

Mineral Industry Surveys

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IRON ORE IN NOVEMBER 2005

U.S. mine production of iron ore in November 2005, on a daily average basis, was 9% greater than that of the prior month, according to the U.S. Geological Survey. Average daily production, at 158,000 metric tons per day (t/d), was 13,600 t/d more than the figure for October 2005.

Shipments in November 2005, on an average daily basis, were 14% less than those of October 2005. Mine stocks at the end of November were 410,000 metric tons (t) greater than the corresponding stocks figure on October 31, a 7% increase.

U.S. exports of iron ore in October 2005 were 12% greater than imports, with exports exceeding imports by 137,000 t.

Price Update.—Brazil's Companhia Vale do Rio Doce (CVRD) reportedly expected to continue with nondiscounted sales of iron ore on a free-on-board (fob) basis. A cash and freight shipment basis at port of destination or discounting as opposed to fob pricing would make CVRD iron ore more competitive to purchasers when delivered at Asian steel plants (Kinch, 2005).

Mergers and Acquisitions.—Germany's ThyssenKrupp AG raised its takeover bid for Dofasco Inc. (Canada) to C\$4.9 billion in an effort to match a hostile bid from Luxembourg's Arcelor S.A. (See Iron Ore in October 2005.) Dofasco's board preferred the takeover offer from ThyssenKrupp because the German steel maker planned to maintain the Dofasco name and management; place all North American operations, including a stainless steel mill in Mexico, under Dofasco control; and continue some form of profit-sharing for the largely nonunion workforce (Austen, 2006¹).

World Production.—Luossavaara-Kiirunavaara Aktiebolag (LKAB) announced plans to invest \$762 million dollars, the largest investment in the company's 115-year history, to build a sixth pelletizing plant. The investment would not only include the pelletizing plant, but also a concentrator, haulage and terminal facilities, and several environmental upgrade projects.

¹References that include a section mark (§) are found in the Internet References Cited section.

The new plants, to be built adjacent to existing plants at Kiruna, were expected to provide an additional 120 permanent jobs, have a capacity of 5 million metric tons of pellets per year, and be operational in early 2008. With this expansion, Kiruna would produce pellets exclusively, while Malmberget would remain capable of producing iron ore fines (Luossavaara-Kiirunavaara Aktiebolag, 2005§).

Domestic Production.—On November 22, the Minnesota Pollution Control Agency (PCA) citizen's board decided in favor of Cleveland-Cliffs Inc and U.S. Steel Corporation on two separate issues. PCA decided to allow Cliffs' Northshore plant at Silver Bay, MN, to increase taconite pellet capacity by 1.4 million metric tons per year. The planned \$29 million project would include the restart of two fine crushers, several concentrator lines, and one furnace.

PCA also declared U.S. Steel's Environmental Impact Assessment adequate for Minntac Mine's tailing disposal basin near Mountain Iron, MN. This allows U.S. Steel in conjunction with agency staff to develop a permit for a water management plan to handle the 250,000 gallons per minute needed for processing iron ore. The current water management system has become congested with solids making it difficult to process and recycle all of the water (Skillings Mining Review, 2005).

References Cited

- Kinch, Diana, 2005, CVRD's Martins rules out cfr iron ore price settlement: Metal Bulletin, no. 8923, December 12, p. 33.
Skillings Mining Review, 2005, Cliffs, Minntac gain citizens' board approval: Skillings Mining Review, v. 94, no. 12, December, p. 12.

Internet References Cited

- Austen, Ian, 2006 (January 4), ThyssenKrupp raises its bid for Dofasco, New York Times, accessed January 5, 2006, via URL <http://www.iht.com>.
Luossavaara-Kiirunavaara Aktiebolag, 2005 (December 16), LKAB to build sixth pelletizing plant for 6 billion kronor, accessed January 24, 2006, via URL <http://www.lkab.com>.

TABLE 1
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE^{1,2}
(Exclusive of ore containing 5% or more of manganese)

(Thousand metric tons)

Period	Production		Shipments	
	Monthly	Year to date	Monthly	Year to date
2004:				
November	4,730	50,200	5,110	50,800
December	4,450	54,700	5,150	55,900
2005:				
January	4,420	4,420	3,350	3,350
February	3,870	8,290	1,150	4,500
March	4,240	12,500	2,610	7,110
April	4,220	16,800	4,940	12,100
May	5,250	22,000	5,210	17,300
June	4,480	26,500	4,840	22,100
July	5,160	31,600	5,110	27,200
August	4,840	36,500	5,020	32,200
September	4,460	40,900	5,150	37,400
October	4,480	45,400	5,190	42,600
November	4,740	50,200	4,330	46,900

¹Data are rounded to no more than three significant digits.

²Excludes byproduct ores.

TABLE 2
U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN NOVEMBER^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2005	2004	2005	2004	2005	2004
Michigan	1,020	1,250	856	1,240	1,790	1,560
Minnesota	3,720	3,480	3,470	3,870	4,460	2,140
Total	4,740	4,730	4,330	5,110	6,250	3,700

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Excludes byproduct ore.

³Includes rail and vessel.

⁴Includes mines, concentrators, pelletizing plants, and loading docks.

TABLE 3
CANADA: SHIPMENTS OF IRON ORE^{1,2}

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	British Columbia	Total
2004:				
October	635	1,570	7	2,210
November	1,390	958	10	2,360
December	1,370	944	9	2,330
Year total	14,900	13,200	87	28,300
2005:				
January	1,210	1,070	8	2,280
February	928	748	8	1,680
March	1,160	873	10	2,040
April	1,690	967	7	2,660
May	1,940	588	10	2,540
June	1,620	399	8	2,030
July	1,500	1,050	7	2,550
August	1,430	708	10	2,150
September	1,800	1,160	9	2,960
October	1,530	927	10	2,470

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes production from steel plant waste oxides.

Source: Natural Resources Canada.

TABLE 4
PRODUCTION OF PIG IRON AND RAW STEEL IN THE UNITED STATES, BY TYPE OF
FURNACE¹

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
	Monthly	Year to date	Basic oxygen furnace ²		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2004:						
October	3,570	34,200	3,030	36,600	5,630	46,100
November	2,140	36,300	5,520	42,100	2,580	48,600
December ³	4,270	42,300 ^r	3,810	47,700 ^r	4,390	52,000 ^r
2005:						
January	3,420	3,420	3,890	3,890	4,390	4,390
February	3,260	6,680	3,710	7,590	3,930	8,320
March	3,660	10,300	4,040	11,600	4,150	12,500
April	3,080	13,400	3,500	15,100	4,440	16,900
May	3,080	16,500	3,430	18,600	4,320	21,200
June	2,690	19,200	3,000	21,600	4,110	25,300
July	2,630	21,800	2,920	24,500	4,210	29,500
August	2,890	24,700	3,180	27,700	4,370	33,900
September	2,840	27,500	3,330	31,000	4,440	38,400
October	2,940	30,500	3,470	34,500	4,810	43,200

^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Raw steel production figures for the basic oxygen process are usually greater than the corresponding pig iron production figures because scrap is routinely melted in the basic oxygen furnace together with the molten pig iron.

³December year-to-date figures revised based on the American Iron and Steel Institute annual publication.

Source: American Iron and Steel Institute.

TABLE 5
U.S. EXPORTS OF IRON ORE, BY COUNTRY OF DESTINATION AND TYPE^{1,2}

(Thousand metric tons)

Country of destination and type of product	2004	2005				
		1st quarter	2nd quarter	3rd quarter	September	October
Canada	7,830	1,280	4,300	3,010	1,030	1,180
China	297	--	1	196	88	86
Mexico	4	1	1	1	(3)	(3)
Slovakia	187	--	26	210	--	--
Trinidad and Tobago	29	--	(3)	--	--	--
Other	53	(3)	4	1	--	2
Total	8,400	1,280	4,330	3,420	1,120	1,270
Pellets	8,100	1,280	4,320	3,360	1,110	1,260
Concentrates	25	2	4	3	(3)	(3)
Direct shipping ores	264	(3)	4	52	3	2
Other	6	2	1	2	(3)	2
Total	8,400	1,280	4,330	3,420	1,120	1,270

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 6
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE, BY COUNTRY AND TYPE^{1,2}
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2005					2004
	October		Year to date			January-October
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Australia	--	--	1	11	18.00	(4)
Bahamas, The ⁵	--	--	140	4,850	34.70	--
Brazil	412	20,400	3,550	148,000	41.77	4,290
Canada	591	22,200	5,740	219,000	38.17	4,560
Chile	49	2,190	270	10,700	39.56	160
China	--	--	(4)	2	263.13	--
Finland	--	--	9	383	41.03	11
Greece	10	250	23	493	21.51	--
Italy	--	--	--	--	--	(4)
Mexico	2	40	38	1,550	40.17	49
Norway	--	--	3	96	36.60	4
Paraguay	--	--	4	68	16.80	--
Peru	--	--	32	1,020	32.01	32
Russia	--	--	99	8,550	86.00 ⁵	--
South Africa	--	--	--	--	--	104
Spain	--	--	1	25	18.00	(4)
Sweden	66	3,250	82	4,570	55.77	111
Trinidad and Tobago	--	--	375	11,000	29.45	--
Uruguay	--	--	--	--	--	(4)
Venezuela	--	--	148	7,890	53.43	199
Total	1,130	48,300	10,500	418,000	39.81	9,510
Concentrates	211	6,040	1,000	28,400	28.35	889
Coarse ores	35	1,320	56	2,030	36.37	4
Fine ores	352	11,800	3,950	115,000	29.23	2,610
Pellets	531	29,000	5,420	269,000	49.68 ⁵	5,920
Briquettes	--	--	--	--	--	56
Other agglomerates	2	40	72	2,770	38.67	30
Roasted pyrites	--	--	7	274	38.11	8
Total	1,130	48,300	10,500	418,000	39.81	9,510

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Customs value. Excludes international freight and insurance charges.

⁴Less than ½ unit.

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 7
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN OCTOBER 2005^{1,2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Country of origin	Type of product						Total
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	
Brazil	70	--	201	141	--	--	412
Canada	92	--	109	389	--	--	591
Chile	49	--	--	--	--	--	49
Greece	--	--	10	--	--	--	10
Mexico	--	--	--	--	2	--	2
Sweden	--	35	31	--	--	--	66
Total	211	35	352	531	2	--	1,130

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY¹

Country of origin	2005					2004
	October		Year to date			January-October
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Brazil	141	10,600	1,650	89,900	54.42	2,290
Canada	389	18,400	3,670	171,000	46.56	3,630
Russia	--	--	99	8,550	86.00 ³	--
Total	531	29,000	5,420	269,000	49.68	5,920

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

²Customs value. Excludes international freight and insurance charges.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 9
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE,
BY CUSTOMS DISTRICT^{1,2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	October	January-October	
	2005	2005	2004
Baltimore, MD (13)	376	2,880	3,010
Boston, MA (04)	--	--	(3)
Buffalo, NY (09)	--	6	6
Charleston, SC (16)	--	1	(3)
Chicago, IL (39)	55	1,140	1,160
Cleveland, OH (41)	322	2,380	1,930
Detroit, MI (38)	--	180	123
Great Falls, MT (33)	--	(3)	(3)
Houston-Galveston, TX (53)	10	46	57
Laredo, TX (23)	--	--	8
Los Angeles, CA (27)	--	(3)	--
Miami, FL (52)	--	--	(3)
Mobile, AL (19)	--	63	84
New Orleans, LA (20)	365	3,760 ⁴	3,090
New York City, NY (10)	--	1	--
Nogales, AZ (26)	2	15	(3)
Ogdensburg, NY (07)	--	(3)	--
Philadelphia, PA (11)	--	22	58
San Francisco, CA (28)	--	4	--
San Juan, PR (49)	--	6	--
Total	1,130	10,500	9,510

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Less than ½ unit.

⁴All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 10
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,
BY CUSTOMS DISTRICT¹

(Thousand metric tons)

Customs district (code no.)	October	January-October	
	2005	2005	2004
Baltimore, MD (13)	67	1,160	1,130
Chicago, IL (39)	--	53	196
Cleveland, OH (41)	322	2,380	1,890
Detroit, MI (38)	--	180	123
Houston-Galveston, TX (53)	--	36	52
Laredo, TX (23)	--	--	8
Mobile, AL (19)	--	61	--
New Orleans, LA (20)	141	1,560	2,520
Total	531	5,420	5,920

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.