



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 SEPTEMBER 1987

U.S. mine production of iron ore was 12% more than that of August, according to the Bureau of Mines, U.S. Department of the Interior. The increase in production reflected a pickup of activity at 5 of the 6 active pelletizing plants on the Mesabi Range. Shipments from U.S. loading docks on the Great Lakes totaled 5.2 million long tons, the highest monthly tonnage since May. U.S. imports of ore dropped 20% between August and September to 1.5 million tons, while exports, primarily to Canada, jumped 43%. Combined stocks at consuming plants and U.S. receiving docks increased for the fourth consecutive month, reaching 14.4 million tons. This level of stocks was still 13% less than that of a year ago. Monthly consumption of ore and agglomerates remained unchanged at about 5.2 million tons. On September 30, 49 blast furnaces were in operation, 1 less than on August 31.

The gradual increase in pig iron production since the USX Corp. labor settlement on February 1, 1987 and the subsequent strengthening of demand for pellets offset a disappointing first quarter for the U.S. iron ore industry. Mine production for the first 9 months of 1987 totaled 32.5 million tons and was about 3% more than the total for the corresponding period of 1986. Year-to-date consumption of ore and agglomerates was essentially unchanged. Ore imports for the 9 months declined 12% to 11.5 million tons, while exports rose 11% to 3.4 million tons. Some of the factors contributing to the third quarter turnaround were:

- rising scrap prices
- weakening of the dollar against the Japanese yen and major European currencies, making the importation of some steels less attractive
- rebuilding of inventories of finished steel that were depleted during the 184-day USX labor dispute, and
- increased exports of machinery and other goods fabricated from steel.

On September 1, Basic Manufacturing and Technologies of Utah, Inc. purchased the Geneva Works near Provo, UT, from USX for an undisclosed sum. The steel plant had been shutdown since August 1, 1986, when its 1,900 steelworkers were idled by the contract dispute between USX and the United Steelworkers of America. Geneva is the only integrated steel plant operating west of the Mississippi. It has been renamed Geneva Steel of Utah and presently employs 872 steelworkers and about 200 managerial and clerical people. The plant's principal products are plate, hot-rolled coil, and welded pipe. The USX Minntac Mine at Mountain Iron, MN, will continue to provide pellets for the two blast furnaces at Geneva as part of the purchase agreement.

Prepared in the Branch of Ferrous Metals, April 1, 1988.

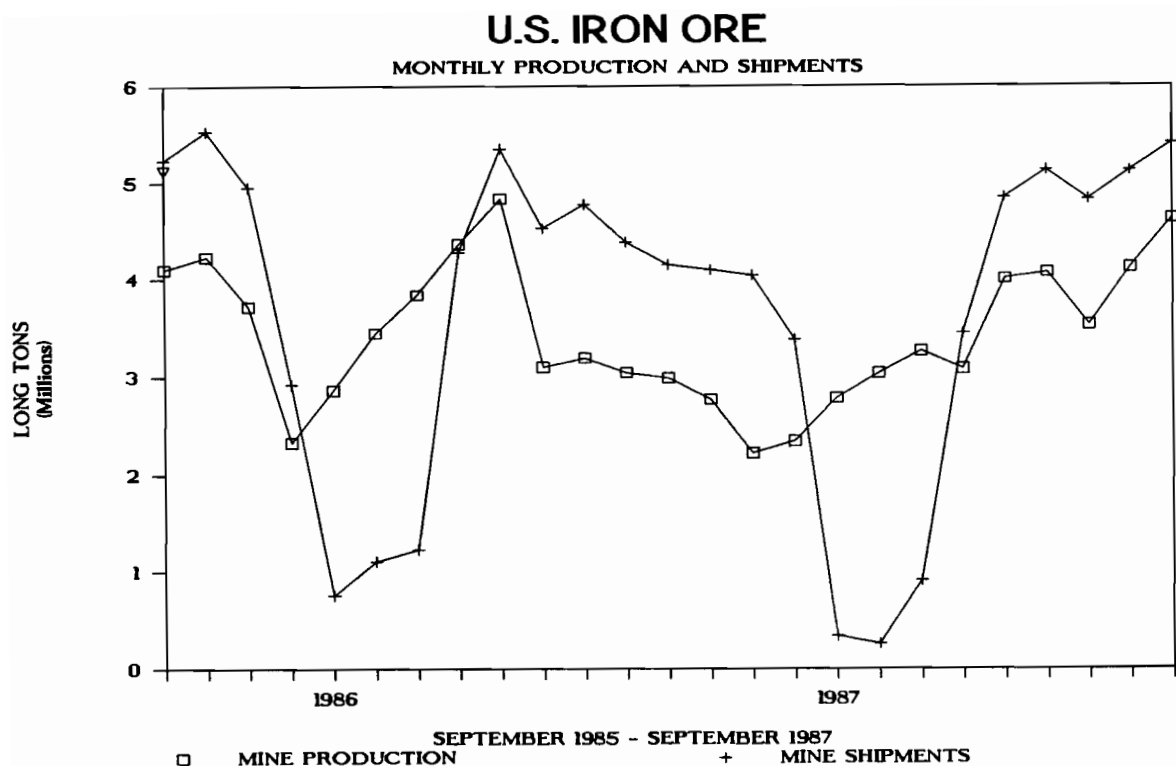


Table 1. - U.S. production and shipments of iron ore, by districts 1/
(Exclusive of ore containing 5% or more manganese)
(Thousand long tons)

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	3,190
August-----	4,064	52	4,116	3,041
September-----	4,569	54	4,623	2,986
Shipments:				
1986 3/-----	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	4,775
August-----	5,049	67	5,117	4,377
September-----	5,337	69	5,406	4,147

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 September		Shipments September		Mine Stocks September 30	
	1987	1986	1987	1986	1987	1986
Lake Superior:						
Michigan-----	1,005	559	1,397	1,251	2,281	2,510
Minnesota-----	3,564	2,370	3,941	2,825	2,650	4,413
Other U.S.-----	54	58	69	71	211	243
Total <u>2/</u> -----	4,623	2,986	5,406	4,147	5,142	7,166

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
September-----	625	(<u>2/</u>)	625	738

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/----- 1987:	19,158	12,992	3,314	63	--	35,525
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	2,645
September-----	1,955	1,106	285	2	3,348	<u>r/</u> 3,376

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	September 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-----	219	3,470	2,693	47,610	17.68	2,806
Canada-----	839	25,305	5,365	166,978	31.12	6,527
Chile-----	38	693	470	8,647	18.38	93
Liberia-----	49	575	658	9,936	15.10	1,102
Mauritania-----	64	1,026	261	4,190	16.07	65
Peru-----	--	--	63	1,288	20.36	92
Spain-----	--	--	1	27	51.76	--
Sweden-----	--	--	99	2,334	23.53	61
Venezuela-----	243	5,855	1,727	35,914	20.79	2,126
Other-----	(<u>2/</u>)	1	<u>3/</u> 87	<u>3/</u> 1,987	22.92	<u>r/</u> 137
Total <u>4/</u> ----	1,452	36,925	11,456	280,571	24.49	<u>r/</u> 13,010

r/ Revised.

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

2/ Less than one-half unit.

3/ Part being questioned.

4/ 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	
	September	Year to date		September 30	
	1987	1987	1986	1987	1986
Alabama, Kentucky, Tennessee, Texas, and Missouri-----	319	2,883	3,266	1,032	930
California, Colorado, and Utah-	--	--	1,059	--	138
Delaware, Maryland, and West Virginia-----	648	5,487	4,702	1,724	1,992
Illinois and Indiana-----	2,108	17,427	16,781	5,941	6,900
Michigan and Minnesota-----	437	4,135	4,006	1,995	1,705
New York, Ohio, Pennsylvania, New Jersey, and Rhode Island-	1,682	13,544	13,913	2,651	3,711
Total <u>1</u> /-----	5,194	43,476	43,727	13,343	15,375
Stocks at U.S. receiving/transfer docks-----				1,023	1,165
Consuming Sector	Consumption by process			Pig iron produced	
	September	Year to date		September	Year to date
	1987	1987	1986	1987	1987 1986
Blast furnaces-----	4,692	38,782	37,877	3,757	31,367 30,832
Steel furnaces-----	19	84	86	--	-- --
Agglomerating plants <u>2</u> /--	481	4,591	5,680	--	-- --
Miscellaneous <u>3</u> /-----	2	19	84	--	-- --
Total <u>1</u> /-----	5,194	43,476	43,727	3,757	31,367 30,832

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	September 1987	Year to date	
		1987	1986
Baltimore-----	622	3,899	4,283
Buffalo-----	--	(1/)	(1/)
Charleston, SC-----	43	247	240
Chicago-----	230	1,318	1,008
Cleveland-----	135	961	1,023
Detroit-----	46	323	236
Houston-----	--	(1/)	r/42
Los Angeles-----	--	--	(1/)
Mobile-----	8	814	2,135
New Orleans-----	122	1,176	1,249
New York-----	(1/)	(1/)	(1/)
Philadelphia-----	245	2,716	2,790
San Juan, PR-----	--	1	4
Wilmington, NC-----	--	(1/)	(1/)
Total 2/-----	1,452	11,456	r/13,010

r/ Revised.

1/ Less than one-half unit.

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