The Commodity: Soybeans
Agriculture is important both culturally and economically to Missouri. The state is home to the second most farms in the nation – more than 100,000 – and the industry employs nearly 300,000 workers. Soybeans play an important role in the industry. They were the most valuable crop to the Missouri economy in 2013, bringing in more than $2 billion in receipts, and they represent the state’s largest agricultural export. Missouri is currently the 7th largest soybean producer in the country.

The Route: New Madrid County to the Port of New Orleans
The most agriculturally productive part of Missouri is the Bootheel region, which grows approximately 40% of the state’s agricultural output. New Madrid County, in the heart of the region, is the state’s largest producer of soybeans. The county’s access to the Mississippi River means that after a short truck haul from farm to port, the vast majority of the crop is shipped via barge to the country’s largest soybean destination: New Orleans, Louisiana. From the busy Gulf port, the nation’s soybeans, including those from New Madrid and other parts of Missouri, are prepared for export to other countries. The vast majority of these exports go to China, with significant portions going to Mexico, Europe, Japan, and numerous other destinations throughout the world.

The Measure
This is part of a series of measures that track the transportation cost competitiveness of some of Missouri’s key economic industries. In each part of the series, a key commodity is selected for analysis of the transportation costs of moving that commodity from a common origin with Missouri to a common destination outside the state’s borders. These costs are then compared with those of some of the surrounding competitor states.

The Trip from New Madrid to New Orleans
Port of New Madrid

New Madrid County

Port of New Madrid

Memphis

Barge Segment Costs: $10.71 per ton

Total Costs: $11.95 per ton

Port of New Orleans

The Missouri Freight Plan
Economic Competitiveness Performance Measure: Soybeans
May 12th, 2014
The journey from farm to export starts in most cases on a truck, which drives an approximately 20-ton load of soybeans an average of just 15 miles to a grain elevator at the New Madrid port. At a total cost of $24.81 this leg of the journey costs just $1.24 per ton. From the port, the soybeans are loaded onto barges that carry between 1,300 and 1,700 tons for the journey down the river. The average cost per ton from New Madrid to New Orleans is $10.71 per ton, bringing the total cost to $11.95 per ton.

The Competitors: Some of the top soybean producing states
For this analysis, the top soybean producing states that ship significant quantities of grain to New Orleans are considered. These include Illinois (the #1 state), Iowa (#2), Indiana (#3), Ohio (#6), and Arkansas (#9). Origin points are from each state’s top-producing county.

Comparing the Costs: Missouri ranks 2nd
High crop production areas are located close to the rivers for most of these competitor states - providing for a short truck leg in most, but not all cases. Even in the instances where the highest soybean producing counties have a significant distance to reach the nearest port, water remains a strong transportation mode in soybean freight shipments. Ports south of the confluence of the Missouri and Mississippi rivers have the advantage not only of being closer to New Orleans, but also of having no locks at all along the journey, greatly reducing the cost of shipping.

The Costs of Shipping One Ton of Soybeans to New Orleans from Competitor States

- Arkansas: $11.17
- Missouri: $11.95
- Ohio: $23.61
- Illinois: $24.57
- Indiana: $32.75
- Iowa: $41.71

The Missouri Freight Plan | Competitiveness Measure