

Power Plant which letters attached from the management of both firms will verify. Extraordinary Session of 1966 the Mississippi Legislature passed House Bill #10 which authorized the creation of the Lower Yazoo River Basin District. This District has been organized and consists of Warren, Yazoo, Humphreys and Leflore counties, each county having two directors. The District has taxing and bonding authority which would be ample to furnish all of the necessary local participation required on this project, and funds will start coming in in February 1969. We urge your approval of this project and appreciate very much the time that you have given us to discuss it with you. Thank you.

STATEMENT OF JAMES A. PIERCE, TRAFFIC MANAGER, MISSISSIPPI CHEMICAL CORPORATION, COASTAL CHEMICAL CORPORATION, YAZOO CITY, MISS.

Our primary support in the Yazoo River Navigation Project pertains to the interest of the fertilizer industry. American farmers today purchase over 30 million tons a year of commercial fertilizers composed of chemical ingredients. They spend about \$2 billion each year for these fertilizer chemicals—and about one-fifth of all the crops American farmers raise can be directly attributed to the use of fertilizers.

In the past two decades, we have experienced a revolution in the farming industry. During this period, a decreasing number of U. S. farmers have more than tripled the farming output. Along with improvements in farming methods and chemical fertilizers, transportation has played a vital role to the progress of this most important industry.

The fertilizer industry, in its use of transportation, has found that the waterways system is mandatory to meet its need. Not only is the water system needed in receiving raw materials for production, the increase in bulk deliveries, both liquid and dry, has demanded more water transportation. To give an example, 38 new anhydrous ammonia plants have been built along the inland waterways during the past 10 years.

Now, to be more specific, one of our company's continuing objectives is to take greater advantage of low-cost water transportation in establishing new terminals at strategic locations on the inland waterway system for the effective and timely distribution of our products at the lowest possible cost. In line with this objective, we wish to outline the make-up of the companies which we represent and the importance of our support of the development of the Yazoo River.

Mississippi Chemical Corporation and its subsidiary, Coastal Chemical Corporation were formed as, and continues to operate as, Cooperatives in order to serve the farmers of the South and South Central United States with chemical fertilizers, both nitrogeous and mixed, at the lowest possible cost. The nitrogen plants are located at Yazoo City, Mississippi with an output of 1,000 tons/day of anhydrous ammonia, 900 tons/day ammonium nitrate, 275 tons/day urea and 750 tons/day nitrogen solutions. Adequate river transportation is necessary in order for our companies to remain competitive and operate in the best interest of the approximately 22,000 farmer stockholders. Lower water transportation costs results in direct benefits to these farmer stockholders in the South and South Central United States as all company profits are accrued to these stockholders—in cash and/or additional stock. To date, Mississippi Chemical and Coastal Chemical have returned over \$127,000,000.00 in cash to its farmer stockholders. Thus, providing these farmers the opportunity to produce a higher food yield at the lowest possible cost.

At the present, our companies operate a one million dollar river port facility at Yazoo City on the Yazoo River consisting of 28,000 tons of dry bulk storage and 10,000 tons of bag storage along with storage in excess of 4,000 tons of nitrogen solutions and anhydrous ammonia. We now move approximately 35,000 tons of dry bulk mixed fertilizers into this port facility at Yazoo City of which a majority of the tonnage is shipped from Pascagoula, Mississippi. With proper water availability on the Yazoo River, 100% of this tonnage could be moved into this port by the waterways system.

In 1967, Coastal Chemical established 20,000 tons of additional storage for nitrogen solutions at Eufaula, Alabama and President's Island, Memphis, Tennessee, which coupled with 10,000 tons of storage at Decatur, Alabama, brought our on-water storage for nitrogen solutions to a 30,000 ton level. Annual thru-put of these facilities will be approximately 45,000 tons. This product is manufac-