



U.S. Bureau of Mines



MINERAL INDUSTRY SURVEYS

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Iron Ore, Monthly

IRON ORE IN AUGUST 1988

U.S. mine production of iron ore was slightly more than that of July, according to the Bureau of Mines, U.S. Department of the Interior. Mine shipments, in contrast, fell 10%. Shipments from U.S. loading docks on the upper Great Lakes totaled 5.6 million long tons and were down 14% from the previous month. Imports declined 20%, with 80% of the material entering through mid-Atlantic or Gulf ports. Monthly consumption of ore and agglomerates dropped from 6.0 million tons to 5.5 million tons as the result of a 4% decrease in pig iron production. On August 31, 51 blast furnaces were in operation, the same number as on July 31.

The August data suggested that the domestic iron ore industry was entering a brief cooling-off period, enabling producers to consolidate their gains of the last 20 months. Total consumption through August reached 46.2 million tons, up 21% from 38.3 million tons for the same period in 1987. Combined stocks at consuming plants and receiving docks rose 12% during the month to 15.5 million tons. Blast furnace operators apparently took advantage of the lull in the rally to build up feed material inventories in anticipation of renewed demand for hot metal and the shutdown of Great Lakes shipping for the winter.

In late July, Dofasco Inc., the second largest steelmaker in Canada, took steps to acquire The Algoma Steel Corp. Ltd. of Sault Ste. Marie, Ont. Both steel companies have extensive iron ore holdings in North America. Algoma is a major partner in the Tilden Mine near Ishpeming, MI, and the sole owner of the George W. MacLeod Mine at Wawa, Ont. Dofasco is the sole owner of the Adams Mine at Kirkland Lake, Ont., and has equities in three other Canadian operations: the Sherman Mine (90%), Wabush Mines (16.4%), and the Iron Ore Company of Canada (6.07%).

On August 20, Dofasco announced that it had successfully acquired 99% of Algoma's common stock and 86% of the convertible preferred stock in exchange for about C\$560 million in stock and cash. Algoma's management and union locals all supported the takeover. However, approval was still needed from the federal Bureau of Competition Policy in Ottawa. The acquisition of Algoma would make Dofasco, the fourth largest steelmaker in North America, following USX Corp., LTV Corp., and Bethlehem Steel Corp.

U.S. IRON ORE

MONTHLY PRODUCTION AND SHIPMENTS

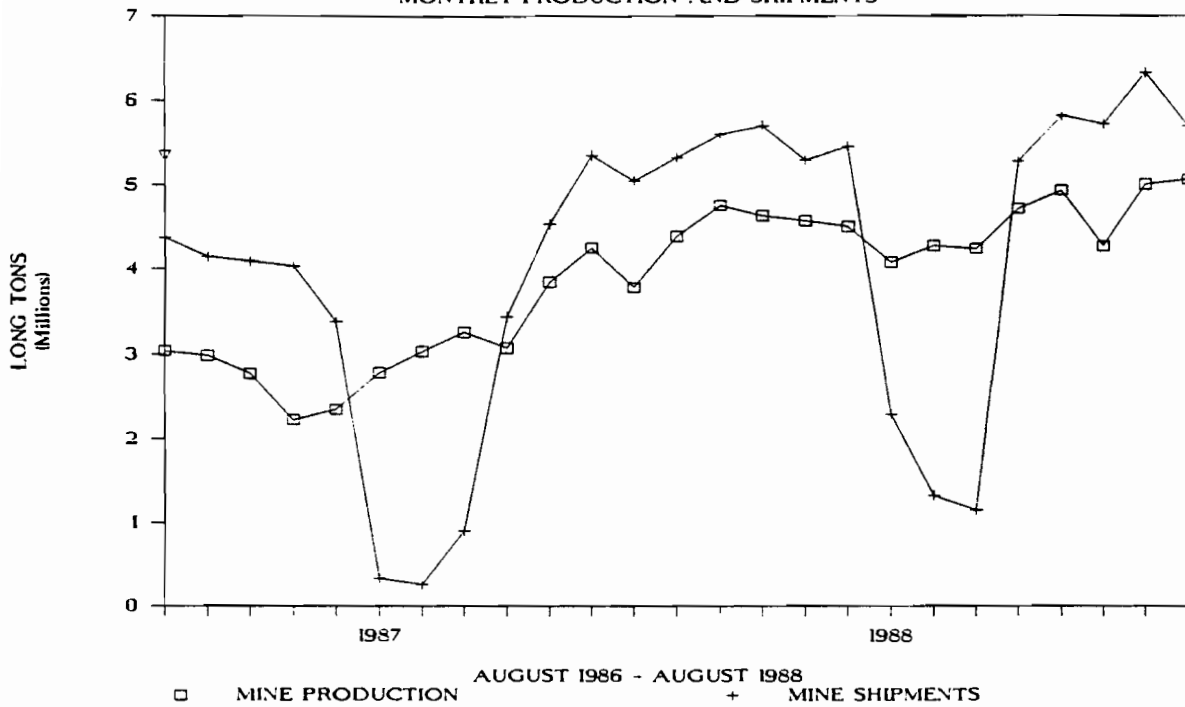


Table 1. - U.S. production and shipments of iron ore, by districts 1/
(Exclusive of ore containing 5% or more manganese)
(Thousand long tons)

Period	Lake Superior	Other U.S.	Total <u>2/</u>	
			1988	1987
Production:				
1987 <u>p/</u> -----	46,194	700	--	46,894
1988:				
1st Quarter-----	12,396	211	12,607	9,069
2nd Quarter-----	13,736	196	13,932	11,174
July-----	4,965	50	5,015	3,784
August-----	5,021	50	5,071	<u>r/</u> 4,391
Shipments:				
1987 <u>p/</u> -----	46,523	734	--	47,257
1988:				
1st Quarter-----	4,557	212	4,769	1,484
2nd Quarter-----	16,641	190	16,830	13,325
July-----	6,262	68	6,329	5,052
August-----	5,646	59	5,704	<u>r/</u> 5,332

r/ Revised.

p/ Preliminary.

1/ Excludes byproduct ore, except where noted.

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

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	
	1988	1987	1988	1987	1988	1987
Lake Superior:						
Michigan-----	1,314	1,074	1,210	1,241	1,407	2,673
Minnesota-----	3,707	<u>r/3,265</u>	4,436	<u>r/4,023</u>	3,997	<u>r/3,234</u>
Other U.S.-----	50	52	59	67	189	225
Total <u>2/</u> -----	5,071	<u>r/4,391</u>	5,704	<u>r/5,332</u>	5,593	<u>r/6,132</u>

r/ Revised.

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>	
			1988	1987
1987 <u>p/</u> -----	5,011	2	--	5,013
1988:				
1st Quarter-----	334	1	335	92
2nd Quarter-----	1,585	3	1,588	1,873
July-----	672	2	674	413
August-----	423	(<u>2/</u>)	423	438

p/ Preliminary.

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

2/ Less than one-half unit.

Source: Bureau of the Census.

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

Period	Newfound- land	Quebec	Ontario	British Columbia	1988 Total <u>1/</u>	1987 Total <u>1/</u>
1987 p/-----	18,368	15,621	3,184	33	--	37,206
1988:						
1st Quarter---	2,710	3,413	812	6	6,941	6,081
2nd Quarter---	5,592	4,170	608	13	10,383	9,990
July-----	2,066	1,475	296	6	3,843	2,899
August-----	1,740	1,535	161	5	3,441	<u>r/</u> 3,205

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 1988		Year to date 1988			Year to date 1987
	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)	(thousand long tons)
Australia-----	119	2,319	622	10,385	16.70	32
Brazil-----	549	7,794	3,168	53,475	16.88	2,474
Canada-----	705	21,899	6,078	196,675	32.36	4,527
Chile-----	--	--	83	1,779	21.32	432
India-----	61	1,387	61	1,387	22.75	--
Liberia-----	--	--	126	1,460	11.58	609
Mauritania-----	67	1,012	258	4,002	15.51	197
Peru-----	--	--	128	2,122	16.55	63
Spain-----	--	--	--	--	--	1
Sweden-----	44	1,088	45	1,104	24.78	99
Venezuela-----	293	6,186	1,995	41,937	21.03	1,484
Other <u>2/</u> -----	--	--	193	4,114	21.27	87
Total <u>3/</u> -----	1,837	41,685	12,758	318,439	24.96	10,004

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

2/ Excludes 28,466 tons of crude iron sulfate crystals reported in March from the Federal Republic of Germany. The material had a customs value of \$318,651.

3/ Data may not add to totals shown because of independent rounding. Unit values shown above are calculated from unrounded data.

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	
	1988	1988	1987	1988	1987
Alabama, Kentucky, Tennessee, Texas, and Missouri-----	368	2,597	2,564	1,041	1,000
California, Colorado, and Utah- Delaware, Maryland, and West Virginia-----	NA	NA	--	NA	--
Illinois and Indiana-----	714	5,711	4,838	1,570	1,752
Michigan and Minnesota-----	2,301	18,778	15,319	5,573	5,152
New York, Ohio, Pennsylvania, New Jersey, and Rhode Island-	485	3,935	3,698	1,894	1,727
	1,681	15,150	11,862	3,766	2,577
Total 1/-----	5,549	46,171	38,282	13,843	12,207

Stocks at U.S. receiving/transfer docks----- 1,699 1,052

Consuming Sector	Consumption by process			Pig iron produced		
	August	Year to date		August	Year to date 2/	
	1988	1988	1987	1988	1988	1987
Blast furnaces-----	4,847	41,086	34,091	4,093	33,430	27,625
Steel furnaces-----	23	177	64	--	--	--
Agglomerating plants 3/-----	679	4,887	4,110	--	--	--
Miscellaneous 4/-----	(5/)	21	17	--	--	--
Total 1/-----	5,549	46,171	38,282	4,093	33,430	27,625

NA Not available.

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

2/ Includes revisions for previous months.

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

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

5/ Less than one-half unit.

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 1988	Year to date	
		1988	1987
Baltimore-----	781	5,253	3,277
Buffalo-----	--	--	(<u>1</u> /)
Charleston, SC-----	--	264	204
Chicago-----	173	923	1,088
Cleveland-----	172	666	826
Detroit-----	23	293	277
Houston-----	--	30	(<u>1</u> /)
Los Angeles-----	--	--	--
Mobile-----	--	850	806
New Orleans-----	121	<u>2</u> /1,102	1,055
New York-----	--	1	(<u>1</u> /)
Philadelphia-----	567	3,334	2,471
Portland, OR-----	--	--	--
San Juan, PR-----	--	(<u>1</u> /)	1
Seattle-----	--	26	--
Wilmington, NC-----	--	--	(<u>1</u> /)
Other-----	--	16	--
Total <u>3</u>/-----	1,837	12,758	10,004

1/ Less than one-half unit.

2/ Excludes 28,466 tons of crude iron sulfate reported for March.

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

Source: Bureau of the Census.