Importance of Waterway Transportation to U.S. Agriculture

America’s transportation infrastructure long has provided U.S. agricultural producers and agribusinesses with a strong comparative advantage, fostering the ability to efficiently and competitively serve domestic and global markets. However, the U.S. transportation system now risks becoming a potential detriment rather than a comparative strength.

A modern and efficient inland waterways transportation system is vitally important to maintain U.S. agricultural competitiveness in world markets and ensure U.S. farmers receive needed crop inputs to produce grains, oilseeds and other agricultural commodities. But the efficiency of the inland waterways system is being undermined by the failure to modernize and maintain it.

The Mississippi River and its tributaries comprise more than 12,000 miles of navigable waterways, making it a natural “river highway.” Approximately 60 percent of U.S. grain and oilseed exports – including more than 2.5 billion bushels of corn and soybeans – typically transit the Upper Mississippi-Illinois River system each year. These exports and other navigation activity on the river support more than 400,000 jobs, including 90,000 high-paying manufacturing jobs.

Meanwhile, Pacific Northwest ports are the second largest outlet for U.S. grain and oilseed exports. Bulk grain and oilseed exports are projected to increase by almost 60 percent – to 30 million metric tons – in the next few years as the region sharply expands its export capacity. While traditionally known for its wheat exports, Pacific Northwest ports also are a significant exporter of corn and soybeans given increased production of those commodities in the Northern Plains and Upper Midwest.

Water Resources Development Act (WRDA): The NGFA urges immediate passage of S. 601, the Water Resources Development Act of 2013 (WRDA), to provide sufficient resources to rehabilitate the aging and increasingly vulnerable U.S. inland waterways system and port infrastructure. Most of the inland waterway locks and dams were built in the 1930s and are in desperate need of modernization and expansion; of the nation’s 241 locks, 54 percent are more than 50 years of age (their economic design life) and 26 percent exceed 70 years of age.

Improving inland waterway capacity has major national implications for: 1) the fundamental ability of U.S. agriculture to compete in an increasingly competitive global marketplace; 2) addressing ever-greater congestion on U.S. highways and railroads; 3) enhancing the capacity of the overall U.S. transportation system; and 4) averting potential constraints on the future growth of the national economy.

With adequate maintenance and capital investment, U.S. ports and waterways are the backbone of our transportation system—ensuring domestic and international trade opportunities and low-cost, environmentally friendly movement of goods. The cost for transportation over inland waterways is two to three times less than other modes of transportation, translating into an annual savings of $7 billion for American businesses. In 2012, agricultural exports totaled $128 billion and imports were $95 billion. Of these transactions, more than 95 percent pass through the nation’s harbors.
Mississippi River and Port Dredging: The Mississippi River and its tributaries constitute a natural distribution system that covers a wide stretch of the United States. About 413 million tons of domestic and international cargo is moved annually on the Lower Mississippi River.

In late 2012, the Mississippi River experienced a near-record low level that threatened navigation along the 200-mile stretch between St. Louis and Cairo, Ill. This potential closure threatened 300 million bushels of agricultural products worth $2.3 billion. A combination of January rains, limited releases of water from upstream dams, dredging and expedited work to remove rock pinnacles near Thebes, Ill., succeeded in restoring the required 9-foot navigation channel. But the uncertainty resulted in lost export sales and increased barge shipping costs as barges were loaded to lower weights. The NGFA believes the U.S. Army Corps of Engineers needs the ability to maintain the option of releasing limited quantities of Missouri River water to continue Mississippi River commercial navigation if drought-induced low-water levels return.

Inland Waterways Capital Development Plan: The Inland Waterways Capital Development Plan addresses the long-festering need to rehabilitate an aging and obsolete lock system. The Plan was finalized in 2010 after a nearly two-year effort by a joint Inland Waterways Users Board/U.S. Army Corps of Engineers working group. It would improve the inland waterways navigation infrastructure by: 1) prioritizing the completion of navigation projects across the entire inland waterways system; 2) improving the Corps of Engineers’ project management and processes to deliver projects on-time and on-budget; and 3) providing an affordable funding mechanism to meet the system’s needs. The NGFA supports the Plan, as embodied in H.R. 1149, the Waterways are Vital for the Economy, Energy, Efficiency and Environment Act (WAVE 4), introduced by Rep. Ed Whitfield (R-KY).

Reinvesting in Vital Economic Rivers and Waterways Act (RIVER): As noted, the NGFA supports the original recommendations of the Inland Waterways Capital Development Plan, as well as the concepts embodied in the WAVE 4 legislation and the bipartisan waterways bill introduced by Senator Bob Casey (D-PA). Current co-sponsors are Senators Mary Landrieu (D-LA), Amy Klobuchar (D-MN), Lamar Alexander (R-TN), Tom Harkin (D-IA), Roger Wicker (R-MS), and Joe Manchin (D-WV).

NGFA priorities that would be accomplished in this legislation include:

- Prioritize the completion of navigation projects across the entire system;
- Improve the Corps of Engineers’ project management and processes to deliver projects on time and on budget;
- Reform project cost allocations;
- Deliver modernization projects worth $8 billion of job creation;
- Recommend an affordable user fee funding mechanism to meet the system’s needs, and
- Realize a sustainable annual appropriation of $380 million.