



# MINERAL INDUSTRY SURVEYS



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

## IRON ORE IN DECEMBER 1984

U.S. production of iron ore in December declined sharply compared with that of the previous month, as five of Minnesota's eight taconite operations were shut down by December 3 and remained closed through yearend, according to the Bureau of Mines, U.S. Department of the Interior. Mine shipments also declined, as lake ports were closed down for the winter, but exports and imports remained relatively high. Consumption of ore declined slightly. The number of blast furnaces operating at yearend decreased to 46, 1 less than the total reported on November 30 and 4 less than the number operating on December 31, 1983.

Preliminary data for 12 months of 1984 indicated that U.S. production of usable iron ore increased 35% compared with that of 1983, to 51.3 million tons. Mine shipments increased 12% to 50.2 million tons. Imports of iron ore for consumption rose to 17.2 million tons, about 4 million tons more than in 1983, while exports increased 32% to 5 million tons. Consumption of iron ore by the iron and steel industry rose to 66 million tons, about 8% more than in 1983. Stocks of iron ore on December 31 at mines, receiving and transfer docks, and consuming plants totaled 32.1 million tons, down 0.4 million tons from the total reported one year earlier.

On the Mesabi Range, Reserve Mining Co. announced that about 145 employees would be recalled by January 6, 1985, to resume production on a second pelletizing line, and that the company's hourly employees will return to a 40-hour work week in January. Reserve has operated only one of its eight pelletizing lines since September. Oglebay Norton Co. announced that 50 employees at Eveleth Mines would be laid off by December 17, and that production would continue at about 50% of capacity. Operations at Minntac, Minorca, Hibbing Taconite, Butler Taconite, and Erie remained idle during December. Shortly after yearend, U.S. Steel Corp. announced that production at Minntac would be resumed on January 13.

Mineral Services, Inc., a Cleveland firm, is offering iron ore pellets at a published price of 66 cents per long ton unit of iron, natural, delivered rail-of-vessel at lower lake ports. This price is 18% to 23% less than published producer prices in the Lake Superior district. While the source of pellets was not identified, the company said that at least 2 million tons per year would be available.

In international developments, a pelletizing plant was completed in Bahrain for the Arab Iron & Steel Co. Shipments of pellets began in December. The plant has a production capacity of 4 million tons per year and is expected to supply pellets to direct reduction plants in Saudi Arabia, Qatar, and Iraq, and possibly to others in Indonesia and Malaysia. Ore feed for the plant is being imported from Brazil,

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India, and Peru. In West Germany, two Canadian producers, Quebec Cartier Mining Co. and the Iron Ore Co. of Canada, contracted with West German buyers to supply iron ore concentrates at an average f.o.b. price of 26.8 cents per metric ton unit of iron in 1985. The average price is unchanged from the 1984 level.

On December 20, Pickands Mather & Co., Oglebay Norton Co., The Cleveland-Cliffs Iron Co., and the United Steelworkers of America petitioned the U.S. International Trade Commission (ITC) for countervailing duties on imports of iron ore pellets from Brazil. The petitioners said that subsidies granted by the Brazilian Government allow Brazilian pellets to be delivered to U.S. consumers for at least 30% less than pellets produced in the United States, causing injury to the U.S. iron ore industry and particularly to U.S. merchant producers. Companhia Vale do Rio Doce (CVRD), representing Brazil, said the lower price of Brazilian pellets was due to the higher grade of ore mined in Brazil, which resulted in production costs about \$20 less per ton than in the United States. CVRD also said that about 75% of its pellet shipments to the United States in 1984 were made under long-term contracts negotiated with U.S. steel companies in the mid-1970's.

Update.—Following a hearing on January 10, the ITC decided unanimously on January 28 that the case merited a countervailing duty investigation by the Department of Commerce (DOC). If DOC recommends countervailing duty of more than one-half of 1%, the case will be returned to the ITC for final decision.

## U.S. IRON ORE MONTHLY PRODUCTION AND SHIPMENTS

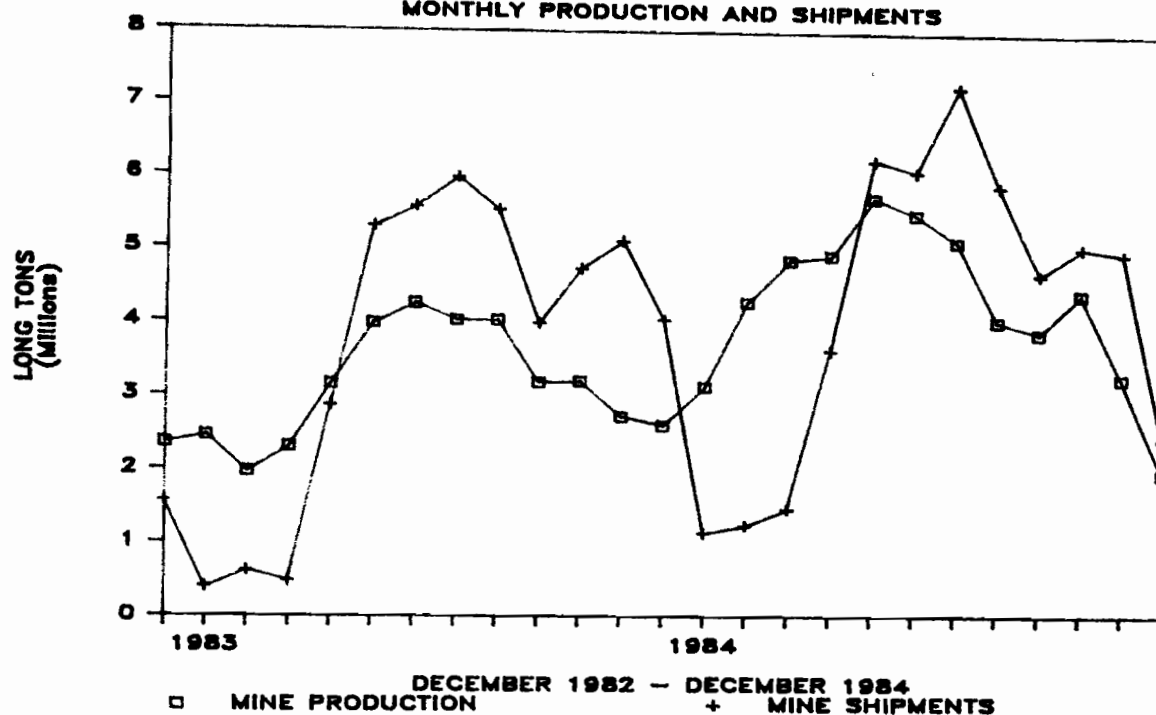


Table 1.--U.S. production and shipments of iron ore, by districts <sup>1/</sup>  
 (Exclusive of ore containing 5% or more manganese)  
 (Thousand long tons)

	Lake Superior	Other U.S.	Total <sup>2/</sup>	
			1984	1983
<b>Production:</b>				
1983 <sup>3/</sup> -----	35,594	1,968	--	37,562
1984:				
1st Quarter-----	11,838	487	12,325	6,747
2nd Quarter-----	15,835	356	16,192	11,416
3rd Quarter-----	12,750	335	13,085	11,257
October-----	4,323	107	4,430	3,207
November-----	3,178	99	3,277	2,729
December-----	1,856	110	1,966	2,611
<b>Shipments:</b>				
1983 <sup>3/</sup> -----	41,412	3,184	--	44,596
1984:				
1st Quarter-----	3,331	539	3,870	1,494
2nd Quarter-----	15,567	430	15,998	13,791
3rd Quarter-----	17,558	308	17,866	15,530
October-----	4,951	120	5,071	4,749
November-----	4,892	93	4,985	5,131
December-----	2,349	84	2,432	4,053

<sup>1/</sup> Excludes byproduct ore, except where noted.

<sup>2/</sup> Data may not add to totals shown because of independent rounding.

<sup>3/</sup> Final figures. Includes byproduct ore to avoid disclosing proprietary data.

Table 2.--U.S. mine production, shipments, and stocks of iron ore <sup>1/</sup>  
 (Exclusive of ore containing 5% or more manganese)  
 (Thousand long tons)

	Production December		Shipments December		Mine Stocks December 31	
	1984	1983	1984	1983	1984	1983
Lake Superior:						
Michigan-----	861	727	1,172	1,425	998	1,408
Minnesota-----	995	1,774	1,177	2,540	3,848	2,114
Wisconsin-----	--	--	--	--	--	--
Other U.S.-----	110	111	84	87	341	376
Total <sup>2/</sup> -----	1,966	2,611	2,432	4,053	5,187	3,899

<sup>1/</sup> Excludes byproduct ore.

<sup>2/</sup> Data may not add to totals shown because of independent rounding.

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

	Canada	Other	Total <sup>1/</sup>	
			1984	1983
1983-----	3,780	2	--	3,781
1984:				
1st Quarter-----	314	( <sup>2/</sup> )	314	3
2nd Quarter-----	1,340	( <sup>2/</sup> )	1,340	1,266
3rd Quarter-----	2,288	( <sup>2/</sup> )	2,288	1,303
October-----	382	( <sup>2/</sup> )	382	218
November-----	289	( <sup>2/</sup> )	289	310
December-----	376	( <sup>2/</sup> )	376	682

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

<sup>2/</sup> Less than one-half unit.

Source: U.S. Bureau of the Census.

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

	Newfound- land	Quebec	Ontario	British Columbia	1984 Total <u>1/</u>	1983 Total <u>1/</u>
1983-----	18,252	10,079	3,558	461	--	32,350
1984:						
1st Quarter---	1,536	2,272	790	94	4,692	3,189
2nd Quarter---	6,828	2,807	1,283	9	10,928	9,209
3rd Quarter---	7,113	3,857	984	18	11,969	9,942
October-----	2,106	1,599	417	8	4,130	3,576
November-----	2,148	1,753	366	5	4,272	<u>r/</u> 3,667
December-----	NA	NA	NA	NA	NA	1,827

r/ Revised. NA Not available.

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

Source: Energy, Mines, and Resources Canada.

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

	December 1984		Year to date 1984			Year to date 1983 (thousand long tons)
	Thousand long tons	Value <u>1/</u> (thousand dollars)	Thousand long tons	Value <u>1/</u> (thousand dollars)	Value <u>1/</u> (dollars per ton)	
Brazil-----	331	6,912	2,542	56,016	22.04	1,276
Canada-----	814	31,598	11,161	413,519	37.05	8,832
Liberia-----	105	1,729	1,745	25,270	14.48	1,732
Peru-----	--	--	7	76	10.86	( <u>2/</u> )
Sweden-----	--	--	84	1,659	19.75	68
Venezuela <u>3/</u> ---	253	6,391	1,588	36,393	22.92	1,414
Other-----	--	--	34	837	24.62	5
Total <u>4/</u> ----	1,503	46,630	17,160	533,770	31.11	13,328

1/ Customs value. Excludes international freight, insurance, and other c.i.f. charges.

2/ Less than one-half unit.

3/ Data for Venezuela in 1984 and 1983 includes some shipments of direct-reduced iron reported as iron ore. Verification has been requested.

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

Source: U.S. Bureau of the Census data reported under item 601.24 of the Tariff Schedules of the United States.

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

	Consumption			Stocks December 31	
	December 1984	Year to date		1984	1983
		1984	1983		
Alabama, Kentucky, Tennessee, Texas, Missouri-----	397	5,326	2,855	1,375	1,812
California, Colorado, Utah---	132	1,979	1,647	190	247
Delaware, Maryland, West Virginia-----	435	6,608	5,346	2,449	2,392
Illinois, Indiana-----	1,799	23,434	24,065	9,295	9,221
Michigan, Minnesota-----	544	6,272	5,582	2,327	1,992
New York, Ohio, Pennsylvania, New Jersey, Rhode Island---	1,581	22,372	21,725	8,382	9,831
<b>Total 1/-----</b>	<b>4,888</b>	<b>65,990</b>	<b>61,220</b>	<b>24,017</b>	<b>25,494</b>
Stocks at U.S. receiving/transfer docks-----				2,942	3,174

	Consumption by process			Pig iron produced		
	December 1984	Year to date		December 1984	Year to date	
		1984	1983		1984	1983
Blast furnaces-----	4,108	55,186	50,796	3,298	46,346	43,487
Steel furnaces-----	11	374	221	--	--	--
Agglomerating plants 2/--	742	10,189	9,974	--	--	--
Miscellaneous 3/-----	26	241	230	--	--	--
<b>Total 1/-----</b>	<b>4,888</b>	<b>65,990</b>	<b>61,220</b>	<b>3,298</b>	<b>46,346</b>	<b>43,487</b>

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

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

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

Source: American Iron Ore Association (consumption of iron ore).  
American Iron and Steel Institute (production of pig iron).

Table 7.—U.S. imports for consumption of iron ore, by customs districts  
 (Exclusive of ore containing 10% or more manganese)  
 (Thousand long tons)

Customs district	December 1984	Year to date	
		1984	1983
Baltimore	240	4,668	3,062
Buffalo	—	1	195
Charleston	—	5	—
Chicago	40	2,574	1,625
Cleveland	429	3,859	4,491
Detroit	75	393	182
Houston	28	133	37
Los Angeles	—	(1/)	—
Mobile	291	1,548	525
New Orleans	82	632	633
Philadelphia	318	3,230	2,463
Portland, Oreg.	—	—	22
Other	—	116	91
<b>Total 2/</b>	<b>1,503</b>	<b>17,160</b>	<b>13,328</b>

1/ Less than one-half unit.

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