October 2023
MGFA Newsletter

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NOTICE: The MGFA Office Is Moving

Due to the recent sale of the building where the MGFA office is housed, the MGFA office will be moving to a new location, **effective November 1, 2023**. We will be staying in New Prague, just relocating to a new site. Our new address will be **125 W. Main Street, New Prague, MN 56071**. Please share this update with your accounting personnel and others so that anything you mail to us will find us in a timely manner.

We will be moving the office on October 31, so our phones and internet will be down for the day, but we expect to be back up & operational on November 1. Our phone number and fax number will stay the same. Thanks!

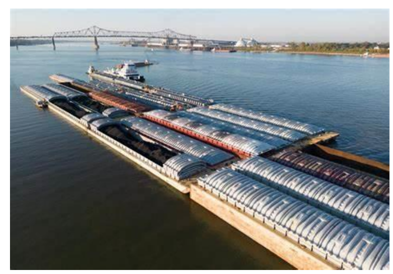
Sustaining Sponsor Spotlight – CarlsonSV CPA’s & Advisors

The MGFA would like to spotlight our 2023 Sustaining Sponsor firms for their generous contributions to the association. The Sustaining Sponsorship program allows our industry friends to be promoted as sponsors at MGFA's events all year long. This week we'd like to feature our Silver Sponsor, **CarlsonSV CPA's & Advisors.**

At CarlsonSV, their mission is to offer proactive and innovative financial solutions to help individuals and businesses advance confidently into the future. The firm has grown to include eight partners and approximately eighty employees. Their services extend to clients primarily throughout the Midwest. By remaining true to their commitment to provide excellent client service, they continue to expand their client base and give clients the attention, service, and expertise they deserve.

The MGFA greatly appreciates the generous sponsorship of CarlsonSV CPAs & Advisors and all of our Sustaining Sponsors for their support of the various programs and services provided by the Association. Thank You!

Precipitation to Eventually Alleviate Mississippi River Woes



The water-level gauge on the Mississippi River at Memphis, Tenn. captured an official record low of −11.52 feet on October 11, surpassing the previous record low of −10.81 feet that occurred in October 2022, USDA's weekly "Grain Transportation Report" noted. On October 17, the Memphis gauge read an unofficial record low of −11.98 feet that the U.S. Army Corps of Engineers has not yet verified.

USDA reported that records were also broken on the Ohio River at Cairo, Illi., where the water-level gauge read 4.5 feet, the lowest since 1901, and on the Missouri River at New Madrid, Mo., where the reading was −6 feet.

Draft and tow-size restrictions are in place along the entire river system, and despite some recent rain, more rain will be needed to raise water levels enough to improve navigation conditions, USDA said.

"Water levels are projected to rise by late October and early November, but navigation conditions are not expected to improve before late December or early January," the report noted.

Despite the navigation issues, last week, the St. Louis spot freight rate fell for the third week in a row to $23.06 per ton—down 68% from the same week last year—and 496,000 tons of grain moved through Mississippi River locks to the U.S. Gulf.

USDA Chief Meteorologist Brad Rippey said that work done by the U.S. Army Corps of Engineers over the last year has prevented the record-low levels from affecting river traffic like last year. However, river traffic has declined due to post-harvest decisions by farmers.

“Folks are hanging onto the grains and oilseeds a bit longer, and at least while there is storage available, a lot of those are not being shipped at this time,” Rippey said.

A fairly soft export has also contributed to the decline in barge traffic, he added.
Even so, barges that are running have had to reduce their loads by about one-third to keep from scraping bottom.

Good news on the horizon

The picture remains grim for much of the South as the latest U.S. Drought Monitor reported widespread degradations last week across the Tennessee Valley, central Mississippi Valley and northern parts of the Southern Plains.

The good news, however, is that a front extending from the Upper Mississippi Valley to the Southern High Plains will move eastward to the Lower Great Lakes/Mid-Atlantic to the Central Gulf Coast over the next week. The system, the Drought Monitor said, will produce rain over parts of the Upper/Middle Mississippi Valley on Wednesday evening, moving into the Great Lakes/Ohio Valley by Thursday and continuing eastward into Friday.

The National Oceanic and Atmospheric Administration (NOAA) released its U.S. Winter Outlook last week, which also provided some positive news for the South, although longer term.

“An enhanced southern jet stream and associated moisture often present during strong El Nino events supports high odds for above-average precipitation for the Gulf Coast, lower Mississippi Valley and Southeast states this winter,” said Jon Gottschalck, chief of the operational prediction branch of the National Weather Service’s Climate Prediction Center.

Even as widespread extreme to exceptional drought will continue to persist across much of the South, and portions of the central U.S., NOAA said drought conditions are expected to improve across the Southeast, the Gulf Coast (including the lower Mississippi Valley), and Texas due to the expected wetter-than-average forecast.

Source: Feedstuffs

Strike Shuts Down Ocean-bound Great Lakes Shipping Traffic

DULUTH — A strike by unionized workers of Canada’s St. Lawrence Seaway Management Corp. that started Sunday morning has virtually shut down oceangoing shipping traffic on the entire seaway system.

Because the seaway is a linear system of canals and locks through Ontario, New York and Quebec, closure of any portion effectively results in closure of the entire waterway, officials of the Duluth Seaway Port Authority said Monday.

As a result of the strike, multiple ships loaded with exports are presently unable to exit the Great Lakes-St. Lawrence Seaway System, and a growing line of inbound ships are unable to enter or pass through specific segments.

One vessel presently loading wheat in Duluth is scheduled to deliver its cargo to Algeria upon departure through the now-shuttered seaway, according to officials at the Duluth Seaway Port Authority. Several additional ships are scheduled to arrive in Duluth-Superior via the seaway for grain in the coming weeks. Various other vessels are scheduled to arrive with imports to support regional manufacturing.

Negotiators from the Canadian portion of the seaway management and the union attempted to reach an agreement on a new employment contract for several months. The union gave 72-hour strike notification Wednesday as required under Canadian law.

Negotiations are continuing between the corporation and union with officials urging a speedy settlement.

“This situation affects oceangoing activity for the entire Great Lakes-St. Lawrence Seaway System, which makes it everyone’s concern,” Deb DeLuca, executive director of the Duluth Seaway Port Authority, said in a statement released Monday. “This interruption of Seaway operation has immediate and longer-term consequences for Great Lakes ports, the entire Seaway System, and countries around the world hungry for our exports, especially now, during peak grain harvest season.”

DeLuca said the strike harms the reputation of the entire Great Lakes shipping system.

“Countries that rely on our grain exports are left waiting and hungry. The toll will continue mounting until the system reopens,” DeLuca said.

It is reportedly the first strike-related closure of the St. Lawrence Seaway during a shipping season since June 1968. The strike doesn't impact inter-lake movement of cargo such as taconite iron ore between Minnesota and Great Lakes steel mills.

A recent economic impact analysis of commerce through the seaway showed that, in 2022, the waterway handled more than 36 million tons of cargo and supported more than 24,000 jobs in the United States and 42,000 in Canada.

Seaway officials estimate that every day of a mid-season seaway shutdown costs the shared U.S./Canadian economy $50 million to $80 million.

Source: Agweek

Ag Exporters Applaud USDA Trade Investment

Agriculture Secretary Tom Vilsack announced Tuesday that USDA is investing $2.3 billion to help boost international trade and food aid. The funds will be allocated through the USDA Commodity Credit Corporation. According to Vilsack, USDA took this action in response to a bipartisan request from the Senate Agriculture Committee. He says the CCC continues to address American producers' needs during a challenging time that includes ongoing conflicts and climate change.

"The **Commodity Credit Corporation** and USDA's market development and aid programs are critically important at this time, and with this additional support we can strengthen U.S agriculture's presence in existing markets, open up new market opportunities, and build on our relationships and connections to ensure that high-quality American agriculture and food products reach where they are needed in the world."

Approximately $1.3 billion of the announced funds will be used to create a new Regional Agriculture Promotion Program. That initiative will work to help ag groups market their commodities overseas. It will supplement funds provided by the Market Access Program and Foreign Market Development Program. USDA says that will support specialty crop industries and diversify export markets.

The additional $1 billion will be used to provide commodity-based international food aid.
Year-to-date agricultural **exports are down** more than 10% compared to this time last year. USDA data projects a $27.5 billion agricultural trade deficit for Fiscal Year 2024, an increase of more than $8 billion from 2023. Agency officials say the Regional Agriculture Promotion Program will help exporters compete in new markets and expand their share in others. Those investments are intended to decrease American reliance on a handful of large markets like China.

Vilsack's announcement drew swift, overwhelming positive reactions from multiple ag groups. The National Milk Producers Federation and U.S. Dairy Export Council issued a joint statement commending what they say is a significant new investment in export market promotion. NMPF CEO Jim Mulhern thanked Senate Agriculture Committee Chair Debbie Stabenow, D- Mich, and Ranking Member John Boozman, R- Ark., for spearheading the legislation. He encouraged Congress to build on the announcement and deliver additional funding for the Market Access Program and the Foreign Marketing Development Program in the next farm bill.

"Now more than ever, the U.S. dairy industry relies on exports," Mulhern says. "If distributed to those sectors that are presently underfunded such as dairy, the new export promotion funding will put us in a better position to compete globally and grow our consumer base."

National Association of State Departments of Agriculture CEO Ted McKinney says it's important know that for every $1 invested in export market development, $24 is returned in revenue. He says this latest USDA program is a win for farmers, ranchers, and the economy because it will increase income and create more jobs in the farm and food sector.

"This program will build upon the success of the Agricultural Trade Promotion Program, which is projected to generate $6.44 billion in farm cash receipts and nearly 14,780 jobs annually," McKinney says.

Other groups applauding USDA's announcement include the U.S Meat Export Federation, the American Soybean Association, U.S. Wheat Associates, National Association of Wheat Growers, North American Renderers Association, USA Rice and the U.S. Grains Council, among others.

Source: Feedstuffs

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