



MINERAL INDUSTRY SURVEYS

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON, D.C. 20241



Donald Paul Hodel, Secretary

Robert C. Horton, Director

For information call Peter H. Kuck
Telephone: (202) 634-1023

Iron Ore, Monthly

IRON ORE IN NOVEMBER 1986

U.S. mine production of iron ore was 20% lower than that in October, according to the Bureau of Mines, U.S. Department of the Interior. Shipments from U.S. loading docks on the Great Lakes were 18% lower than those of November 1985, primarily because of the prolonged USX Corp. labor dispute and the closure last July of the bankrupt Reserve Mining Co. Stocks of ore and agglomerates at consuming plants and U.S. receiving docks increased 5% during the month to 18.6 million long tons. Monthly consumption of ore and agglomerates remained depressed. Total consumption through November was only 51.4 million tons, down 12% from 58.6 million tons for the same period in 1985. On November 30, 33 blast furnaces were in operation, the same number as on October 31.

On the Mesabi Range, Hibbing Taconite Co. and Eveleth Mines temporarily shutdown their mines and pelletizing plants for the winter after meeting production goals for 1986. Hibbing Taconite, a joint venture of Bethlehem Steel Corp., Pickands Mather & Co., and Stelco Inc., laid off 550 employees on November 6. The Hibbing pelletizing plant had been producing at only 60% of its capacity of 8.1 million tons of pellets per year. At the end of October, the United Steelworkers of America signed a 3-year contract with Hibbing Taconite that froze wages and eliminated cost-of-living increases for the next 2½ years. In exchange for the wage concessions, the company agreed not to hire outside workers to do routine maintenance and repair jobs. An additional 500 workers were idled by the Eveleth shutdown on November 15. The Fairlane Plant at Eveleth has an annual capacity of 6.0 million tons. Both companies were expected to resume operations in January 1987.

On November 13, National Steel Pellet Co. (NSPC) announced that it may be forced to permanently close its Keewatin mine and plant when the company's power contract with Minnesota Power and Development expires in December 1988. The mining company was warned earlier by its parent, National Steel Corp., that it must cut costs by more than 20% to remain viable. Power reportedly accounts for 27% of NSPC's production costs.

In Michigan, the Tilden Mine resumed production on November 23 after a 15-week shutdown. Approximately 700 hourly and salaried workers were recalled. The mine is operated by The Cleveland-Cliffs Iron Co. and owned jointly by Cleveland-Cliffs (39% equity), The Algoma Steel Corp. Ltd. (30%), LTV Steel Co. (12%), Stelco (10%), Sharon Steel Corp. (5%), and Wheeling-Pittsburgh Steel Corp. (4%). Cleveland-Cliffs has been absorbing the carrying cost of LTV Steel's interest since July 17 when LTV's parent company, LTV Corp., filed for bankruptcy protection. Only one of two pelletizing lines was being operated because of reduced demand for iron ore by the venture's steel producing partners. Tilden has an annual capacity of 8.0 million tons of pellets.

Koch Carbon Inc. has agreed to acquire the C. Reiss Coal Co. of Sheboygan, WI. Reiss Coal is the parent company of Reiss Viking Corp., a producer of both heavy media magnetite for coal cleaning and black oxide for the foundry industry. Reiss Viking operates magnetite grinding plants at Tazewell, VA, and Fairmont, WV. Koch Carbon is headquartered in Wichita, KS, and markets a variety of coal and other carbon products.

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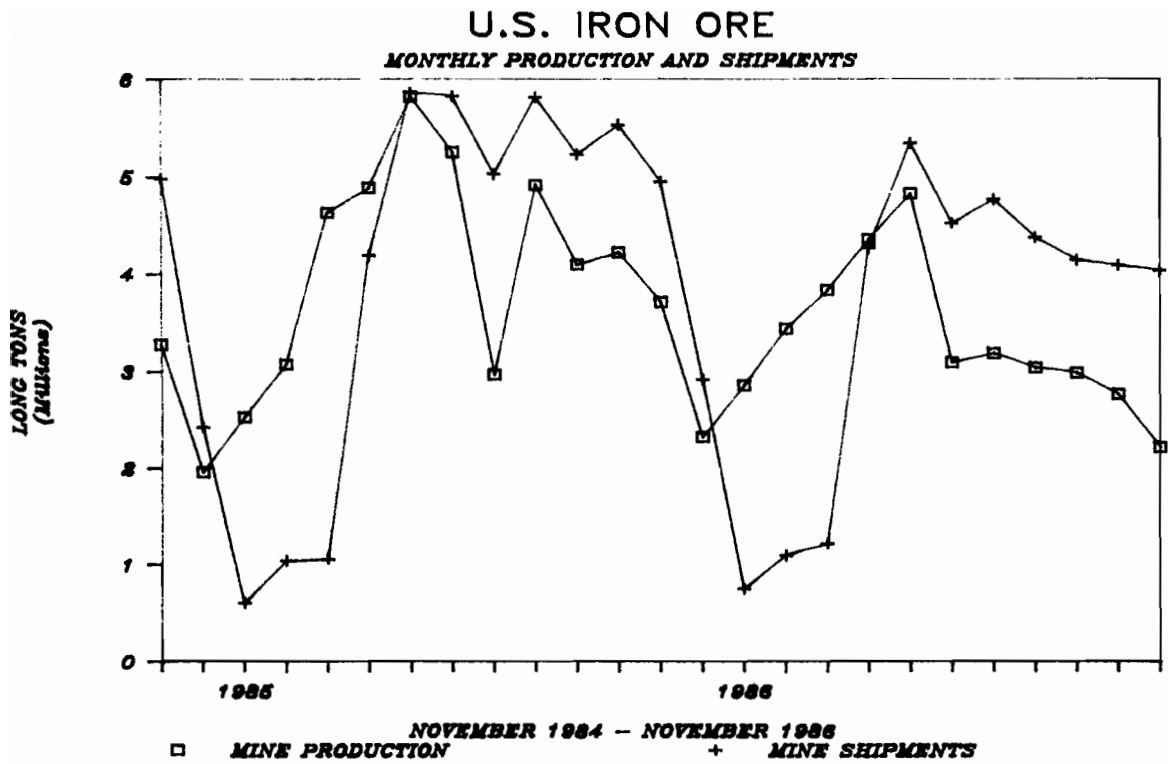


Table 1.--U.S. production and shipments of iron ore, by districts 1/
(Exclusive of ore containing 5% or more manganese)
(Thousand long tons)

Period	Lake Superior	Other U.S.	Total <u>2/</u>	
			1986 <u>3/</u>	1985
Production:				
1985-----	47,388	1,363	--	48,751
1986:				
1st Quarter-----	9,853	292	10,144	10,246
2nd Quarter-----	12,122	174	12,297	15,976
3rd Quarter-----	9,043	174	9,217	12,001
October-----	2,709	58	2,767	4,229
November-----	2,168	53	2,221	3,718
Shipments:				
1985 <u>4/</u> -----	47,606	1,804	--	49,411
1986:				
1st Quarter-----	2,832	257	3,087	2,718
2nd Quarter-----	13,953	205	14,158	15,893
3rd Quarter-----	13,096	202	13,299	16,090
October-----	4,038	55	4,093	5,536
November-----	3,967	68	4,036	4,958

1/ Excludes byproduct ore, except where noted.

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

3/ Includes estimated data.

4/ Includes byproduct ore.

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

District	Production November		Shipments November		Mine Stocks November 30	
	1986	1985	1986	1985	1986	1985
Lake Superior:						
Michigan-----	611	916	1,247	1,284	1,157	1,430
Minnesota-----	1,557	2,693	2,720	3,554	2,677	4,867
Other U.S.-----	53	110	68	119	227	251
Total <u>2/</u> -----	2,221	3,718	4,036	4,958	4,061	6,548

1/ Excludes byproduct ore.

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

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

Period	Canada	Other	Total <u>1/</u>	
			1986	1985
1985-----	5,033	1	--	5,033
1986:				
1st Quarter-----	156	1	157	276
2nd Quarter-----	1,339	1	1,340	1,412
3rd Quarter-----	1,617	1	1,618	1,957
October-----	529	(<u>2/</u>)	529	366
November-----	368	(<u>2/</u>)	369	509

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

2/ Less than one-half unit.

Source: U.S. Bureau of the Census.

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

Period	Newfound- land	Quebec	Ontario	British Columbia	1986 Total <u>1/</u>	1985 Total <u>1/</u>
1985-----	20,229	14,723	4,220	42	--	39,215
1986:						
1st Quarter---	1,470	3,100	1,041	8	5,619	6,000
2nd Quarter---	6,450	3,293	853	6	10,600	12,039
3rd Quarter---	5,812	3,035	633	6	9,486	11,142
October-----	2,375	929	287	2	3,594	3,393
November-----	2,102	1,613	227	2	3,943	3,552

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 country
(Exclusive of ore containing 10% or more manganese)

Country of origin	November 1986		Year to date 1986			Year to date 1985 (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-----	269	5,868	<u>2/</u> 3,329	<u>2/</u> 64,629	19.41	2,435
Canada-----	769	29,270	8,013	286,642	35.77	7,887
Chile-----	--	--	93	2,126	22.86	164
Liberia-----	158	2,382	1,354	19,969	14.75	1,800
Peru-----	<u>3/</u> (<u>4/</u>)	<u>3/</u> 2	<u>2/</u> 92	<u>2/</u> 2,430	26.41	121
Sweden-----	--	--	104	2,473	23.78	66
Venezuela <u>5/</u> --	<u>3/</u> 32	<u>3/</u> 3,331	<u>2/</u> 2,234	<u>2/</u> 41,379	18.52	1,966
Other-----	(<u>4/</u>)	9	<u>r/</u> 211	5,329	25.26	68
Total <u>6/</u> ----	1,228	40,862	15,430	424,977	27.54	14,507

r/ Revised.

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

2/ Part being questioned.

3/ Being questioned.

4/ Less than one-half unit.

5/ Data for Venezuela includes some shipments of direct-reduced iron reported as iron ore. Verification has been requested.

6/ 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)

State or Region	Consumption			Stocks	
	November 1986	Year to date		November 30	
		1986	1985	1986	1985
Alabama, Kentucky, Tennessee, Texas, Missouri-----	303	3,826	5,426	1,277	1,200
California, Colorado, Utah---	--	1,059	1,775	138	149
Delaware, Maryland, West Virginia-----	538	5,742	5,486	2,047	2,254
Illinois, Indiana-----	1,397	19,647	22,325	7,378	9,424
Michigan, Minnesota-----	479	4,974	5,257	2,209	1,748
New York, Ohio, Pennsylvania, New Jersey, Rhode Island---	1,053	16,122	18,304	3,746	6,752
Total 1/-----	3,771	51,370	58,572	16,795	21,527
Stocks at U.S. receiving/transfer docks-----				1,839	1,804

Consuming Sector	Consumption by process			Pig iron produced		
	November 1986	Year to date		November 1986	Year to date	
		1986	1985		1986	1985
Blast furnaces-----	3,176	44,382	50,266	2,765	r/36,433	41,094
Steel furnaces-----	3	92	170	--	--	--
Agglomerating plants 2/--	568	6,787	7,679	--	--	--
Miscellaneous 3/-----	25	108	457	--	--	--
Total 1/-----	3,771	51,370	58,572	2,765	36,433	41,094

r/ Revised.

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 district
 (Exclusive of ore containing 10% or more manganese)
 (Thousand long tons)

Customs district	November 1986	Year to date	
		1986	1985
Baltimore-----	318	5,001	3,309
Buffalo-----	--	1	(<u>1</u> /)
Charleston-----	--	240	192
Chicago-----	261	1,416	2,205
Cleveland-----	278	1,500	1,487
Detroit-----	23	333	496
Houston-----	<u>2</u> / <u>(1)</u> /	<u>r</u> /42	165
Mobile-----	--	2,248	2,477
New Orleans-----	<u>3</u> /124	1,509	878
Philadelphia-----	224	3,114	3,223
Other-----	(<u>1</u> /)	27	74
Total <u>4</u>/-----	1,228	15,430	14,507

r/ Revised.

1/ Less than one-half unit.

2/ Being questioned.

3/ Part being questioned.

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