



MINERAL INDUSTRY SURVEYS

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
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Iron Ore, Monthly

IRON ORE IN NOVEMBER 1972

The seasonal decline in U.S. mine production and shipments of iron ore continued in November, but shipments during the month were 31 percent greater than 1 year ago. Shipments from the Lake Superior district, which in June 1972 were running 15 percent less than in the previous year, had narrowed the difference to less than 1 percent by the end of November and were expected to exceed the 1971 total by yearend. Nationwide, shipments of iron ore during the first 11 months of 1972 were 3 percent less than in the same period of 1971. Stocks of ore at mines and consuming plants continued to decline; at the end of the month, total mine stocks were the lowest in 2 years, and stocks at consuming plants were 8 million tons less than 1 year ago. Consumption of iron ore continued at the relatively high level of October, and output of pig iron during the first 11 months of 1972 was more than 7 percent greater than during the same period of 1971.

Increased prices for Lake Superior iron ores were announced by Oglebay Norton Co. (effective about December 6), and by U.S. Steel Corp. shortly after the first of the year. The increases were in line with those announced earlier by Hanna Mining Co. and Cleveland-Cliffs Iron Co.

In Europe, a surprising development was a 12-percent reduction in iron ore export prices for 1973, announced by the Swedish State firm, Luossavaara-Kiirunavaara AB (LKAB), a major supplier of iron ore to West European markets. Although the reduction apparently applies only to high-phosphorus ores (prices for low-phosphorus ores were still being negotiated), such ores constitute a large share of LKAB exports and the reduction in price was expected to reduce the company's annual revenue by about \$20 million. Factors contributing to the move were reported to be increasing ore supplies from Australia and devaluation of the U.S. dollar.

In Peru, a group of Japanese steel companies have contracted with the Marcona Corp. for the supply of 22 million tons of iron ore pellets during a 7-year period beginning in 1975. Total value of the contracted shipments (including cost and freight) was reported to be \$360 million. The Japanese firms will lend \$66 million to Marcona, for construction of new pelletizing facilities having an initial production capacity of 3.5 million tons per year by 1975. Production capacity for pellets at the company's existing plant at San Nicolas was recently increased to 4 million tons per year.

Table 1. - U.S. production and shipments of iron ore, by districts
(Exclusive of ore containing 5 percent or more manganese)
(Thousand long tons)

	Lake Superior	South-eastern	North-eastern	Western	Byproduct ore	Total 1/
Production:						
1971-----	64,034	527	3,158	12,328	715	80,762
1972:						
1st Quarter----	11,436	108	649	1,919	110	14,222
2nd Quarter----	16,791	122	669	2,773	81	20,434
3rd Quarter----	19,514	76	544	2,811	27	22,972
October-----	5,351	33	198	950	3	6,536
November-----	4,402	31	206	928	1	5,569
Shipments:						
1971-----	61,710	592	2,849	11,955	586	77,692
1972:						
1st Quarter----	2,266	239	568	2,271	91	5,435
2nd Quarter----	17,297	145	628	2,739	80	20,889
3rd Quarter----	25,377	108	468	3,180	121	29,254
October-----	7,825	37	176	989	35	9,062
November-----	6,563	31	193	850	41	7,677

1/ Data may not add to totals shown because of independent rounding.

Table 2. - U.S. mine production, shipments, and stocks of iron ore
(Exclusive of ore containing 5 percent or more manganese)
(Thousand long tons)

	Production November		Shipments November		Mine Stocks November 30	
	1972	1971	1972	1971	1972	1971
Lake Superior:						
Michigan-----	971	<u>r</u> /1,016	1,464	<u>r</u> /1,233	2,081	2,112
Minnesota-----	3,359	3,013	5,026	3,468	6,639	6,804
Wisconsin-----	72	70	73	76	3	10
Southeastern:						
Alabama, Georgia, North Carolina-----	31	31	31	34	617	765
Northeastern:						
New York, Pennsylvania-	206	183	193	171	4,921	4,891
Western:						
Arizona, California, Colorado, Missouri, Nevada, Texas, Utah, Wyoming-----	928	1,004	850	812	303	911
Byproduct ore-----	1	44	41	49	328	449
Total <u>1</u> /	5,569	<u>r</u> /5,361	7,677	<u>r</u> /5,844	14,893	15,942

r/ Revised.

1/ Data may not add to totals shown because of independent rounding.

Table 3. - U.S. exports of iron ore
(Thousand long tons)

	Canada	Japan	Other	Total <u>1</u> /
1971-----	1,245	1,794	22	3,061
1972:				
1st Quarter-----	14	149	20	183
2nd Quarter-----	263	102	24	389
3rd Quarter-----	736	207	(<u>2</u> /)	943
October-----	190	85	(<u>2</u> /)	275
November-----	90	(<u>2</u> /)	(<u>2</u> /)	90

1/ Data may not add to totals shown because of independent rounding.

2/ Less than 500 long tons.

Table 4. - Canada: Shipments of iron ore
(Thousand long tons)

	Newfound- land	Quebec	Ontario	British Columbia	Total <u>1/</u>
1971 p/-----	19,827	11,054	9,933	1,783	42,597
1972:					
1st Quarter-----	946	518	1,782	249	3,494
2nd Quarter-----	5,459	3,309	3,147	232	12,146
3rd Quarter-----	4,885	2,058	3,166	358	10,468
October-----	1,140	2,304	926	59	4,429
November-----	NA	NA	NA	NA	NA

p/ Preliminary.

NA Not available.

1/ Data may not add to totals shown because of independent rounding.

Source: Statistics Canada - Ministry of Industry, Trade and Commerce.

Table 5. - U.S. imports for consumption of iron ore, by countries
(Exclusive of ore containing 10 percent or more manganese)

	November 1972			January - November 1972		
	Long tons	Value <u>1/</u>		Long tons	Value <u>1/</u>	
		Total	Per ton		Total	Per ton
Argentina-----	---	---	---	190	\$12,292	\$64.69
Australia-----	106,822	\$1,399,720	\$13.10	602,313	8,141,785	13.52
Brazil-----	121,071	1,976,650	16.33	942,488	10,003,907	10.61
Canada-----	2,372,270	29,618,798	12.49	16,703,187	226,979,095	13.59
Chile-----	12,855	103,967	8.09	249,583	2,430,452	9.74
Denmark-----	148	4,379	29.59	491	18,419	37.51
Ivory Coast----	---	---	---	497	2,019	4.06
Iran-----	---	---	---	295	12,180	41.29
Japan-----	41,950	387,618	9.24	41,950	387,618	9.24
Liberia-----	376,124	3,071,605	8.17	2,624,746	21,627,614	8.24
Mauritania----	---	---	---	39,515	686,618	17.38
Nigeria-----	---	---	---	85,118	728,734	8.56
Norway-----	84	6,104	72.67	84	6,104	72.67
Peru-----	106,149	1,184,713	11.16	1,318,410	15,047,689	11.41
Philippines----	---	---	---	11,000	282,500	25.68
Spain-----	---	---	---	30	267	8.90
Sweden-----	55,265	837,334	15.15	227,850	3,271,160	14.36
South Africa, Rep. of-----	---	---	---	25,421	237,862	9.36
Venezuela-----	1,307,864	12,048,498	9.21	10,130,510	92,238,730	9.11
Total-----	4,500,602	50,639,386	11.25	33,003,678	382,115,045	11.58

1/ The market price of the merchandise in the principal marketplace of the foreign country at the time of exportation in terms of United States dollars, and excludes inland freight, ocean freight, and other charges incurred after the merchandise leaves the principal marketplace. This market price is either the market price of the export to the United States or the market price for domestic consumption, whichever is higher. Certain unusually high prices are believed paid for iron ore for use in paints or for research purposes.

Table 6. - U.S. consumption and stocks of iron ore and agglomerates
at consuming plants and production of pig iron
(Long tons)

	Consumption		Stocks November 30, 1972
	November 1972	Year to date	
Beginning of month-----			50,862,127
Alabama, Kentucky, Tennessee, Texas, Missouri-----	751,918	8,957,301	3,551,593
California, Colorado, Utah----	554,189	5,987,311	812,346
Delaware, Maryland, West Virginia-----	779,535	8,460,049	3,128,720
Illinois, Indiana-----	2,634,415	28,342,946	13,836,458
Michigan, Minnesota-----	875,844	8,273,337	4,370,288
New York, Ohio, Pennsylvania, New Jersey, Rhode Island----	4,609,334	49,187,169	26,051,883
Total-----	10,205,235	109,208,113	51,751,288

	Consumption by process		Pig iron produced	
	November 1972	Year to date	November 1972	Year to date
Blast furnaces-----	7,949,369	83,169,404	6,674,381	72,314,280
Steel furnaces-----	276,578	1,626,372	---	----
Agglomerating plants <u>1/</u>	1,977,801	24,379,634	---	----
Miscellaneous <u>2/</u> -----	1,487	32,703	---	----
Total-----	10,205,235	109,208,113	6,674,381	72,314,280

1/ Iron ore and iron ore concentrates consumed in agglomerating plants not located at the mine site.

2/ Sold to nonreporting companies or used for purposes not listed.

Source: American Iron Ore Association.
American Iron and Steel Institute.

Table 7. - U.S. imports for consumption of iron ore, by customs districts
 (Exclusive of ore containing 10 percent or more manganese)
 (Long tons)

Customs district	November 1972	January - November 1972
Baltimore-----	1,223,468	6,989,416
Buffalo-----	204,469	1,915,235
Chicago-----	811,584	5,150,334
Cleveland-----	639,906	4,701,503
Detroit-----	184,574	916,347
Houston-----	77,883	412,406
Los Angeles-----	---	36,848
Mobile-----	102,264	3,345,373
New Orleans-----	137,592	771,159
Ogdensburg-----	365	3,770
Philadelphia-----	985,162	8,259,822
Portland, Ore.-----	78,000	288,350
Wilmington, N. C.-----	55,265	212,321
Other-----	70	794
Total-----	4,500,602	33,003,678