



# MINERAL INDUSTRY SURVEYS

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



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Iron Ore, Monthly

## IRON ORE IN AUGUST 1987

U.S. mine production of iron ore was 17% more than that of July, according to the Bureau of Mines, U.S. Department of the Interior. The increase in production resulted primarily from a resumption of operations at two Minnesota mines following cutbacks earlier in the summer for vacation and maintenance. All of the monthly data pointed to a strengthening of demand for pellets. Shipments from U.S. loading docks on the Great Lakes totaled 4.9 million long tons and were 4% more than those of the previous month. Imports rose from 1.2 million tons (corrected) to 1.8 million tons, an increase of 55%. Combined stocks at consuming plants and U.S. receiving docks increased for the third month in a row, reaching 13.3 million tons. This level of stocks was still 14% less than that of a year ago. Consumption of ore and agglomerates rose 10% to 5.1 million tons. However, total consumption through August was only 38.3 million tons, down 4% from 40.0 million tons for the same period in 1986. On August 31, 50 blast furnaces were in operation, 1 more than on July 31.

On August 14, The Cleveland-Cliffs Iron Co. signed a letter of intent to sell its Presque Isle powerplant and related facilities at Marquette, MI, to Wisconsin Electric Power Co. for \$247.5 million. The 592 megawatt coal-fired plant supplies all of the electrical power required by the nearby Empire and Tilden Mines, both of which are managed and partially owned by Cliffs. At the time of the announcement, Cliffs had a 93% interest in the Upper Peninsula Generating Co., which in turn owned the plant. The remaining 7% was held by the Upper Peninsula Power Co. of Houghton, which operated the plant for the iron ore company.

Update: The sale of the Presque Isle plant to Wisconsin Electric was completed on December 31, 1987, as planned. The Milwaukee-based utility will continue to serve the two taconite mines from Presque Isle under new long-term contracts, but will be able to send any excess power through the existing grid to other customers. The transaction provides Cliffs with approximately \$107 million after taxes, relieves Cliffs of \$124 million of long-term debt, and significantly reduces energy costs for the two mines. The sale is part of an ongoing, extensive restructuring and recapitalization effort by the iron ore company's parent, Cleveland-Cliffs Inc.

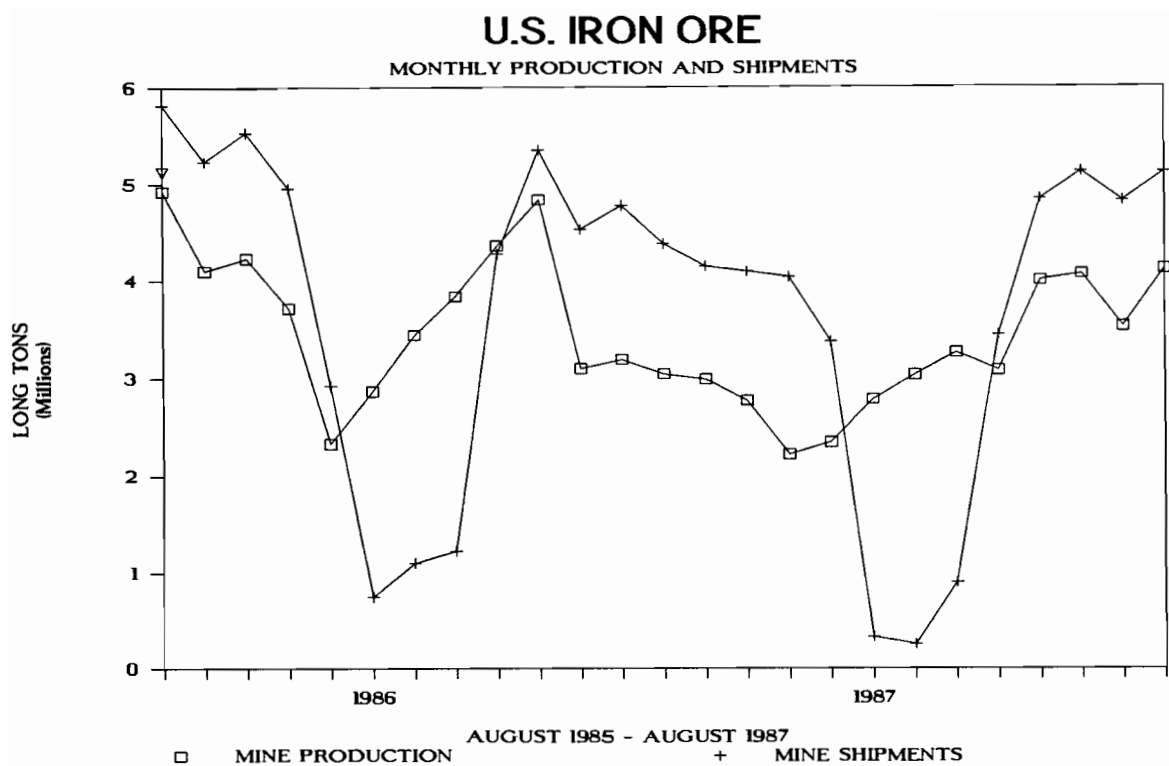


Table 1. - U.S. production and shipments of iron ore, by districts 1/  
 (Exclusive of ore containing 5% or more manganese)  
 (Thousand long tons)

Period	Lake Superior	Other U.S.	Total 2/	
			1987	1986
Production:				
1986-----	37,564	1,262	--	38,825
1987:				
1st Quarter-----	8,897	172	9,069	10,144
2nd Quarter-----	10,970	170	11,140	12,297
July-----	3,471	50	3,521	<u>r/</u> 3,190
August-----	4,064	52	4,116	3,041
Shipments:				
1986 <u>3/</u> -----	39,737	1,591	--	41,327
1987:				
1st Quarter-----	1,341	143	1,484	3,087
2nd Quarter-----	13,217	191	13,408	14,158
July-----	4,752	67	4,819	<u>r/</u> 4,775
August-----	5,049	67	5,117	<u>r/</u> 4,377

r/ Revised.

1/ Excludes byproduct ore, except where noted.

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

3/ 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 August		Shipments August		Mine Stocks August 31	
	1987	1986	1987	1986	1987	1986
Lake Superior:						
Michigan-----	1,074	698	1,241	1,117	2,673	3,202
Minnesota-----	2,990	2,286	3,808	<u>r/</u> 3,194	3,027	<u>r/</u> 4,853
Other U.S.-----	52	57	67	65	225	256
Total <u>2/</u> -----	4,116	3,041	5,117	<u>r/</u> 4,377	5,925	<u>r/</u> 8,311

r/ Revised.

1/ Excludes byproduct ore.

2/ Includes estimated data. 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>	
			1987	1986
1986-----	4,479	3	--	4,482
1987:				
1st Quarter-----	92	( <u>2/</u> )	92	157
2nd Quarter-----	1,873	( <u>2/</u> )	1,873	1,340
July-----	413	<u>3/1</u>	413	393
August-----	438	( <u>2/</u> )	438	487

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

2/ Less than one-half unit.

3/ Part being questioned.

Source: Bureau of the Census.

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

Period	Newfound- land	Quebec	Ontario	British Columbia	1987 Total <u>1/</u>	1986 Total <u>1/</u>
1986 p/-----	19,158	12,992	3,314	63	--	35,525
1987:						
1st Quarter---	2,249	2,977	848	6	6,081	5,648
2nd Quarter---	4,580	4,565	838	6	9,989	10,579
July-----	1,761	893	241	2	2,897	3,390
August-----	1,469	1,548	184	2	3,204	<u>r/</u> 2,645

p/ Preliminary.

r/ Revised.

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	August 1987		Year to date 1987			Year to date 1986 (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)	
Australia-----	--	--	32	1,661	51.53	--
Brazil-----	178	4,152	2,474	44,139	17.84	2,360
Canada-----	1,069	32,734	4,527	141,673	31.30	5,756
Chile-----	49	1,059	432	7,954	18.41	93
Liberia-----	35	1,608	609	9,361	15.37	970
Mauritania-----	65	1,049	197	3,163	16.06	65
Peru-----	--	--	63	1,288	20.36	72
Spain-----	--	--	1	27	51.76	--
Sweden-----	44	1,252	99	2,334	23.53	61
Venezuela-----	377	8,252	1,484	30,059	20.26	2,053
Other-----	--	--	<u>2/</u> 87	<u>2/</u> 1,986	22.91	<u>r/</u> 137
Total <u>3/</u> ----	1,817	50,107	10,004	243,645	24.35	<u>r/</u> 11,566

r/ Revised.

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

2/ Part being questioned.

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

Source: 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		
	August	Year to date		August 31		
	1987	1987	1986	1987	1986	
Alabama, Kentucky, Tennessee, Texas, and Missouri-----	335	2,564	3,018	1,000	890	
California, Colorado, and Utah- Delaware, Maryland, and West Virginia-----	--	--	1,059	--	138	
Illinois and Indiana-----	623	4,838	4,185	1,752	1,942	
Michigan and Minnesota-----	2,067	15,319	15,240	5,152	6,266	
New York, Ohio, Pennsylvania, New Jersey, and Rhode Island-	452	3,698	3,570	1,727	1,580	
	1,662	11,862	12,900	2,577	3,638	
Total <u>1/</u> -----	5,139	38,282	39,973	12,207	14,455	
Stocks at U.S. receiving/transfer docks-----				1,052	1,002	
	Consumption by process			Pig iron produced		
Consuming Sector	August	Year to date		August	Year to date	
	1987	1987	1986	1987	1987	1986
Blast furnaces-----	4,608	34,091	34,636	3,719	<u>r/</u> 27,625	28,171
Steel furnaces-----	14	64	83	--	--	--
Agglomerating plants <u>2/</u> --	514	4,110	5,171	--	--	--
Miscellaneous <u>3/</u> -----	4	17	84	--	--	--
Total <u>1/</u> -----	5,139	38,282	39,973	3,719	<u>r/</u> 27,625	28,171

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	August 1987	Year to date	
		1987	1986
Baltimore-----	703	3,277	3,559
Buffalo-----	--	(1/)	(1/)
Charleston, SC-----	24	204	220
Chicago-----	85	1,088	888
Cleveland-----	154	826	970
Detroit-----	74	277	162
Houston-----	--	(1/)	r/42
Mobile-----	109	806	2,075
New Orleans-----	83	1,055	1,139
New York-----	--	(1/)	(1/)
Philadelphia-----	585	2,471	2,508
San Juan, PR-----	--	1	4
Wilmington, NC-----	--	(1/)	(1/)
Total 2/-----	1,817	10,004	r/11,566

r/ Revised.

1/ Less than one-half unit.

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