

Marcon International, Inc.

Vessels and Barges for Sale or Charter Worldwide

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June 2023

Inland Pushboat Market Report

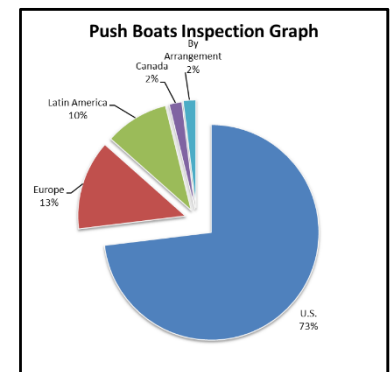


Of the 13,300 vessels (excluding barges) Marcon currently tracks, 816 are inland river pushboats with 52 officially on the market for sale (38 U.S. flag and 14 foreign flag). Eight of the boats with age listed were built within the last ten years. Twenty-eight boats are forty-five years of age or older. The oldest listed were built in 1944, a 76', 1,150BHP vessel and a 127', 3,600BHP vessel, both on the U.S. West Coast. This is counterbalanced by a 2023-built 96' 4,000BHP pushboat located on the U.S. Gulf Coast. Marcon also has six inland river pushboats listed for charter – four U.S. and two foreign.

Market Overview

The number of inland river push boats officially on the market for sale in total is 52, down three or 6.12%, from one year ago in June 2022 and down 49 or 48.51% from May 2018. We do not have any push boats offered greater than 5,000HP, reflecting that higher horsepower units are working consistently. Currently, 15.38% of the push boats available are less than 10 years old, up from 12.24% reported one year ago but down slightly from 15.84% reported five years ago. Specifically, the average age of all on the market through Marcon last year and five years ago was 37 and 45 years, respectively, compared to 40 years now. Mostly older foreign-flagged vessels have gone on the market, with average age going from 30 years in 2018 to 42 years now. U.S.-flagged push boats went from 48 years old five years ago to 36 last year to back to 39 years old as of this report date.

Of the 48 vessels listed for sale where engine type is known, 12 are powered with Cummins, followed by ten with EMDs, nine with CATs, four with John Deere, GM and Mitsubishi with three each and seven comprised of other types. Most of the inland river pushboats Marcon has listed for sale are located in the U.S. with 38 vessels or 73%; followed by seven or 13% in Europe, five in Latin America and one each in Canada and with "undisclosed" location. While our focus is on the U.S. market, there has been a decline of vessels offered in the U.S. as percentage of all available for sale noted a year ago when it dropped to 71% compared to 82% in 2018, but it has now increased up to 73%. Compared to five years ago, push boats available in Europe has stayed consistent (13% in 2018 same as now) but more in Latin America (2% in 2018 to 10% now).



Marcon's Market Comments

The U.S. inland market has slowed somewhat compared to 2022. Supply chain normalization and more normal water levels has brought demand more toward balance. The war in Ukraine, continues with recent threats by Russia to disrupt grain shipments. For the week ending June 24, barged grain movements totaled 400,094 tons. This was 48% less than the same period last year. Fuel prices are down from 2022, but have been trending higher in recent months. For the week ending June 19, the U.S. average diesel fuel price rose 2.1 cents from the previous week to \$3.815 per gallon - \$1.995 below the same week last year. Diesel prices rose in 7 of the 10 regions, with the biggest increase of 4.3 cents occurring in the Gulf Coast region. Following a 1.8-cents increase for the week ending April 17, diesel prices have continuously declined. The current price rise marks only the fifth time this year that prices have risen. According to the Energy Information Administration's (EIA), June Short Term Energy Outlook, retail diesel prices are expected to average \$3.95 per gallon in 2023 and \$3.82 per gallon in 2024, down from \$5.02 per gallon in 2022. The inland tank barge market remains on strong footing. Tank barge operators are seeing utilization rates in excess of 90% driving higher pricing. Although demand is strong for inland push boats, second hand supply continues to be very limited. Overall Marcon has seen an increase in activity across several maritime sectors in the first half of 2023, with a limited supply of good second-hand vessels and barges being the primary factor influencing the number of sales.

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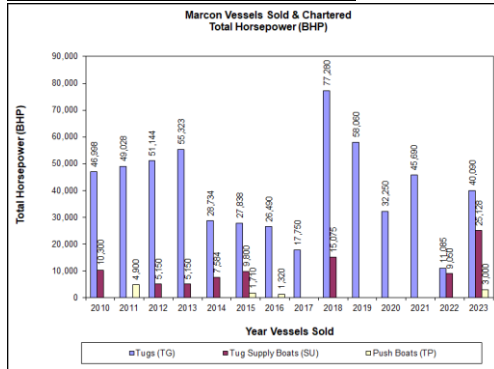
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Marcon's Recent Sales



To date in 2023, Marcon has closed 19 sales, comprised of an inland deck barge, two ocean deck barges, a passenger day vessel, a PSV, two AHTSs, an ocean tank barge, nine twin-screw tugs and a pushboat. In 2022, Marcon concluded a total of 19 sales and charters comprised of three ocean deck barges, three inland deck barges, an ocean tank barge, a landing craft, five tugs totaling 11,085BHP, a fast supply utility vessel, a crew boat, two PSVs and two AHTS vessels. Since 1981, Marcon has sold or chartered 37 inland river pushboats totaling 83,780BHP, 392 tugs (1,287,862HP), 111 inland hopper barges (171,006dwt), 96 inland deck barges totaling 203,417dwt capacity and 64 inland tank barges with an aggregate capacity of 1,047,848 barrels, out of 1,565 vessels and barges sold or chartered worldwide.

In February, Marcon closed on the private sale of a 1968 built, 111' x 33', 3,000BHP inland river towboat between U.S. clients. The welded steel towboat features a two-level deck house with a 39' height of eye raised pilot house atop a steel tower.



Featured Listings for Sale Direct from Owners

Marcon currently has 71 inland river pushboats, hopper barges and tank barges for sale worldwide, of which 24 are non-U.S. and 47 U.S. flag, plus numerous other vessels and barge not officially on the market which may develop on a private & confidential basis.



File: TP04227 Push Boat: 25.5' loa x 14.0' beam x 4.00' loaded draft. Built in 2006. U.S. flag. Winch: 2 - Facing Winches. Main Engines: 2 x John Deere 6068TFM75 total **402BHP**. Gensets: 1 - 12KW / Kubota V1505. Truckable. Steel Hull. **Raised Pilothouse with 18' eye level. U.S. Southeast.**

File: TP06023 Push Boat: 25.5' loa x 14.0' beam x 5.0' depth. **Built in 2014** by Stockton, Missouri. U.S. flag. GRT: 14. Winch: Manual face winches. Main Engines: 2 x John Deere 6068 total **600BHP**. 2 - FP 32.8" x 24" props. Truckable push boat. Reportedly in good overall condition. **Tier 3** Main engines. Upper control station. **U.S. West Coast.**



File: TP09658 Push Boat: 55.0' loa x 24.0' beam x 8.5' depth. Built in 1980 by V & M Shipyard. U.S. flag. GRT: 116. Class: USCG COI Sub M - Exp. 27 Sep 2023. Main Engines: 2 x Mitsubishi S6A3MPTA total **960BHP**. 2 - FP 66" x 50" props. Gensets: JD4045TF285. **Flanking rudders. Laid-up. U.S. Gulf Coast.**

File: TP09664 Push Boat: 60.0' loa x 25.0' beam x 9.5' depth. Built in 1981 by Balehi Shipyard. U.S. flag. GRT: 154. Class: USCG COI Sub M - Exp. 11 Feb 2024. Main Engines: 2 x Mitsubishi S6A3MPTA total **960BHP**. 2 - FP 58" x 66" props. Kort nozzles. Gensets: JD-4045TF285. **Flanking rudders. Laid-up. U.S. Gulf Coast.**



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File: TP12175 Push Boat: 75.0' loa x 24.0' beam x 10.0' depth x 9.00' loaded draft. Built in 1970 by Main Iron Works; LA USA. U.S. flag. GRT: 143. USCG COI Sub M - Exp. 31 Oct 2022. FO: 17,073g. FW: 1,060g. Winch: 2 - 40T Nabrico Face. Main Engines: 2 x Mitsubishi S6A3MPTA-3 total **1,200BHP**. 2 - FP 68" x 42" props on 6" shafts. 10/22 PME - 23,759 hrs. / SME - 21,238 hrs. Gensets: 2 - 60kW / John Deere 4045TF285; 1. 28,605hr, 2. 4,080hr; new 2015. 4 - main rudders and **2 flanking rudders**. **29.5 ft. height of eye**. 39.5 ft. highest fixed point. Keel coolers. Laid-up. **U.S. Gulf Coast**.

File: TP12176 Double Hull Push Boat: 75.0' loa x 26.0' beam x 8.6' depth. Built in 1982 by Superior Boat Works; LA USA. U.S. flag. GRT: 85. Class: USCG COI Sub M - Exp. 20 Apr 2025. Main Engines: 2 x Cummins 38M Tier 2 total **1,200BHP**. 2 - FP 70" x 52" props. Gensets: Cummins 6CTA8.3. Retractable wheelhouse. No flanking rudders. Laid-up. **U.S. Gulf Coast**.



File: TP13050 Push Boat: 50.0' loa x 22.0' beam x 7.5' depth. Built in 2008 by Serodino Shipyard; TN USA. U.S. flag. GRT: 73. Class: None. Main Engines: 2 x Cummins QSK19-ME total **1,320BHP**. 2 - FP 52" x 40" props. Gensets: John Deere 4045TF285. No flanking rudders. Laid-up. **U.S. Gulf Coast**.



File: TP18068 Push Boat: 86.0' loa x 27.0' beam x 9.3' depth. Built in 1976 by Superior Boat Works. U.S. flag. GRT: 201. Class: None. Main Engines: 2 x EMD 8-645-E2 total **1,800BHP**. 2 - FP 76" x 63" props. Gensets: JD6068 / Cum6CTA8.3. **Retractable wheelhouse. Flanking rudders**. Laid-up. **U.S. Gulf Coast**.

File: TP19092 Push Boat: 92.0' loa x 32.0' beam x 9.5' depth. Built in 1974 by LeMay Barge and Supply Inc. U.S. flag. GRT: 301. Class: None. Main Engines: 2 x EMD 8-645E2 total **1,900BHP**. 2 - 72" x 76" FP props. Gensets: John Deere 6068T / Cummins 6CTA8.3. No flanking rudders. Laid-up. **U.S. Gulf Coast**.



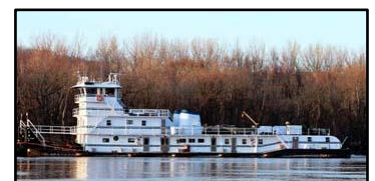
File: TP28121 Push Boat: 121.0' x 33.0' x 10.3' depth. Built in 1970 by Nashville Bridge. U.S. flag. GRT: 349. Class: None. Main Engines: 2 x EMD 8-645-E5 total **2,800BHP**. 2-FP 90" x 88" props. Gensets: Cummins 6CTA8.3. **Retractable wheelhouse. Flanking rudders**. Laid-up. **U.S. Gulf Coast**.

File: TP30011 Push Boat: 110.0' loa x 34.0' beam x 10.5' depth. Built in 1976 by Dravo Corp. U.S. flag. GRT: 302. Class: None. Main Engines: 2 x EMD 12-645-E7B Tier 2 total **3,050BHP**. 2 - FP 83" x 83.7" props. Kort nozzles. Gensets: John Deere 6068T / Cummins 6C. No flanking rudders. Laid-up. **U.S. Gulf Coast**.



File: TP30111 Push Boat: 110.0' loa x 34.0' beam x 10.5' depth. Built in 1976 by Davo Corp. U.S. flag. GRT: 283. Class: None. Main Engines: 2 x EMD 12-645-E6 total **3,000BHP**. 2 - FP 84" x 77.8" props. Kort nozzles. Gensets: Cummins 6CTAB.3. No flanking rudders. Laid-up. **U.S. Gulf Coast**.

File: TP30147 Push Boat: 147.0' loa x 38.5' beam x 10.0' depth. Built in 1973 by Superior Boat Worker; LA USA. U.S. flag. GRT: 634. Class: None. Main Engines: 2 x EMD 12-567C-E2 total **3,200BHP**. 2 - FP 90" x 88" props. Gensets: Cummins 6CTA8.3. No flanking rudders. Laid-up. **U.S. Gulf Coast**.



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File: TP39096 Push Boat: 96.0' loa x 34.0' beam x 10.8' depth x 9.00' loaded draft. **Built in 2022** by Main Iron Works Inc; Houma, LA USA. U.S. flag. Class: USCG Sub M COI. FO: 31,000g. FW: 7,806g. Winch: 4 - 40T Nabrico electric. Main Engines: 3 x Cummins QSK38 total **3,900BHP**. 3 - 72' x 65" 5-blade SS props on 7" shafts. **Tier 3**. Gensets: 2 - 99kW Northern Lights (John Deere 4045). AirCon. Galley. Newbuild inland river pushboat. **Height of eye - 48'**. 9' operating draft. EPA Tier 3 re-built engines. **Flanking rudders**. Fleet deck. Full electronics. Survey. **U.S. Gulf Coast**.

File: HB31152 Hopper Barge – Inland (Three Available): 311.8' loa x 298.2' lbp x 52.0' beam x 17.0' depth. Built in 1986 by Twin City Shipyard, St. Paul, MN. U.S. flag. GRT: 2,189. NRT: 879. Class: Ex - ABS Loadline. Rakes: Double. Hold Capacity: 5,400cuyd. 1 hold. Ex - ABS Loadline open top hopper barges. Lengthened from 260' LOA in early 2000's with a mid-body insert. Originally built to ABS +A1 Barge. 3 sister barges may be developed for sale. Towing skegs and stern notch fitted. Hopper (258.8' x 36' hopper) is sloped, 0.5" plate and surrounded by 5.5' hatch coamings. Recent 2023 Surveys available on request. **U.S. East Coast**.



USDA Grain Transportation Update: Low Demand Likely To Persist Through Summer

Demand for grain transportation has been well below average this summer, reflecting low export demand for marketing year (MY) 2022/23 and low domestic grain stocks. Grain carloads on the Nation's Class I railroads reached a 15-year low in the most recent week of data, and barge volumes are well below the 5-year average as well. Low volumes have lessened the impacts of recent challenges to barge supplies, including adverse weather conditions and low water levels affecting the Mississippi River System (MRS).



Over the last 15 weeks, grain transport cost indicators have declined 9% for trucking, 7% for shuttle trains, 2% for non-shuttle trains, 55% for barge, 9% for ocean vessels departing the U.S.

Gulf Coast, and 10% for ocean vessels departing the Pacific Northwest (PNW). However, the demand for grain transportation could pick up in the near term. According to USDA's July World Agricultural Supply and Demand Estimates (WASDE), total U.S. disappearance of the three major grains is expected to rise in MY 2023/24.

Record Low Grain Carloads Coincide With Service Improvement Apart from a slight uptick in April, grain carloads have generally declined since late January. For the week ending July 8, total grain carloads across the four U.S. Class I railroads (BNSF Railway, Union Pacific Railroad, CSX Transportation, and Norfolk Southern Railway) were 12,629 - the fewest weekly carloads since the last week of December 2008. At the State level, grain cars loaded and billed in June were up 20% from the prior 5-year average in Illinois and Ohio. However, the same indicator was down significantly in Iowa (48%), Indiana (19%), Kansas (58%), Minnesota (29%), Montana (41 percent), North Dakota (35%), Nebraska (59%), and South Dakota (40%). Apart from grain, total rail traffic, especially intermodal, is down so far in 2023.

The low demand for grain car service is reflected in the secondary market for shuttle trains. Bids for shuttles in the nearest month have been negative since January. In the latest week of data, near-month (July or August) shuttle car bids averaged -\$151. Unable to sell excess shuttle capacity on the secondary market, many shuttle contracts have been cancelled in the last several months.

Likely, as a result of the low carloads, nearly all the Surface Transportation Board's service metrics have improved. Average origin dwell time - i.e., from when a shuttle train is released at its origin or interchange until the receiving carrier moves the train - fell from over 30 hours at the start of April to 17 hours by July. One sign of improved network fluidity is a reduced number of grain cars not moved in over 48 hours. At the end of March, this metric averaged around 300 cars per week across Class I railroads. By the start of July, that number was down to 130 per week. Grain shippers are also having an easier time receiving manifest service: at the start of this year, unfilled grain car orders were nearly 19,000, and in the latest week of data, were down to 423.

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Declines in Barge Demand, Barged Grain Movements, and Spot Rates In second quarter 2023, barged grain movements and freight rates were challenged by extreme weather and slow export sales. In late April, portions of the MRS flooded, and all the locks and dams above St. Louis, MO, were closed to traffic until mid-May. Later in the quarter, diminished grain sales lowered demand for barges. Throughout the first and second quarters of 2023, export sales lagged last year and the previous 5-year-average, reducing the demand for barges. Although typically low in the second quarter as farmers focus on planting, second-quarter spot freight rates were much lower this year: with the closure of the upper MRS, rates fell sharply because of an excess supply of barges and a lack of demand for barges to move grain.

From April 4 to July 18, the St. Louis spot rate (the cost to request nearby services) dropped from 404% of the benchmark tariff (\$15.20 per ton) to 314% of benchmark tariff (\$12.53 per ton). Over the same April-July period, the spot rate on the Mid- Mississippi dropped from 566% of the benchmark tariff (\$30.11 per ton) to 384% of the benchmark tariff (\$20.43 per ton). The spot rate for the first week of July was 25 percent lower than last year.

Barged grain movements in second quarter 2023 were down both from second quarter 2022 and the previous 5 -year-average. For the week ending July 15, YTD 2023 total downbound barged grain tonnage was 15.1 million tons—23 percent lower than the same week last year and 19 percent lower than the previous 5-year average. After the floods early in the quarter, low water levels toward the end of the quarter have caused 10-15-percent reductions in draft sizes and 14-25 percent reductions in tow size. These changes have lengthened barge transits by 1 to 2 days.

Dry-Bulk Ocean Freight Rates Below the Yearly Peak After tapering off from their yearly peak on April 13, ocean freight rates for shipping grain have mostly stabilized for the past 2 weeks. As of July 17, the ocean freight rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan was \$46.75 – 34% less than the same 2022 period and 23% less than the 4-year average. The rate from PNW to Japan was \$25 per mt – 37% less than the same 2022 period and 33% less than the 4-year average. Also, as of July 17, the rate from the U.S. Gulf to Europe was \$25 per mt – 29% less than the same 2022 period and 3% more than the 4-year average. Down sharply from a year ago, ocean freight rates are responding to low bulk market activity. The bulk market is sluggish because of weak Chinese cargo demand and June holidays in some Asian countries such as Singapore. Further slowing the recovery of the bulk shipping market and pushing down ocean freight rates, uncertainty surrounds the July 17 announcement that Russia has pulled out of the Black Sea Grain Initiative. (For the last year, the initiative has exempted Ukrainian grain exports from Russia’s wartime blockade of the Black Sea.) YTD, as of July 13, an average of 25 oceangoing grain vessels per week were loaded in the U.S. Gulf, same as the number of vessels loaded during the same period in 2022.

Diesel Prices Projected To Rise in Fourth Quarter For the week ending July 17, the U.S. average diesel price was \$3.806 per gallon, unchanged from last week and down 1.63 per gallon from same time last year. Weekly average U.S. diesel prices have continued to fall for most of 2023 , rising only six times this year: three increases were in January, and the other three were during the weeks ending April 17, June 19, and July 10. For the week ending July 10, U.S average diesel prices rose 3.9 cents per gallon - the second-largest increase of 2023 (8 cents behind the January 23 increase). The July increase was due to rising crude oil prices following the announcement that the Organization of the Petroleum Exporting Countries and its allies (OPEC+) would reduce oil production to around 5 million barrels per day (about 5% of global oil demand). This resulted in the West Intermediate Texas crude oil price increasing from under \$68 per barrel on June 27 to over \$74 per barrel on July 10. Looking ahead, as global inventories decline, the Energy Information Administration’s (EIA) July 11 Short Term Energy Outlook projects spot Brent crude oil prices will gradually increase to \$80 per barrel in fourth quarter 2023 and will average \$84 per barrel in 2024. From third to fourth quarter 2023, EIA also projects the average per gallon diesel price will rise 23 cents per gallon to \$3.88 per gallon. U.S. diesel prices are projected to average \$3.96 per gallon in 2023 and \$3.84 gallon in 2024, up 1 cent and 2 cents, respectively, from EIA’s June forecast, but down from the 2022 average price of \$5.02 per gallon.

Grain Exports Increase in MY 2023/24 According to USDA’s July WASDE, total U.S. disappearance (domestic use, plus exports) of the three major grains is expected to total 20.6 billion bushels in MY 2023/24, up 3% from MY 2022/23. If it materializes, the rising disappearance will lift transportation demand. From MY 2022/23 to MY 2023/24, exports for these grains are projected to rise 7%, because of higher corn exports. Likewise, domestic use is expected to increase 3%, because of higher corn and soybean consumption (table 1).

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Since WASDE's June forecast, corn exports for MY 2022/23 were revised down by 1.9 million metric tons (mmt), because of slow outstanding export sales and competition from Brazil's record second corn crop (Safrina), which enters the market in July. After subtracting, from WASDE's MY 2022/23 projection, the corn that has already shipped - the outstanding balance of corn to be shipped through August 31 is 6.5 mmt. This total is 31% below the same time last year. From MY 2022/23 to MY 2023/24, because of rising supply, U.S. corn exports are projected to increase 27% to 53.4 mmt.

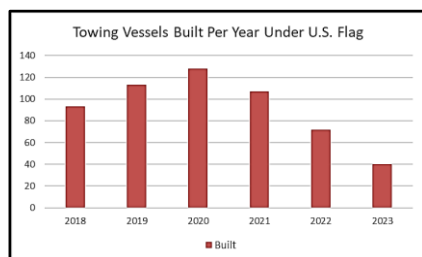
The robust domestic demand for soybean crush and strong competition from Brazil that pervaded MY 2022/23 are expected to continue in MY 2023/24. Tight U.S. soybean supplies (due to strong domestic demand) in MY 2023/24 are expected to raise U.S. prices, which would decrease U.S. competitiveness in the global market, particularly with Brazil. As a result, U.S. exports are projected to be 8% lower than MY 2022/23 and 6% lower (0.544 mmt) than WASDE's June projections. After subtracting, from WASDE's MY 2022/23 projection, the soybeans that have already shipped - the outstanding balance of soybeans to be shipped through August 31 is 4.2 mmt. This total is 31% below the same time last year.

For wheat, MY 2023/24 began on June 1. As of July 6, unshipped exports are 33% below the same time in MY 2022/23. For MY 2023/24, U.S. wheat exports are projected to fall 4% because of uncompetitive prices and lower supplies than other major exporters. Russia's strong wheat crop and the country's lower export taxes are expected to enhance Russia's competitiveness. (Article courtesy of: GTRContactUs@usda.gov)

million bushels					
	Corn	Soybeans	Wheat	Total	Y/Y
United States 2023/24 (projected)					
Production	15,320	4,300	1,739	21,359	8.7%
Exports	2,100	1,850	725	4,675	6.5%
Domestic use	12,385	2,426	1,132	15,943	2.5%
Ending stocks	2,262	300	592		
Total use	14,485	4,276	1,857		
Stocks/use	15.6%	7.0%	31.9%		
United States 2022/23 (projected)					
Production	13,730	4,276	1,650	19,656	-7.2%
Exports	1,650	1,980	759	4,389	-19.0%
Domestic use	12,080	2,340	1,131	15,551	-2.1%
Ending stocks	1,402	255	580		
Total use	13,730	4,320	1,890		
Stocks/use	10.2%	5.9%	30.7%		
United States 2021/22 (estimated)					
Production	15,074	4,465	1,646	21,185	
Exports	2,472	2,152	796	5,420	
Domestic use	12,483	2,312	1,093	15,888	
Ending stocks	1,377	274	698		
Total use	14,956	4,464	1,889		
Stocks/use	9.2%	6.1%	37.0%		

Source: USDA, World Agricultural Supply and Demand Estimates, July 2023.

Vessel News



According to the **U.S. Coast Guard Merchant Vessels of the U.S.** database updated 5 June 2023, 40 towing vessels are listed with 2023 build dates. These range from 24' to 136' LOA, 1,320BHP to 7,725BHP (where BHP given) vessels. In 2022, 83 towing vessels were built or completed; following 107 built or completed in 2021, 128 in 2020 and 113 in 2019.

Hidroviás do Brasil, an integrated logistics company, recently received its new trunk pushers, state-of-the-art vessels that will bring more efficiency and safety to the company's navigation. The vessels, called "HB Dourada" and "HB Mapará", will be responsible for the Miritituba - Barcarena route, in Pará, promoting more operational efficiency in the company's North operation. The new pushers have improvements compared to the previous models and were customized for the operation of Hidroviás do Brasil, with improvement of the ventilation and air conditioning system, resizing of port generators, isolation of purifiers, among other modifications that guarantee more comfort for our crew and efficiency for operations. The vessels have a diesel-electric propulsion system, technology that generates a better use of energy, composed of electric generators that contribute to high power, being considered the most powerful in Brazil among the existing pushers. The vessels are in the final stages of tests, adaptations and inspections and will soon be able to operate and make their first trips. With the newest assets, the operation of the company's Northern System now has a fleet of six trunk pushers with azimuth thrusters, which are propellers that allow the vessels to rotate 360°, offering better maneuverability, operational efficiency and safety for the crew and the surrounding communities. In addition to the trunk pushers, the company will soon start operating the first electric maneuvering pushers in the world, also in the northern region of the country. And recently, the company made the first trips with convoys of 35 barges, the largest in Brazil in river navigation, carrying more than 70 thousand tons of grains per trip, between Barcarena and Miritituba in Pará. (Source: PortoENavios)



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Belov Engenharia Shipyard, located in Salvador, Brazil, has delivered the first **Robert Allan Ltd.** designed RAPide 2000-E pushboat – “*HB Poraque*”. It is the first of two innovative battery/diesel electric vessels for **Hidrovias do Brasil S.A.**, a leading South American logistics operator. The “*HB Poraque*” is the world’s first battery electric shallow draft pushboat. The second vessel, the “*HB Enguia*”, is expected in May 2023. The vessels will provide terminal assistance in the Amazon River system and can perform their core operations purely on battery power. The RAPide 2000-E designs are fitted with a DC grid diesel-electric propulsion system, comprising two diesel generators, two L-drives and a large battery bank. The pushboat can operate in zero emissions mode and the 600kWh batteries have sufficient endurance to perform its primary role, with the future expansion to 2,000kWh enabling secondary roles to also be performed with zero emissions. The two L-drive units each have an input power of 375kW. The propulsion system is diesel-electric to improve efficiency when operating in multiple power modes. The particulars of the RAPide 2000-E are as follows: Length overall: 20.4m; Beam, moulded: 10.0m; Depth, moulded: 3.2m; Minimum operating draft: 2.2m; Normal operating draft: 2.4m; The vessel is certified as an inland navigating vessel by DNV Class Notation: ∇ 1A, (Z), IN(0.6), Pusher, Battery Power, Amazon / EO, BIS. The vessel’s accommodations are outfitted to MLC compliant standards for a crew of up to 10 personnel. The propulsion system of the pushboat comprises a pair of Schottel SRP210L-FP thrusters, capable of being removed from above, powered by two permanent magnet electric motors. The entire electric system was designed, manufactured, and integrated by WEG, including the battery packs. Two Caterpillar C18 diesel generators provide redundancy and the capability to perform longer missions.

The RAPide 4600 push boats which Turkey’s **UZMAR Shipyard** has built for **Hidrovias do Brazil S.A.** have left the yard for their maiden voyage to Brazil. After successfully delivering eight diesel-electric shallow draft river push boats in 2014 - 2015; UZMAR Shipyard was awarded with a contract for two more sister vessels with modernized design in 2021. The new 46-meter-long push boats are specifically designed to push barge convoys; total length 299 meters, breadth 53 meters and 48mt max deadweight on inland waterways. They will operate along rivers in northern Brazil, often in remote locations and challenging operating conditions.

Robert Allan Ltd. designed vessels are measuring 45.6m in LOA, with a breadth of 16.5m, and has bollard pull of 65 metric tons. The RAPide 4600 series are diesel-electric triple-screw, shallow-draft vessels, and they are driven by three azimuth drive propellers in tunnels. The hull, machinery casing, deckhouse, wheelhouse, and funnels are welded steel construction and the hull form is designed to incorporate a tunnel stern to permit the fitting of large-diameter propeller L- drive units to maximize propulsive efficiency in the shallow water environment. The diesel-electric power generation system comprises three resiliently mounted medium-speed generator sets. The engines are designed to operate on either Heavy Fuel Oil (HFO) or Marine Gas Oil (MGO). The shallow draft constraint dictates that the utmost attention is going to be paid to weight control throughout the design and construction of every aspect of the vessel. In order to meet demands for maneuverability, maximized fuel economy, and comply with the crash stop requirement, extensive analysis was performed by Robert Allan Ltd. As a result, the hull shape, tunnel geometry, and propulsive components have been optimized for those specific requirements.



In January 2023, **American Commercial Barge Line (ACBL)**, a U.S.-based leader in marine transportation, announced a contract with **Steiner Construction Company** for the design and construction of an innovative, environmentally friendly towboat. “*Investing in our future is a key part of ACBL’s strategy. We are proud to introduce the first Tier 4 Mitsubishi engines to the marine industry,*” said ACBL’s CEO Mike Ellis. “*The addition of this new Tier 4 retractable towboat represents our commitment to providing our customers with innovative marine transportation solutions while minimizing our impact on the environment.*” Upon delivery in Quarter 4 2023,

ACBL’s new towboat will support barge operations in one of the busiest ship channels in the world, the Port of Houston. The vessel will be 82’ long and 34’ wide, with a 10’ operational draft. The boat is equipped with twin engines producing 2,600HP. “*Laborde Products and Mitsubishi are proud to join forces and partner with ACBL, a leader in the inland marine sector,*” said Laborde Products’ CEO Brian Laborde. “*Tier 4 Mitsubishi engine standards represent the strictest of EPA emission requirements for marine diesel engines today and will significantly reduce emissions. Engines that meet these stringent standards promote cleaner air, improved fuel efficiency and better performance.*”

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American Commercial Barge Line (ACBL) announced a contract with **C&C Marine and Repair** of Belle Chasse, La., to build an 11,000HP class towboat.

“We are investing in our future by building on the strength of our industry leading mainline operations. The addition of this new towboat is an example of our continuous efforts to modernize ACBL’s fleet and offer more innovative marine transportation solutions to our customers,” said ACBL’s CEO Mike Ellis. *“Not only is this boat highpowered and highly capable, but it will also feature all the latest innovations in technology, crew comfort, safety and efficiency. We look forward to working with Tony and his team at C&C on this project.”*

Upon delivery, the vessel will operate on ACBL’s mainline network pushing up to 56 barges, averaging approximately 75k tons of cargo. Designed by Portland, Maine-based CT Marine, the twin-screw towboat will measure 198’ x 50’ x 12’, with the pilothouse eyeline at 47’ above the water. *“When comparing this 11,000HP class towboat to smaller 6,000HP class towboats frequently used for mainline operations, this larger horsepower vessel will increase efficiency by 20% or more on both a cost per ton mile and CO2 emission per ton mile basis due to the increase in tow size and tonnage capacity,”* said Patrick Sutton, ACBL Chief Operating Officer. *“Our investment in this new towboat not only benefits our customers but also reflects our commitment to promoting a more sustainable and lowcarbon future for our marine supply chain.”* *“This vessel is the first of several that we hope to construct, as there is a need for vessels with this kind of horsepower in the market,”* said C&C Marine and Repair’s President Tony Cibilich. *“We are proud to lead this project and know that it will contribute greatly to both ACBL’s customers and the capacity of the inland shipping industry once in operation. We are wrapping up detailed design and are expected to commence construction later this year with an estimated delivery date of 3rd quarter 2024.”* The design includes two Caterpillar C280-12 main engines producing approximately 11,000HP, provided by Louisiana CAT, and will be paired with two Reintjes WAF 6755 reduction gears, provided by Karl Senner, LLC. Generator power will be supplied by three Caterpillar 275kW generators. The towboat will be outfitted with CT Marine CT28-SL nozzles housing 124” diameter stainless-steel, five-blade fixed pitch propellers and features Twin-DIFF flanking & steering rudder systems. The vessel can accommodate a crew of up to 12 and the design incorporates a floating, spring-mounted superstructure for additional crew comfort.



Holland Shipyards Group has redelivered the “H2 Barge 1” to **Future Proof Shipping**; the first hydrogen-powered inland vessel in the world! The “H2 Barge 1” was officially introduced to the industry with a festive gathering on the Maasboulevard in Rotterdam. She will spend her operational life between Rotterdam and Antwerp. In August 2022, the vessel arrived at the Holland Shipyards Group yard and the retrofit began. Retrofitting a conventional vessel to a hydrogen vessel has never been done before and that makes this project truly innovative and unique. A major step forward in making inland

shipping more sustainable, which hopefully inspires others to walk this path as well. Lloyd’s Register was involved for the classification of the vessel, and since there is no comprehensive framework of rules, the retrofit has been performed on a riskbased approach. This required extensive communication between all disciplines, but also resulted in the best possible design, from a safety standpoint. The existing drivetrain was removed from the vessel, after which all systems are amended to suit the new drivetrain and H2 installation. The engine room and bow thruster room were modified to accommodate electrical switchboards and battery rooms, and inside the cargo hold the three fuel cell areas were constructed. Oechies Elektrotechniek was responsible for the entire electrical system, Power Management System and Alarm and Monitoring System. Koedood Marine Group delivered the Nedstack fuelcell package and the integration on board. While the retrofit concerned mainly new systems, also the existing engine room systems and other on-board systems were overhauled / maintained. For example, the cooling system was adjusted for the new layout and all ventilation systems were modified. Today “H2 Barge 1” is equipped with a 800kW electric motor, powered by a 750 VDC-bus. The DC-bus is fed by three fuel cells, each with a maximum power of 300kW and 1,037kWh Lithium-Ion batteries. 900kgs sustainably generated hydrogen is contained in two 40’ containers, under a pressure of 300 bar. The entire journey from idea and initial plans to final approval and delivery of the vessel took five long years. A process in which HSG was fortunate to be introduced relatively early. The entire time it has been a cooperation between companies that recognize the need to improve on our impact on this planet, and of companies that are not afraid to stick their necks out and innovate. Travelling down a road of which the final destination is not yet clear is only possible if all cooperating partners have the same approach, characterized by guts, perseverance and, above all: Action. The same applies to the charterer of this vessel: **BCTN** on behalf of **Nike EMEA**. Like FPS and HSG, Nike is driven to push the boundaries of sustainable innovation. Not just by thinking, but by doing. “H2 Barge 1” ensures that Nike’s logistics movements between Antwerp and Rotterdam will now be emission-free.

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Company News



Algoma Central Corporation reported its results for the three and six months ended June 30, 2023. (All amounts reported in thousands.) Algoma reported revenues during the 2023 second quarter of CAN \$202,406, a 10% increase compared to the same period in 2022. Net earnings for the 2023 second quarter were CAN \$33,144 compared to CAN \$47,045 for the same period in 2022; earnings in 2022 included a CAN \$10,563 gain from the sale of Station Mall. The **Domestic Dry-Bulk** segment, which includes Algoma's 18 Canadian dry-bulk carriers, serves a wide variety of major industrial sectors, including iron and steel producers, aggregate producers, cement and building material producers, salt producers and agricultural product distributors. The **Product Tankers** fleet consists of seven double-hull product tankers employed in Canadian flag service, one vessel operating under international flag, and a 33% interest in a second internationally flagged vessel. The segment also includes a new international tanker joint venture comprising eight tankers currently under construction and a one-third interest in a foreign-flagged tanker. Customers include major oil refiners, leading wholesale distributors, and large consumers of petroleum products.

Domestic Dry-Bulk segment revenue increased 27% to CAN \$126,584 compared to CAN \$99,288 in 2022, reflecting 17% higher volumes, which drove a 24% increase in revenue days and strong base freight rates. The large grain harvest in 2022 resulted in an increase in early 2023 grain shipments. Iron and steel volumes are up year-over-year primarily due to larger export ore volume that was contracted in 2022 for shipment this year. Early season demand for construction aggregates has been strong, partly driven by a tightening of supply in the river class self-unloader market. As a result of the increased volumes, the fleet was fully utilized this quarter compared to 2022 when three bulkers remained in layup due to a lack of demand for grain and iron ore shipments. Operating costs were higher during the second quarter driven by a 29% increase in operating days which drove higher fuel expenses and crew wages, and training costs, partially offset by lower layup expenditures.

Revenue for **Product Tankers** decreased 12% to CAN \$28,046 compared to CAN \$31,923 in 2022. The decrease in revenue during the quarter was mainly attributable to significantly higher off-hire time which drove 7% lower revenue days, and a decrease in fuel recoveries compared to the prior year period. The "*Algotitan*" was off-hire for nearly a month as a result of unexpected repairs and the "*Algonova*" was off-hire for the majority of the quarter for a regulatory dry-docking overseas. The "*Algoberta*" began domestic operations in late April. The "*Birgit Knutsen*", an internationally bareboat chartered vessel, is expected to enter domestic operations in the third quarter. Operating costs were higher during the quarter primarily as a result of increased dry-dock and repair costs on the two off-hire vessels and a rise in supply and crew costs, partially offset by 4% fewer operating days and lower fuel expense. Costs to bring the "*Algoberta*" to Canadian standards before it began domestic service also had a slight impact on overall operating expenses. Operating days were impacted by the two vessels that were out of service for a significant portion of the quarter. During the first quarter of 2023, the "*Algoma Hansa*" and the "*Algonorth*" were sold, resulting in a CAN \$4,588 gain.

During 2022, Algoma and Furetank AB of Sweden, established a joint venture to be called FureBear, which entered into an agreement to construct eight dual-fuel product tankers. The tankers will be constructed at China Merchants Jinling Shipyard in Yangzhou, China, with delivery expected between late 2023 and 2025. The sale of the "*Algonorth*", now named the "*Fure Skagen*", was to a newly formed joint venture in which FureBear holds a two-thirds interest, along with an unrelated party. The results of both joint ventures are reflected above in joint venture earnings.

Outlook: Looking ahead to the second half of 2023, typical seasonal weakness in grain shipments and a soft market for export iron ore has led to a brief summer layup on one vessel in the **Domestic Dry-Bulk** segment. Full fleet utilization is expected to resume in August and continue through the balance of the year, driven by strong demand for vessel capacity. Recent weather conditions in the Canadian prairies have resulted in some uncertainty about the 2023 grain harvest; however, demand in other sectors is expected to offset any weakness in agricultural products. Customer demand in the **Product Tanker** segment is projected to remain steady in the second quarter, although energy markets remain volatile due to ongoing hostilities in Europe. While vessel utilization is expected to be robust, inflation is anticipated to continue to impact costs going forward. Algoma expects to bring the "*Birgit Knutsen*" into domestic service later in the year, eventually replacing the "*Algosea*" when she retires. Subsequent to the quarter, the contracts to build two new ice class product tankers became effective following the receipt of the refund guarantees. The approximate cost of the two new tankers is CAN \$126,888 and delivery is expected during the first quarter of 2025.

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Genesis Energy, L.P. reported its results for second quarter of 2023. Net Income Attributable to Genesis Energy, L.P. of \$49.3 million for the second quarter of 2023 compared to Net Income Attributable to Genesis Energy, L.P. of \$35.3 million for the same period in 2022. In addition to both on and offshore pipelines & refinery services, Genesis operates 82 “brown water” barges and 33 inland river pushboats with a total capacity of abt. 2.3m BBL. Offshore marine “blue water” operations include nine boats and nine coastwise barges (abt. 0.9m BBL capacity), plus the 330,000BBL capacity ocean-going tanker “American Phoenix”.



Grant Sims, CEO of Genesis Energy, said, “Our financial results for the second quarter were generally in-line, if not slightly ahead of our internal expectations and once again demonstrated the resilient earnings power of our diversified market leading businesses. During the second quarter, our offshore pipeline transportation segment benefited from steady volumes across our footprint, along with a quicker than anticipated ramp in volumes from BP’s Argos facility, but was partially offset by longer than anticipated planned producer downtime at one of our major host fields in the Gulf of Mexico. We also saw our soda ash business return to normal operating levels as rail service in and out of Green River, WY was restored to adequate levels. Our **marine transportation** segment also continued to perform in-line with our expectations as the market for Jones Act equipment continues to remain fundamentally short, which is leading to strong utilization and strong day rates across all our classes of vessels.”

“Our **marine transportation** segment continues to meet or exceed our expectations as market supply and demand fundamentals remain steady. We continue to operate with utilization rates at or near 100% of available capacity for all classes of our vessels as demand for Jones Act tanker tonnage remains extremely robust, which continues to be driven in large part by effectively zero construction of our types of marine vessels over the last few years and the continued retirement of older tonnage. This lack of new supply of marine tonnage, combined with strong demand continues to drive spot day rates and longer-term contracted rates in both of our fleets to their highest levels we have seen during our ownership of the marine business.”

“To give some context to the tightness we are seeing, today we are announcing that we recently entered into a new three-and-a-half-year contract starting in January of 2024 on the ‘American Phoenix’ with a credit-worthy counterparty. The new contract term will begin immediately following its current contract that runs through mid-January 2024 and has the highest day rate we have received on the ‘American Phoenix’ since we first purchased the vessel in 2014. With the ‘American Phoenix’ now effectively contracted through the middle of 2027 and our belief the broader supply and demand fundamentals and structural tightness will remain favorable for both our brown and blue water fleets for the foreseeable future, we believe our marine transportation segment is set up to deliver marginally growing and steady earnings over the next few years.”



Marine transportation Segment Margin for the 2023 Quarter increased \$8.2 million, or 47%, from the 2022 Quarter. This increase is primarily attributable to higher day rates in Genesis’ inland and offshore businesses, including the M/T “American Phoenix”, during the 2023 Quarter. Demand for its offshore barge services to move intermediate and refined products from the Gulf Coast to the East Coast remained high during the 2023 Quarter due to the continued strength of refinery utilization rates as well as the lack of new supply of similar type vessels (primarily due to higher construction costs) as well as the retirement of older vessels in the market. These factors have also contributed to an overall increase in spot and term rates for Genesis’ services.

Kirby Corporation of Houston, Texas’ reported net earnings attributable to Kirby for the second quarter ended June 30, 2023 of \$57.4 million, compared with earnings of \$28.5 million for the 2022 second quarter. Consolidated revenues for the 2023 second quarter were \$777.2 million compared with \$698.0 million reported for the 2022 second quarter. David Grzebinski, Kirby’s President and Chief Executive Officer, commented, “Both of our segments continued to perform well during the quarter and produced higher revenue and operating income sequentially and yearover-year. In marine transportation, pricing on spot and term contracts continued to benefit from strong demand and limited availability of barges. Favorable weather conditions and increased operating efficiency helped improve margins for both inland and coastal...”



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*“In **inland marine** transportation, our second quarter results reflected continued improvement in pricing together with better weather conditions and operating efficiencies. From a demand standpoint, customer activity was strong in the quarter with barge utilization rates running in the low 90% range. Spot market prices were up in the mid-single digits sequentially and in the mid to high 20% range year-over-year. Term contract prices also renewed up higher with low double digit increases versus a year ago. Overall, second quarter inland revenues increased 11% year-over-year and margins were in the high teens range. In **coastal**, market fundamentals continued to improve with our barge utilization levels running in the mid to high-90% range. During the quarter, we saw solid customer demand and limited availability of large capacity vessels which resulted in high-teens price increases year-over-year on term contract renewals and increases on new spot deals in the high 20% range. As mentioned on our first quarter call, our results this year are being impacted by planned shipyard maintenance on several large vessels. Overall, second quarter coastal revenues decreased slightly year-over-year but operating margins were positive in the low single digits.”*

Marine transportation revenues for the 2023 second quarter were \$427.0 million compared with \$405.7 million for the 2022 second quarter. Operating income for the 2023 second quarter was \$64.3 million compared with \$30.8 million for the 2022 second quarter. Segment operating margin for the 2023 second quarter was 15.0% compared with 7.6% for the 2022 second quarter. In the **inland** market, average 2023 second quarter barge utilization was in the low 90%



range, roughly flat when compared to the 2022 second quarter. Operating conditions were favorable with limited navigation delays contributing to a 16% decrease in delay days year-on-year. During the quarter, average spot market rates increased in the mid-single digits sequentially and in the mid to high 20% range compared to the 2022 second quarter. Term contracts that renewed in the second quarter increased in the low double digits on average compared to a year ago. Revenues increased 11% compared to the 2022 second quarter primarily due to increased pricing and volumes. The inland market represented 82% of segment revenues in the second quarter of 2023. Inland's operating margin was in the high teens for the quarter and benefited from improved navigational conditions and operating efficiencies during the quarter. In **coastal**, market conditions continued to improve during the quarter, with barge utilization in the mid to high- 90% range. During the quarter, average spot market rates increased in the mid-single digits sequentially and in the high 20% range compared to the 2022 second quarter. Term contracts that renewed in the second quarter increased in the high teens on average compared to a year ago. Despite these improvements, revenues in the coastal market decreased modestly when compared to the 2022 second quarter primarily due to downtime associated with planned shipyard maintenance days. Coastal represented 18% of marine transportation segment revenues during the second quarter. Coastal operating margin was positive in the low single digits as improved pricing was partially offset by lost revenue and costs incurred as a result of planned shipyards.

Commenting on the outlook for the remainder of 2023, Mr. Grzebinski said, *“We exited the quarter with continued strength in our businesses. Pricing in the marine market continues to improve and demand is strong. In distribution and services, despite persistent supply chain constraints and delays, demand for our products and services continues to grow, and we continue to receive new orders in manufacturing. Overall, we expect our businesses to deliver improved financial results in the coming quarters. While all of this is encouraging, we are mindful of challenges related to a slowing global economy and additional economic headwinds due to higher interest rates. Also, labor constraints and inflationary pressures continue contributing to rising costs across our businesses, although some of this is starting to moderate. Even with these uncertainties, we remain very positive and expect to drive strong cash flow from operations. In **inland marine**, we anticipate continued gradual upward movement in pricing and margins in the second half of 2023 as steady demand and a limited availability of equipment is expected to keep the market tight. As a result, the Company expects further pricing improvements in the spot market, which currently represents approximately 45% of inland revenues. Term contracts are also expected to continue to reset higher to reflect improved market conditions and offset inflation. Overall, inland revenues are expected to grow by low double digits on a full year basis. Barring unexpected high cost inflation and rising fuel costs, the Company expects operating margins to continue improving as the year progresses and average in the high teens for the full year. In **coastal marine**, revenues and operating margins are being impacted this year by an approximate doubling of planned shipyard maintenance days with ballast water treatment installations on certain vessels. Kirby expects modestly improved customer demand through the balance of the year with barge utilization in the low to mid 90% range. Rates are expected to continue gradually improving as the industry is getting very close to supply and demand balance across the fleet. For the full year, coastal revenues are expected to be flat compared to 2022. Coastal operating margins are expected to be near break-even to low single digits on a full year basis.”*

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Arcosa, Inc announced that second quarter ended June 30, 2023 revenues increased 8% from second quarter 2022 to \$584.8 million, while net income was \$40.9 million, after excluding the impact from the divestiture of Arcosa's storage tank business in October 2022. *"I am pleased with Arcosa's second quarter performance, with Adjusted EBITDA surpassing last year's record results, normalizing for the divestiture of our storage tanks business,"* said Antonio Carrillo, President and Chief Executive Officer. *"Adjusted Segment EBITDA in Transportation Products more than doubled and margins expanded 530 basis points year-over-year, underscoring the operating leverage inherent in these businesses as volumes improve. We were pleased to obtain sufficient second quarter orders to maintain our barge backlog and extend our production visibility further into 2024 with improved pricing."*



Transportation Products – Revenues were \$113.0 million, up 28%. Barge revenues increased 35% and steel components revenues increased 17%, both driven by higher volumes and pricing. Adjusted Segment EBITDA increased \$8.1 million, or 108%, to \$15.6 million, representing a 13.8% margin compared to 8.5% in the prior period. The increase was driven by operating leverage associated with higher volumes and improved pricing. During the quarter, Arcosa received orders of approximately \$81 million in Arcosa's barge business, representing a book-to-bill of 1.1. These orders are primarily for hopper barges for delivery in 2024. Barge backlog at the end of the quarter was \$287.1 million compared to \$131.8 million at the end of the second quarter of 2022. Arcosa expects to deliver approximately 45% of its current backlog in 2023.

