<b>656.0</b>	<b>527.7</b>	<b>-92.7</b>
Iron Ore	1118.9	545.0	840.4	635.6	922.5	462.7	883.7	860.0	1052.1	129.6
Pig Iron	1174.6	658.3	772.6	667.0	561.5	481.3	595.7	672.3	595.6	34.1
DRI	0.0	0.0	0.0	0.1	0.6	0.4	0.1	0.0	0.0	-0.6
Scrap Steel	183.8	0.1	24.7	119.8	53.2	0.0	48.6	98.5	0.0	-53.2
Ferroalloys	225.5	290.1	250.1	310.1	350.2	270.5	224.0	157.3	106.1	-244.1
Coke	1.5	5.1	5.1	3.0	2.4	3.0	3.0	3.0	1.5	-0.9
Manganese Ore	120.8	146.0	262.2	138.3	217.2	67.8	31.2	173.6	63.2	-154.0
Semi-Finished Steel	2.2	2.2	1.8	2.1	0.7	1.3	0.3	0.8	0.9	0.2
Finished Steel	300.1	320.1	401.7	294.4	263.1	137.7	258.8	173.5	168.5	-94.6
<b>Subtotal</b>	<b>3127.3</b>	<b>1966.8</b>	<b>2558.6</b>	<b>2170.4</b>	<b>2371.3</b>	<b>1424.7</b>	<b>2045.4</b>	<b>2139.0</b>	<b>1987.9</b>	<b>-383.5</b>
<b>Fertilizer</b>	<b>1987.3</b>	<b>2446.4</b>	<b>1833.5</b>	<b>2085.7</b>	<b>787.5</b>	<b>1582.5</b>	<b>2117.3</b>	<b>1883.8</b>	<b>1728.8-</b>	<b>941.3</b>
Alumina	171.5	275.2	282.5	288.0	288.9	329.0	158.7	94.7	170.9	-118.0
Bauxite	673.3	919.0	801.4	777.4	539.0	768.4	722.4	856.0	541.1	2.1
Unwrought Alum.	71.0	165.7	71.6	199.8	167.1	71.6	73.5	185.5	66.5	-100.6
<b>Salt</b>	<b>347.4</b>	<b>446.1</b>	<b>356.8</b>	<b>295.8</b>	<b>182.9</b>	<b>261.0</b>	<b>252.6</b>	<b>268.3</b>	<b>240.6</b>	<b>57.7</b>
<b>Coal</b>	<b>49.6</b>	<b>62.1</b>	<b>21.5</b>	<b>53.5</b>	<b>65.8</b>	<b>113.1</b>	<b>29.0</b>	<b>39.7</b>	<b>81.7</b>	<b>15.9</b>
<b>GRAND TOTAL</b>	<b>6590.2</b>	<b>6354.6</b>	<b>6105.9</b>	<b>6515.7</b>	<b>5023.0</b>	<b>5066.3</b>	<b>5858.2</b>	<b>6123.0</b>	<b>5345.2</b>	<b>322.2</b>

also up from a weekly average of 1.724 million net tons realized during the preceding quarter. U.S. steel production has begun to weaken during the fourth quarter, with weekly average production falling to 1.700 million net tons through November 4<sup>th</sup> (see Figure 1).



Strengthening domestic steel output generally translates into weaker U.S finished steel imports. For the lower Mississippi, this inverse relationship certainly held during the most recent quarter as lower Mississippi finished steel imports declined to just 168,500 metric tons during the most recent quarter from 263,100 metric tons imported during the comparable year-ago period and also from 173,500 metric tons imported during the prior quarter.

It was a mixed bag for third quarter 2023 lower Mississippi steel sector raw material imports as imports of some commodities increased while others declined. As always, quarterly variability also may simply reflect the vagaries of shipment timing.

Among the steel sector raw material imports, iron ore stood out as import volume increased to 1.052 million metric tons from 922,500 metric tons imported one year earlier. Lower Mississippi iron ore imports also increased from 860,000 metric tons imported during the second quarter of this year.

Nearly all of the iron ore being imported into the New Orleans Customs District is a feedstock used by Nucor Steel at its Convent, LA direct-reduced iron (DRI) production plant. DRI is a ferrous steelmaking feedstock that can serve as a replacement or supplement to alternative feedstocks such as pig iron or scrap iron and steel. Because the lower Mississippi iron ore is a feedstock that is processed locally, the volumes do not directly reflect northbound barge demand, but serves as a proxy for prospective northbound barged shipments of DRI. DRI yields vary based on the quality and iron content of the feedstock ores. For most seaborne iron ores, iron content typically ranges between 60 and 70 percent.

Third quarter 2023 Lower Mississippi imports of pig iron also increased on a year-over-year basis rising from 561,500 metric tons to 595,600 metric tons. Pig iron volume, however, was down from 672,300 metric tons imported during the second quarter of the year.

While lower Mississippi imports of ferrous raw materials generally were firm during the most recent quarter, imports of materials used to alloy steel were down sharply. Third quarter imports of ferroalloys, for example, declined to just 106,100 metric tons from 350,200 metric tons imported one year earlier and also from 157,300 metric tons imported during the prior quarter. Lower Mississippi imports of manganese ore also was down sharply, falling to 63,200 metric tons during the most recent quarter from 217,200 metric tons imported one year earlier.

### Fertilizer

Lower Mississippi imports of fertilizer totaled an un-remarkable 1.729 million metric tons. These import levels, however, were up sharply from the dismal 787,500 metric tons imported one year earlier. If

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typical seasonal patterns are followed, lower Mississippi fertilizer imports should pick up sharply in the fourth quarter of 2023 and also the first quarter of 2024.

Finally, lower Mississippi imports of salt totaled 240,600 metric tons during the most recent quarter. While these volumes were up 31.5 percent from year-ago levels, imports were down from the 268,300 metric tons imported during the prior quarter.♣