Cargo Focus: Evolving Markets

Except for periods of major flooding, like the first half of 2011, most Americans don't think much about the Mississippi River and its affect on their lives, but this major river system has and continues to influence the industrial and agricultural development of this country.

Over the years, the types of cargo have evolved from primarily agricultural (prior to the 20th Century) to a combination of industrial and agricultural commodities. The ports of the Lower Mississippi River and the Gulf Coast, acting as the primary intermediate transfer point for these commodities between the U.S. mainland and the rest of the world, have experienced these changes and have reacted through the development of different facilities and capabilities.

Before the industrial development of the 20th Century, the primary ports in this area were tasked with the efficient handling of agricultural commodities, primarily for export. Cotton was one of the main commodities moved through the Lower Mississippi River, as well as timber and some other agricultural products, and these ports developed infrastructure for the transfer and storage of these products from the river barges of that time to sailing and steam powered vessels destined to points all over the world.

As industrial development spread over the U.S. and the rest of the world, other commodities became crucial in the building of this capacity. Primary metals, such as steel and aluminum, were demanded in ever-increasing quantities to supply the need for automobiles, appliances, and the other new technological innovations that characterized the industrial development of this country. As the availability of feedstocks needed to supply these plants—iron ore, furnace coke, ferro-alloys, bauxite, and the like—were either consumed or did not exist in sufficient quantities in this country, more and more of these commodities were found in other parts of the world and transported here. River barge capacity was developed to efficiently handle these new commodities, and the Gulf Coast ports had to adapt from primarily export operations to a combination of diverse cargoes being exported and imported. In the meantime, development throughout the world meant that a higher standard of living was developing in other countries as well, and the bountiful agricultural riches of the U.S. were exported in increasing quantities to help "feed the world".

These evolving markets continue to the present time, as exhibited by a number of different cargoes. As electric arc furnaces became the efficient and preferred method of steelmaking, the need for iron ore, used by the older integrated steel mills as a feedstock, became much less prevalent, and today, through the Lower Mississippi River, this cargo's share of the import market has dropped from 4.6 million tons in 2005 to a little over 500,000 tons in 2010. New cement plant development in this country has reduced the need for imported Portland cement from over 5.0 million tons in 2006 to less than 100,000 tons in 2010.

On the positive side, demand for electricity continues to grow in the developing nations, and their need for feedstock for their growing steel industries have led to a substantial growth in exports of U.S. domestic coals over the past 12 months, because of their reliability of supply and quality. On the agricultural side, fertilizer production has grown all over the world in the past few decades, primarily in countries that have large natural gas deposits, and all types of fertilizers are imported through the Lower Mississippi River to help the U.S. farming industry grow corn, soybeans, and other foodstuffs in ever-increasing quantities.

These markets for different commodities, both import and export, will continue to evolve as the U.S. and global economies develop to meet the needs of our changing world, and you can be assured that the ports of the Lower Mississippi River and the U.S. Gulf Coast will be prepared.