

Bright future

Officials expect a \$130 million project at the B.R. port to have a huge impact on Louisiana agriculture.

BY DAVID JACOBS

David Bollich used to be a farmer in St. Landry Parish. Rice, soybeans and crawfish, he says.

"If you do rice, you gotta have a few crawfish ponds on the side," he says.

Bollich says a \$130 million Louis Dreyfus Commodities project under construction at the Port of Greater Baton Rouge in Port Allen will have a greater beneficial impact on agriculture in south and central Louisiana than anything that's happened since he was a farmer. He works for Louis Dreyfus now, so he's biased, but he's not the only one who's excited.

The new-and-improved grain elevator, slated to open next year, will connect Louisiana farmers with foreign markets, which could be worth millions to growers—thereby boosting the

GOING WITH THE GRAIN: Jay Hardman, the executive director of the Port of Greater Baton Rouge, says when its new grain elevator is complete, the port seeks to handle more than 5 million tons of grain per year.



BRIAN BAJAMONTE

THE INSIDE SCOOP.



HIGHS AND LOWS

IN MAY OF LAST YEAR, ports along the Mississippi River were dealing with record-high water. A little more than a year later, they're facing the opposite problem.

Jay Hardman, executive director of the Port of Greater Baton Rouge, says deep-draft shipping through the port largely has been uninterrupted, but transfers to barges have been tricky. At what port employees call the Baton Rouge Barge Canal, north of the U.S. 190 bridge, there have been problems with tenants "having to come in light, and certainly couldn't load heavy," Hardman says.

Low water has helped speed the overhaul of the port's grain elevator, now owned by Louis Dreyfus. Driving massive pilings is much easier without so much water in the way.

"If it was this time last year they were trying to do it, they'd be stopped dead in their tracks," Hardman says.

At Port Allen in mid-September, the river stage only was about 4.8 feet. Not a record low, but pretty darn low. Hurricane/Tropical Storm Isaac provided some relief, as its remnants drifted into the drought-stricken Midwest, but not much.

"Without some major storm fronts moving through and putting some water in the Mississippi River Valley, I think this [low water] will be with us for a while," he says. "I don't see anything on the radar screen."

—D.J.



PORT OF GREATER BATON ROUGE/TIM MUELLER

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JAY HARDMAN, executive director, Port of Greater Baton Rouge

regional economy—while luring more ships to the port.

"If you ask any grain farmer in this area," says Mike Danna with the Louisiana Farm Bureau, "I think they're fired up."

In 2009, criticism of Cargill, the grain elevator's former operator, was mounting. Farmers complained of sliding prices, limited hours of operation, and waiting in line too long to unload their grain. For a farmer, time is money.

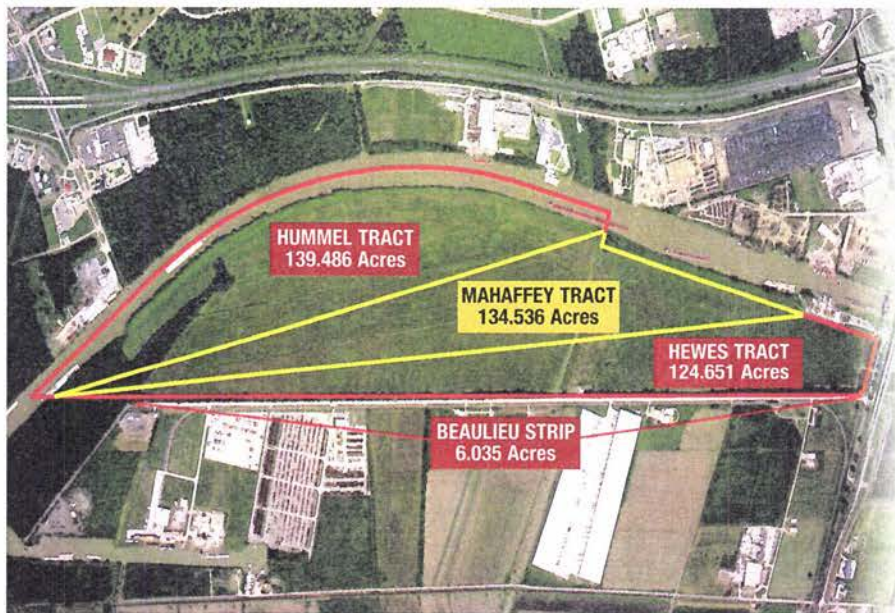
Cargill had run the elevator for decades, and growers urged the Port Commission to see who else might be out there. The Louis Dreyfus proposal, according to an LSU AgCenter study, could translate to up to \$33 million more a year for Louisiana farmers, and the commission approved it unanimously in 2011.

Basically, all the technology at the elevator facility that moves grain, off barges and trucks, sorted into massive bins by quality, and conveyed onto ships, will be dramatically upgraded.

"Everything will move faster," Bollich says. "The old ship loader could do 60,000 bushels an hour. We're going to do 100,000 bushels an hour. If you're going to compete in the export market, you have to do that."

Under Cargill, the facility functioned as a "barge loader" commercially, Bollich says, and the barges would take the grain elsewhere for export. Exporting directly from the port cuts one step out of the process, allowing for higher prices to the farmers; but to make it work, Dreyfus will have to move enough grain to bring the ships.

"If you load barges here, then you're selling it to an exporter," Bollich says.



LANDING MORE LAND

SINCE 2004, the Port of Greater Baton Rouge has been putting together a large tract of land along the Gulf Intracoastal Waterway. In September 2012, \$6.5 million later, the 405-acre puzzle nearly was complete.

The last parcel, about 135 acres, had a "huge number" of heirs, executive director Jay Hardman says.

"I've never been a big fan of expropriation under any set of circumstances," he says. "It just takes time working through. We'd let it sit for a while, then [the owners] would come to us."

There are no specific plans for the new land yet. Hardman suggests a tank farm expansion might be a good fit for some of the land, and says one company is considering using it to transfer dry bulk to the deepwater docks. There's not much open space under the port's jurisdiction left; now the port has room to grow.

"I think years from now—maybe sooner than later—people will say, 'I'm glad the commission did this,'" Hardman says.

—D.J.

"If you load ships here, then you're selling that grain to the importer across the seas. It's a better price."

Louis Dreyfus is one of the world's biggest grain exporters; this will be its first export facility on the Mississippi River. About 60% of American agriculture exports come through the Mississippi, and the new facility enables Dreyfus to take advantage of increasing import demand from China, Bollich explains.

"I'm excited, and I think the port's excited, and the maritime communi-

ty's excited about the ships that are coming," says Jay Hardman, the port director. "Not all of them will come here empty to get grain. ... An empty ship coming across any body of water, there's going to be people looking to put something in it." Over time, cargo will find those empty ships, and Hardman hopes some of that cargo will be unloaded in Port Allen.

Hardman says Cargill, over the past 13 years, moved about 750,000 tons of grain per year; Dreyfus is shooting for 5 million to 6 million tons per year. He

says Cargill loaded about 10 or 15 ships in a year, while Dreyfus may draw 100.

The project should be ready for harvest season by August 2013, Bollich says. For now, the facility is shut down completely while the work continues. Danna says the lack of a local elevator is a major hardship for farmers, many of whom just took a hit from Isaac and now have to haul their bounty far greater distances than they'd prefer.

But Danna expects the wait will be worthwhile. In fact, he reckons it's a good sign.

"When those guys got in there and they saw what needed to be done, they didn't cut corners," he says. "I think what Dreyfus is doing makes a lot of sense over the long term."

The biggest telltale sign, he says, will be how quickly farmers will be able to turn around their grain trucks and get them back to the field for the next load.

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