U.S. Department of the Interior • Bureau of Mines

MINERAL INDUSTRY SURVEYS

T S Ary, Director — Washington, DC 20241

For more information call:
Peter H. Kuck, Iron Ore Specialist, (202) 634-1023
Cheryl C. Solomon, Iron and Steel Slag Specialist, (202) 634-1019
Robin C. Kaiser, Mineral Data Assistant, (202) 634-1013

Iron Ore, Monthly

IRON ORE IN APRIL 1991

U.S. mine production of iron ore in April was 15% more than that of March, according to the Bureau of Mines, U.S. Department of the Interior. Mine shipments increased almost threefold with the arrival of spring and resumption of shipping on the upper Great Lakes. Mine stocks declined from 11.42 million metric tons to 10.91 million during the month. Shipments from U.S. loading docks on Lake Superior and Lake Michigan were 5.02 million tons, slightly less than the tonnage for April 1990.

The domestic iron and steel industry remained in a slump and consumed only 4.83 million tons of ore and agglomerates in April. Consumption for the first 4 months amounted to 19.90 million tons, 15% less than the corresponding year-to-date total for 1990. The industry's sluggishness was a reflection of the general economic weakness that has been troubling the Nation since the fourth quarter of 1990. Ore stocks at consuming plants rose 3%, increasing from 8.49 million tons in March to 8.75 million. Furnace operators had, on the average, enough ore in their yards to operate for 54 days at the reduced level.

On April 30, 40 blast furnaces were in operation, 1 fewer than on March 31. This was the lowest number of active furnaces since February 1987. When the last downturn bottomed out in September 1986, the steel industry had only 31 blast furnaces on line. In terms of utilization of capacity, the integrated producers are in a much better position than they were in 1986. At that time, the industry had 91 operable furnaces, compared with 79 today.

Foreign Mining Companies Win Limited Price Hikes in 1991 Contract Negotiations

Foreign iron ore producers won price hikes in Japan and Western Europe for the third consecutive year. In Japan, prices for lump ore were up about 6%; fines, about 8%. The Japanese iron and steel industry is expected to

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produce about 81.3 million tons of hot metal and pig iron in 1991, up slightly from 80.23 million in 1990.

Selected prices negotiated under Japanese contracts for fiscal year 1991 are shown below: (f.o.b., in U.S. cents per dry long ton unit of iron).

Producer	Ore type	Prices FY 1990	Prices FY 1991[1/]
Hamersley Iron Pty. Ltd.....	lump ore	39.15	41.48
Do	fines	31.03	33.49
Robe River Iron Associates.....	fines	26.88	29.01
Cia. Vale do Rio Doce (Itabira).....	lump ore	29.69	31.46
Do.....	fines	27.82	30.03
Cia. Vale do Rio Doce (Carajas).....	fines	27.82	30.53
Mineracoes Brasileiras Reunidas SA..	fines	28.36	30.61
Samarco Mineracao SA.....	pellet feed	22.88	24.70
Iron Ore Co. of Canada (Carol Lake).	concentrates	26.53	28.63
Minera del Pacifico SA (Algarrobo)..	pellets	44.40	45.79
Minera del Pacifico SA (Romeral)....	fines	21.55	23.26
National Mineral Development Corp. Ltd. (Bailadila).....	fines	29.81	32.17

1/ The 1991 fiscal year began on April 1, 1991 and will end on March 31, 1992.

Source: The TEX Report (Tokyo), v. 23, No. 5375, April 8, 1991, pp.11-12.

Negotiations opened in Europe last December, but quickly bogged down. Brazil's Cia. Vale do Rio Doce (CVRD) asked for increases on the order of 18% so that it could (1) begin upgrading its older operations in the Iron Quadrangle, and (2) continue to properly service the enormous debt incurred in developing the giant Carajas Mine. At the end of January, Rohstoffhandel GmbH and Erzkontor Ruhr GmbH, the principal buyers for the German steel industry, finally agreed to price increases of 7.95% for Itabira fines and 6.95% for Carajas fines. In the settlements that followed, CVRD's competitors obtained increases that ranged from 0.56% for Hamersley lump to 8.89% for Carol Lake concentrates. The suppliers' positions were supported by three arguments. First, producers in Western Australia may have to develop several new mines to meet the growing demand for iron ore in the Far East. This will require a heavy financial investment on the producers' part. Second, iron ore shipments from Liberia have been completely disrupted by the recent civil war and ensuing political uncertainty. Last, Canadian producers have closed two pelletizing operations in Ontario and are temporarily cutting back production in the Quebec-Labrador Trough.

The MINES-DATA System

The telephone number for the MINES-DATA computer bulletin board is (202) 634-4637; the computer settings are: 2400, N, 8, and 1. Anyone who needs technical assistance or a copy of the MINES-DATA instruction manual can leave a message with the answering machine by calling (202) 634-9632.

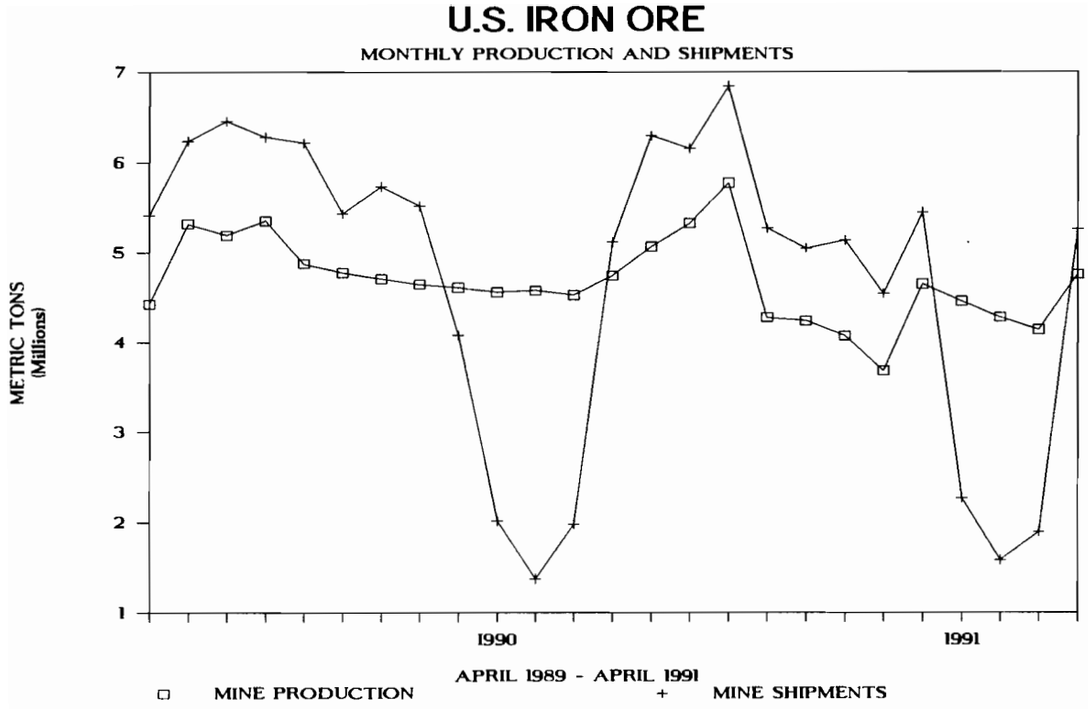

Table 1. - U.S. production and shipments of iron ore, by districts 1/
(Exclusive of ore containing 5% or more manganese)
(Thousand metric tons)

Period	Lake Superior	Other U.S.	Total 2/ 1991	Total 2/ 1990
Production:				
1990 p/	54,482	986	--	55,468
1991:				
1st Quarter	12,823	38	12,861	13,648
April	4,736	18	4,754	4,741
Shipments:				
1990 p/	54,295	971	--	55,266
1991:				
1st Quarter	5,715	36	5,751	5,375
April	5,245	19	5,264	5,123

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 April		Shipments April		Mine Stocks April 30	
	1991	1990	1991	1990	1991	1990
Lake Superior:						
Michigan	1,035	1,053	1,443	1,463	2,191	2,945
Minnesota.....	3,701	3,598	3,802	3,571	8,576	9,352
Other U.S.	18	89	19	89	143	138
Total 2/.....	4,754	4,741	5,264	5,123	10,910	12,436

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 1/	
					1991	1990
1990 p/.....	19,572	14,826	1,150	103	--	35,652
1991:						
1st Quarter.....	2,016	1,990	321	13	4,339	3,749
April.....	1,465	1,330	109	4	2,908	2,420

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

Source: Energy, Mines, and Resources Canada.

Table 4. - Consumption and stocks of iron ore and agglomerates at U.S. iron and steel plants
(Thousand metric tons)

Consumption of Ores and Agglomerates

Consumption by source	March 1991	March 1990	Year to date 1991	Year to date 1990
United States ores	4,090	4,596	11,345	13,225
Canadian ores	522	694	1,819	2,046
Foreign ores	686	789	1,905	2,145
Total 1/	5,297	6,079	15,069	17,416
Consumption by process				
Blast furnaces	4,765	5,657	13,526	16,173
Steel furnaces	3	10	11	29
Agglomerating plants 2/	529	410	1,532	1,212
Miscellaneous 3/	--	1	--	2
Total 1/	5,297	6,079	15,069	17,416

Blast Furnace Production of Hot Metal

	March 1991	March 1990	Year to date 1991	Year to date 1990
Hot metal and pig iron produced in blast furnaces	3,671	4,247	10,518	12,283
No. of blast furnaces operating on the last day of the month	41	48	--	--

Stocks of Ores and Agglomerates

Storage Point	March 31 1991	March 31 1990
Receiving/transfer docks	1,402	835
Furnace yards	8,493	7,314
Total consumer	9,895	8,149

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 hot metal and 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/	
				1991	1990
1990.....	3,193	1	5	--	3,199
1991:					
January.....	9	--	1	11	100
February.....	2	--	(2/)	2	250
March.....	1	--	--	1	3

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/
1990.....	3,018	11	16	155	3,199
1991:					
January.....	8	1	1	1	11
February.....	--	1	1	(2/)	2
March.....	(2/)	(2/)	1	(2/)	1

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	March 1991		Year to date 1991			Year to date 1990
	Thousand metric tons	Value 1/ (thousand dollars)	Thousand metric tons	Value 1/ (thousand dollars)	Value 1/ (dollars per ton)	(thousand metric tons)
Brazil.....	298	6,442	484	11,706	24.17	740
Canada.....	51	2,140	464	18,712	40.31	937
Chile.....	35	741	35	741	21.00	--
China 2/.....	(3/)	6	(3/)	23	641.58	--
India.....	(3/)	2	(3/)	2	850.00	--
Mauritania.....	--	--	135	2,798	20.78	157
Peru.....	--	--	21	635	30.69	18
Spain	(3/)	4	(3/)	15	203.97	--
U.S.S.R 2/.....	--	--	19	1,940	102.70	--
Venezuela.....	119	4,460	440	15,434	35.04	683
Total 4/.....	503	13,795	1,599	52,007	5/32.53	2,535

1/ Customs value. Excludes international freight, insurance, and other c.i.f. charges.
2/ All or part being questioned.
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.
5/ Weighted average calculated from unrounded data by dividing total value by total tonnage.

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	March 1991		Year to date 1991			Year to date 1990
	Thousand metric tons	Value 1/ (thousand dollars)	Thousand metric tons	Value 1/ (thousand dollars)	Value 1/ (dollars per ton)	(thousand metric tons)
Concentrates.....	1	51	33	1,127	34.38	12
Coarse ores.....	--	--	--	--	--	96
Fine ores.....	388	9,161	2/716	2/17,238	2/24.07	1,305
Pellets.....	114	4,583	2/848	2/33,528	2/39.56	1,122
Briquettes.....	--	--	(3/)	31	86.01	--
Other agglomerates.....	--	--	--	--	--	--
Roasted pyrites.....	--	--	2	84	48.01	--
Total 4/.....	503	13,795	1,599	52,007	5/32.53	2,535

1/ Customs value. Excludes international freight, insurance, and other c.i.f. charges.
2/ All or part being questioned.
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.
5/ Weighted average calculated from unrounded data by dividing total value by total tonnage.

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 March 1991
(Exclusive of ore containing 20% or more manganese)
(Thousand metric tons)

Country of origin	Type of Product						
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	Total 1/
Brazil.....	--	--	275	24	--	--	298
Canada.....	1	--	--	50	--	--	51
Chile.....	--	--	35	--	--	--	35
China.....	--	--	(2/)	--	--	--	(2/)
India.....	--	--	(2/)	--	--	--	(2/)
Spain.....	--	--	(2/)	--	--	--	(2/)
Venezuela.....	--	--	78	41	--	--	119
Total 1/.....	1	--	388	114	--	--	503

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	March 1991		Year to date 1991			Year to date 1990 (thousand metric tons)
	Thousand metric tons	Value 1/ (thousand dollars)	Thousand metric tons	Value 1/ (thousand dollars)	Value 1/ (dollars per ton)	
Brazil.....	24	853	54	1,668	31.03	251
Canada.....	50	2,089	435	17,629	40.50	637
Peru.....	--	--	19	551	29.08	18
U.S.S.R 2/.....	--	--	19	1,940	102.70	--
Venezuela.....	41	1,641	321	11,739	36.60	215
Total 3/.....	114	4,583	848	33,528	4/39.56	1,122

1/ Customs value. Excludes international freight, insurance, and other c.i.f. charges.
2/ All or part being questioned.
3/ Data may not add to totals shown because of independent rounding. Unit values shown above are calculated from unrounded data.
4/ Weighted average calculated from unrounded data by dividing total value by total tonnage.

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	March 1991	Year to date 1991	Year to date 1990
Baltimore (13).....	189	1/379	903
Charleston, SC (16).....	42	1/104	90
Cleveland (41).....	--	27	50
Detroit (38).....	1	3	1
Houston - Galveston, TX (53).	--	6	--
Laredo TX (23).....	--	--	10
Los Angeles (27) 2/.....	(3/)	1/2	--
Minneapolis, MN (35).....	(3/)	(3/)	--
Mobile (19).....	119	356	355
New Orleans (20).....	102	279	274
New York (10).....	--	(3/)	--
Ogdensburg, NY (07).....	--	--	1
Philadelphia (11).....	50	423	850
San Juan, PR (49).....	--	--	(3/)
Savannah, GA (17).....	--	22	--
Total 4/.....	503	1,599	2,535

1/ All or part being questioned.
2/ Port data for January were revised. Roasted iron pyrites from Peru totaling 1,751 tons entered through the Los Angeles Customs district [27], not the Great Falls Customs district [33], as was originally reported.
3/ Less than one-half unit.
4/ Data may not add to totals shown because of independent rounding.

Source: Bureau of the Census data reported under item 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	March 1991	Year to date 1991	Year to date 1990
Baltimore (13).....	--	55	193
Charleston, SC (16).....	24	1/85	66
Laredo, TX (23).....	--	--	10
Mobile, AL (19).....	41	278	99
New Orleans, LA (20).....	--	6	--
Philadelphia (11).....	50	423	754
Total 2/.....	114	848	1,122

1/ All or part being questioned.
2/ 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.