Grain traders worried about aging locks on river

Grain traders who have long relied on the Mississippi River to move corn and soybeans from the farm to their international customers are worried about the chances of a major failure in the waterway's aging locks on the upper Mississippi.

It's a concern that stretches from that region down through the mouth of the river in Louisiana. More than half the nation's grain exports are shipped via public and private facilities operating from Baton Rouge to the river's mouth.

Those public and private facilities are within the jurisdictional areas of the Port of Greater Baton Rouge, Port of South Louisiana in LaPlace, Port of New Orleans and the Port of Plaquemines.

According to Army Corps of Engineers estimates, half those locks will reach their capacity limits by 2000. That will, in effect, result in a barge traffic gridlock.

U.S. grain merchants could face longer shipping delays and higher transportation costs for an industry that makes pennies or less on a bushel of wheat, corn or soybeans.

"An aging lock combined with high usage gives rise to increased down time and increased operating delays. These factors also increase the chance for a major failure of the structure," said J. Stephen Lucas of Louis Dreyfus Corp., one of the world's largest grain traders.

"Any of these events . . . mean increased transportation costs for U.S. grain shippers and handlers, which is ultimately translated into a lowering of gross farm income," said Lucas, director of logistics and operations for Louis Dreyfus, in recent testimony before a Senate subcommittee.

"It's kind of one of those 'it depends' (on the degree of the problem) kind of things," said Cargill Inc. manager Ole Christiansen. Cargill leases and operates the Baton Rouge port's publicly owned grain elevator and terminal.

Any delay in barge traffic adds to grain shipper's costs, he said. If ships are held over because of delayed barge shipments, penalties kick in. In attempt to offset anticipated delays, shippers in need of 100 barges of grain might buy extra grain and load 150 barges in hopes that 100 will make a trip in time, Christiansen said. That rolls up purchasing, transportation and interest costs, he added.

According to Lucas, 65 percent of all U.S. grain exports last year - or 63 million tons - moved on the nation's inland waterways. Barge transportation is by far the cheapest way to move grain, and provides competition to the railroads, officials said.

Simons said 1990 estimates of U.S. exports through the lower Mississippi River show that 77 percent of the nation's animal feed, 77 percent of the soybeans, 70 percent of the corn, 48 percent of the rice, 47 percent of the cereals and 29 percent of the wheat were shipped from the area comprising Baton Rouge to the mouth of the river.

The Army Corps of Engineers, which operates the commercial locks and dams on the inland waterways, agreed the situation on the upper Mississippi River is serious. Although the locks have been renovated over the years, one has been replaced. Another was expanded.

The system is still largely operating under the technology of the 1930s, and with lock sizes designed to handle the smaller tows of decades ago as it approaches 2000 with ever-heavier traffic.

Finding the money to pay for any repairs, however, is certain to be difficult in such tough economic times and the question of who will pay will also be controversial, officials said.

The committee's report, which gives increased emphasis to cleaning up today's depressed economic conditions and increased foreign competition, commercial waterway interests and all of the needed navigation projects.