



U.S. Bureau of Mines



MINERAL INDUSTRY SURVEYS

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Iron Ore, Monthly

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IRON ORE IN AUGUST 1989

U.S. mine production of iron ore in August was 9% less than that of July, according to the Bureau of Mines, U.S. Department of the Interior. Mine shipments also decreased slightly. Shipments from U.S. loading docks on the upper Great Lakes totaled 6.0 million metric tons and were down 4% from the previous month. Monthly consumption of ore and agglomerates dropped from 6.0 million tons to 5.7 million tons as the result of a 9% decrease in pig iron production. On August 31, 48 blast furnaces were in operation, the same number as on July 31.

The Canadian iron ore industry is in the midst of a major restructuring. The Quebec Cartier Mining Co. is now owned by Dofasco, Inc. (50% equity), Mitsui & Co. Ltd. of Japan (25%), and Companhia Auxiliadora de Empresas de Mineracao (CAEMI) of Brazil (25%). Dofasco, the largest integrated steel producer in Canada, will buy 2 million tons of fluxed pellets annually from QCM, under a long term contract beginning in March 1990. The pellets will go to Dofasco's blast furnaces at Hamilton, Ontario, and replace more expensive ones from the steel producer's own Adams and Sherman Mines. These two smaller mines, located near Kirkland Lake in northern Ontario, will be closed when the changeover takes place. (See January 1989 MIS.)

On March 31, Dofasco purchased 25% of the outstanding shares of QCM from its previous owner, USX Corp. USX then signed a letter of intent to sell the remaining 75% of its equity in the mining operation to Elder Resources North America. However, Dofasco decided to exercise its right of first refusal and purchased the other 75% of QCM from USX on June 30.

Mitsui and CAEMI were invited to become partners to help increase sales of QCM ore outside North America. The two accepted Dofasco's offer and bought 50% of QCM on July 31. Both companies are prominent in the international iron ore industry. Mitsui is a major Japanese trading company with direct or indirect ownership interests in iron mines in Australia and Brazil. Mitsui was the largest importer of iron ore into Japan in 1988 and was responsible for about 23% of the tonnage delivered to the Japanese steel industry. CAEMI is a Brazilian industrial group whose main interests are in mining and metallurgy. The Brazilian company was set up in 1950 to run the Serra do Navio manganese mine of Industria e Comercio de Minerios S.A. (ICOMI) in the Federal Territory of Amapa, but has since diversified into iron mining and the transportation of bulk materials. CAEMI owns 70% of Mineracoes Brasileiras Reunidas S.A. (MBR), the second largest iron ore producer in Brazil, and has an international network of sales agents that market both iron and manganese ores.

Prepared in the Branch of Ferrous Metals, November 9, 1989.

In mid-August, Cyprus Minerals Co. of Denver completed its purchase of the former Reserve Mining Co. taconite properties at Babbitt and Silver Bay in northern Minnesota. The operation has been renamed Cyprus Northshore Mining Corp. Cyprus won the properties with a \$52-million bid that was approved by the U.S. Bankruptcy Court for the Southern district of New York in June. (See April 1989 MIS.) Production of taconite pellets is scheduled to begin in the first quarter of 1990 at a rate of 1.5 to 2 million tons per year. It is anticipated that sales will climb to 4 million tons by 1993. Extensive renovations are now underway at the mine and pelletizing plant. The reopened complex is expected to employ 350 people by spring.

Changes to the Mineral Industry Surveys for Iron Ore: Congress enacted the Omnibus Trade and Competitiveness Act (Public Law 100-418) on August 23, 1988, to enhance the competitiveness of the Nation's industries and to improve the management of U.S. trade strategy. This comprehensive act, included among other items, provisions modifying U.S. customs laws and tariff schedules. Subtitle B of the new law requires that all tariff schedules after January 1, 1989, conform to the nomenclature of the internationally established Harmonized System. All of the iron ore trade statistics collected by the Bureau of the Census are now being compiled and published in metric units. To avoid confusion, the Bureau of Mines has decided to also present all of its iron ore production and consumption statistics in metric units. To convert from metric tons to long tons, multiply the published number by 0.984207.

The August tables dealing with foreign trade and domestic consumption will appear in a subsequent issue.

U.S. IRON ORE

MONTHLY PRODUCTION AND SHIPMENTS

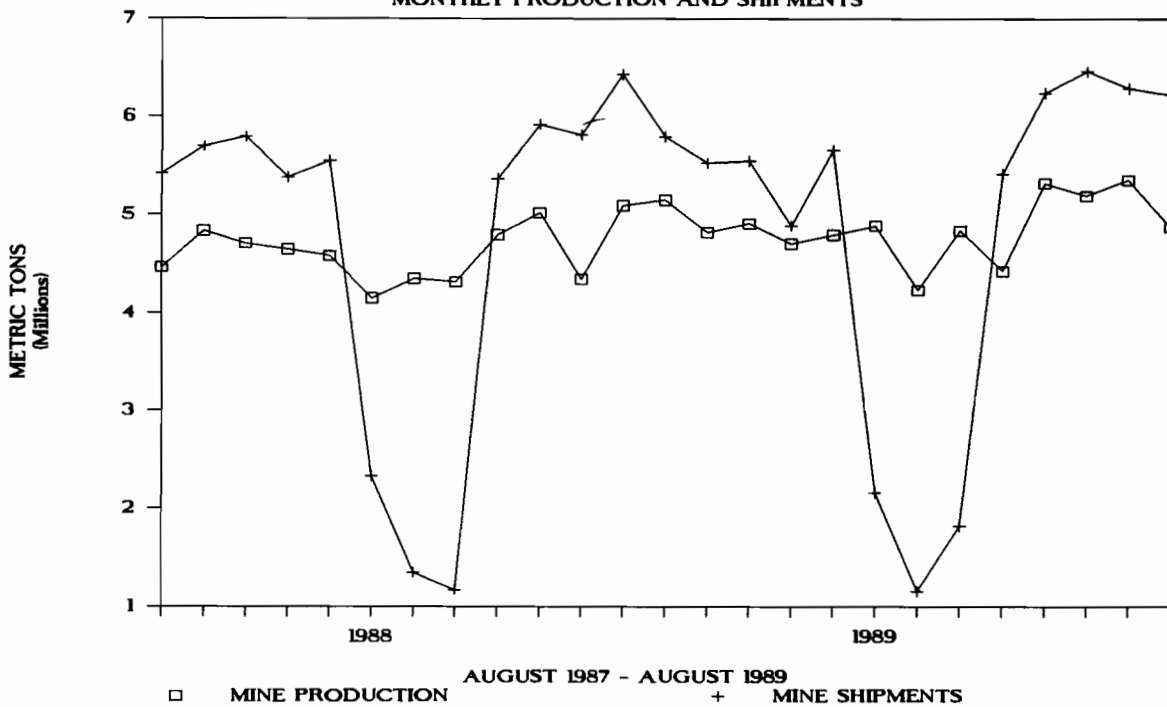


Table 1. - U.S. production and shipments of iron ore, by districts 1/
(Exclusive of ore containing 5% or more manganese)
(Thousand metric tons)

Period	Lake Superior	Other U.S.	Total 2/	
			1989	1988
Production:				
1988 p/-----	55,651	793	--	56,444
1989:				
1st Quarter-----	13,750	210	13,960	12,809
2nd Quarter-----	14,664	282	14,946	14,156
July-----	5,265	92	5,357	5,095
August-----	4,781	95	4,876	5,153
Shipments:				
1988 p/-----	54,986	815	--	55,801
1989:				
1st Quarter-----	4,957	174	5,131	4,846
2nd Quarter-----	17,757	364	18,121	17,100
July-----	6,184	104	6,289	6,431
August-----	6,118	101	6,220	5,796

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 metric tons)

District	Production August		Shipments August		Mine Stocks August 31	
	1989	1988	1989	1988	1989	1988
Lake Superior:						
Michigan-----	1,021	1,335	1,403	1,229	1,942	1,430
Minnesota-----	3,760	3,767	4,715	4,507	4,604	4,061
Other U.S.-----	95	51	101	60	118	192
Total <u>2/</u> -----	4,876	5,153	6,220	5,796	6,664	5,682

1/ Excludes byproduct ore.

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

Table 3. - Canada: Shipments of iron ore
(Thousand dry metric tons)

Period	Newfound- land	Quebec	Ontario	British Columbia	Total <u>1/</u>	
					1989	1988
1988 <u>p/</u> -----	20,395	16,446	2,941	59	--	39,840
1989:						
1st Quarter-----	2,679	2,448	870	11	6,008	7,052
2nd Quarter-----	6,345	3,936	929	20	11,230	10,550
July-----	2,193	2,027	291	4	4,515	3,904
August-----	1,903	1,054	219	3	3,180	3,496

p/ Preliminary.

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

Source: Energy, Mines, and Resources Canada.

Table 4. - U.S. consumption and stocks of iron ore and agglomerates
at consuming plants and production of pig iron
(Thousand metric tons)

State or Region	Consumption			Stocks	
	July 1989	Year to date 1/ 1989 1988		July 31 1989 1988	
Alabama, Kentucky, Tennessee, Texas, and Missouri-----	320	3,387	2,264	1,223	931
California, Colorado, and Utah- Delaware, Maryland, and West Virginia-----	209	1,282	NA	23	NA
Illinois and Indiana-----	702	5,054	5,077	1,849	1,659
Michigan and Minnesota-----	2,360	16,779	16,742	4,727	4,832
New York, Ohio, Pennsylvania, New Jersey, and Rhode Island-	619	4,227	3,505	1,681	1,753
	1,836	13,772	13,685	2,736	3,286
Total 2/-----	6,046	44,500	41,274	12,240	12,462

Stocks at U.S. receiving/transfer docks----- 2,040 r/ 2,044

Consuming Sector	Consumption by process			Pig iron produced		
	July 1989	Year to date 1/ 1989 1988		July 1989	Year to date 1/ 1989 1988	
Blast furnaces-----	5,480	39,111	36,820	4,177	30,728	29,808
Steel furnaces-----	19	192	157	--	--	--
Agglomerating plants 3/--	461	5,109	4,276	--	--	--
Miscellaneous 4/-----	85	88	21	--	--	--
Total 2/-----	6,046	44,500	41,274	4,177	30,728	29,808

NA Not available.

r/ Revised.

1/ May include revisions for previous month.

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

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.

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

Table 5. - U.S. exports of iron ore and agglomerates, by country of destination
(Thousand metric tons)

Period	Canada	Mexico	Other	Total 1/	
				1989	1988
1988 -----	5,277	1	7	--	5,285
1989:					
1st Quarter-----	346	(2/)	2	348	340
2nd Quarter-----	1,990	(2/)	2	1,991	1,613
July-----	393	--	(2/)	393	685

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

2/ Less than one-half unit.

Source: Bureau of the Census data reported under heading 2601 of the export classification system (Schedule B).

Table 6. - U.S. exports of iron ore and agglomerates, by type
(Thousand metric tons)

Period	Pellets	Concentrates	Direct shipping ores	Other	Total 1/
1988 -----	NA	NA	NA	NA	5,285
1989:					
1st Quarter-----	1	347	(2/)	(2/)	348
2nd Quarter-----	1,158	824	(2/)	9	1,991
July-----	341	52	--	(2/)	393

NA Not Available.

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

2/ Less than one-half unit.

Source: Bureau of the Census data reported under heading 2601 of the export classification system (Schedule B).

Table 7. - U.S. imports for consumption of iron ore and agglomerates, by country
(Exclusive of ore containing 20% or more manganese)

Country of origin	July 1989		Year to date 1989			Year to date 1988 (thousand metric tons)
	Thousand metric tons	Value <u>1</u> / (thousand dollars)	Thousand metric tons	Value <u>1</u> / (thousand dollars)	Value <u>1</u> / (dollars per ton)	
Australia-----	59	628	243	3,249	13.34	511
Brazil-----	370	6,427	3,021	53,899	17.84	2,661
Canada-----	942	33,029	4,754	164,527	34.61	5,460
Chile-----	--	--	61	1,200	19.74	85
Liberia-----	--	--	200	2,950	14.77	128
Mauritania-----	66	1,142	391	6,622	16.95	194
Norway-----	--	--	40	693	17.24	--
Peru-----	18	466	82	1,675	20.49	130
Philippines <u>2</u> /--	--	--	66	1,622	24.49	173
Sweden-----	--	--	--	--	--	1
Venezuela-----	576	15,290	2,680	68,010	25.37	1,729
Other-----	(<u>3</u> /)	1	(<u>3</u> /)	12	136.54	24
Total <u>4</u> /-----	2,032	56,983	11,539	304,460	26.38	11,096

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

2/ Sinter made from raw materials supplied by Australia, Brazil, and other countries.

3/ Less than one-half unit.

4/ 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 heading 2601 of the Harmonized Tariff Schedules of the United States.

Table 8. - U.S. imports for consumption of iron ore and agglomerates, by type
(Exclusive of ore containing 20% or more manganese)

Type of product	July 1989		Year to date 1989			Year to date 1988 (thousand metric tons)
	Thousand metric tons	Value <u>1</u> / (thousand dollars)	Thousand metric tons	Value <u>1</u> / (thousand dollars)	Value <u>1</u> / (dollars per ton)	
Concentrates-----	(<u>2</u> /)	26	198	3,593	18.13	NA
Coarse ores-----	148	3,698	409	9,526	23.28	NA
Fine ores-----	1,120	30,472	6,954	175,424	25.23	NA
Pellets-----	587	18,519	3,267	101,051	30.93	NA
Briquettes-----	--	--	--	--	--	NA
Other						
agglomerates---	178	4,268	590	12,827	21.73	NA
Roasted pyrites--	--	--	121	2,038	16.92	NA
Total <u>3</u> /-----	2,032	56,983	11,539	304,460	26.38	11,096

NA Not Available.

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

2/ Less than one-half unit.

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 heading 2601 of the Harmonized Tariff Schedules of the United States.

Table 9. - U.S. imports for consumption of iron ore and agglomerates in July 1989
(Exclusive of ore containing 20% or more manganese)
(Thousand metric tons)

Country of origin	Type of Product						Total ^{1/}
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	
Australia---	--	--	59	--	--	--	59
Brazil-----	--	--	327	24	20	--	370
Canada-----	(2/)	--	638	304	--	--	942
Mauritania---	--	--	66	--	--	--	66
Peru-----	--	--	(2/)	18	--	--	18
Venezuela---	--	148	30	240	158	--	576
Other-----	(2/)	--	--	--	--	--	(2/)
Total ^{1/} ---	(2/)	148	1,120	587	178	--	2,032

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

^{2/} Less than one-half unit.

Source: Bureau of the Census data reported under heading 2601 of the Harmonized Tariff Schedules of the United States.

Table 10. - U.S. imports for consumption of pellets, by country

Country of origin	July 1989		Year to date 1989			Year to date 1988 (thousand metric tons)
	Thousand metric tons	Value ^{1/} (thousand dollars)	Thousand metric tons	Value ^{1/} (thousand dollars)	Value ^{1/} (dollars per ton)	
Brazil-----	24	603	331	9,529	28.80	NA
Canada-----	304	10,660	1,744	57,695	33.09	NA
Peru-----	18	456	56	1,326	23.83	NA
Venezuela-----	240	6,800	1,137	32,501	28.58	NA
Total ^{2/} -----	587	18,519	3,267	101,051	30.93	NA

NA Not Available.

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

^{2/} 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 2601.12.00.30 of the Harmonized Tariff Schedules of the United States.

Table 11. - U.S. imports for consumption of iron ore and agglomerates,
by customs district
(Exclusive of ore containing 20% or more manganese)
(Thousand metric tons)

Customs district	July 1989	Year to date	
		1989	1988
Baltimore-----	767	3,915	4,543
Charleston, SC-----	89	283	268
Chicago-----	278	1,557	762
Cleveland-----	152	816	502
Detroit-----	93	323	275
Houston-----	--	(1/)	31
Mobile-----	189	1,145	864
New Orleans-----	63	988	997
New York-----	--	(1/)	1
Philadelphia-----	402	2,440	2,812
San Juan, PR-----	--	(1/)	(1/)
Seattle-----	--	--	26
Other-----	(1/)	2/ 72	16
Total 3/-----	2,032	11,539	11,096

1/ Less than one-half unit.

2/ Part being questioned.

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

Source: Bureau of the Census data reported under heading 2601 of the Harmonized Tariff Schedules of the United States.

Table 12. - U.S. imports for consumption of pellets, by customs district
(Thousand metric tons)

Customs district	July 1989	Year to date	
		1989	1988
Baltimore-----	90	442	NA
Charleston, SC-----	89	224	NA
Chicago-----	115	462	NA
Cleveland-----	--	239	NA
Philadelphia-----	293	1,902	NA
Total 1/-----	587	3,267	NA

NA Not available.

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

Source: Bureau of the Census data reported under item 2601.12.00.30 of the
Harmonized Tariff Schedules of the United States.