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Mineral Industry Surveys

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IRON ORE IN FEBRUARY 2006

U.S. mine production of iron ore in February 2006, on a daily average basis, was 8% less than that of the prior month, according to the U.S. Geological Survey. Average daily production, at 137,000 metric tons per day (t/d), was 11,800 t/d less than the figure for January 2006, owing to the annual winter interruption of shipping.

Shipments in February 2006, on an average daily basis, were 71% less than those of January. Mine stocks at the end of February were 2.9 million metric tons (Mt) greater than the corresponding stocks figure on January 31, a 43% increase.

U.S. imports of iron ore in January 2006 were 71% greater than exports, with imports exceeding exports by 464,000 metric tons (t).

Price Update.—A Chinese government official indicated that Beijing would not interfere in benchmark iron ore negotiations just days after China's National Development and Reform Commission and Commerce Ministry issued a joint statement saying they were monitoring negotiations and would intervene in talks, if necessary (Li, 2006). Although Japanese steelmakers in 2005 settled global iron ore benchmark prices with Companhia Vale do Rio Doce (CVRD) early and for a relatively high price, the Japanese appear to be taking a wait-and-see attitude in 2006 by letting Shanghai Baosteel Group Corporation (China) lead negotiations (Ann and Yuan, 2006§[1]). Similarly, a POSCO (Republic of Korea) official reported they would likely base pricing for iron ore on results of Chinese negotiations (Yahoo! Asia News, 2006§).

Exploration and Development Update.—Rio Tinto Limited (Australia) and Hancock Prospecting Pty Ltd (Australia) filed a mine development application for the Hope Downs iron ore project with the State of Western Australia in mid-March. Rio Tinto anticipates fast tracking the project into production using the West Angelas engineering model for a similar ore type and the existing Pilbara Iron rail system (Rio Tinto plc, 2006§).

World Production Update.—Kudremukh Iron Ore Company Limited (India), which ceased mining operations at the end of 2005 (see Iron Ore in January 2006), ran out of iron ore in February and has been producing pellets at a loss using concentrates supplied by India's National Mineral Development Corporation (Metal Bulletin, 2006b).

Midwest Corporation Limited (Australia) made its first shipment (58,300 t) of hematite fines from the Port of Geraldton in Western Australia at the end of February. Midwest plans to produce 1 million metric tons per year (Mt/yr) of high grade hematite from the Koolanooka/Blue Hills Direct Shipping Ore Project. Additional magnetite ores are planned for mining to produce 4.5 Mt/yr of pellets or concentrate in joint venture with China's Sinosteel Corporation from an indicated resource of 430 Mt (Metal Bulletin, 2006a).

Domestic Production Update.—Palladon Ventures Ltd. (see Iron Ore in January 2006) continued construction of interchange track to connect the Union Pacific main rail line to iron ore facilities to be built near Cedar City, UT. Palladon ordered 600 new 114-ton-capacity railcars, which are to be combined with up to 240 railcars provided by Union Pacific. This fleet will support the anticipated 2-Mt/yr iron ore shipping rate (Skillings Mining Review, 2006).

References Cited

Li, Hongmei, 2006, Beijing promises not to interfere in iron ore talks: Metal Bulletin, no. 8937, March 27, p. 26.
Metal Bulletin, 2006a, Australia's MidWest ships first iron ore: Metal Bulletin, no. 8934, March 6, p. 19.
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Internet References Cited

Ann, Tan Hwee, and Yuan, Helen, 2006, (March 27), Around Asia's markets—Iron ore runs into Chinese price wall, International Herald Tribune, accessed April 24, 2006, via URL http://www.iht.com.
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[1]References that include a section mark (§) are found in the Internet References Cited section.

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
2005:				
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
December	4,380	54,500	4,880	51,800
2006:				
January	4,600	4,600	3,600	3,600
February	3,820	8,420	953	4,550

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

[2]Excludes byproduct ores.

TABLE 2

U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN FEBRUARY[1, 2]

(Thousand metric tons)

State	Production		Shipments[3]		Stocks[4]	
	2006	2005	2006	2005	2006	2005
Michigan	851	796	162	350	2,350	1,860
Minnesota	2,970	3,070	790	800	7,260	4,910
Total	3,820	3,870	953	1,150	9,620	6,770

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

[2]Excludes byproduct ore.

[3]Includes rail and vessel.

[4]Includes 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
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	2,000	927	10	2,930
November	1,920	1,320	10	3,250
December	1,900 r	1,130	9	3,040 r
Year total	19,100 r	10,900	106	30,100 r
2006:				
January	1,450	705	10	2,160

rRevised.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes 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 FURNACE[1]

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
			Basic oxygen furnace[2]		Electric furnace	
	Monthly	Year to date	Monthly	Year to date	Monthly	Year to date
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
November	3,000	33,500	3,170	37,700	4,660	47,800
December	2,840	36,300	3,380	41,000	4,420	52,300
2006:						
January	3,190	3,190	3,560	3,560	4,530	4,530

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

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	2005								2006
	1st quarter	2nd quarter	3rd quarter	4th quarter	October	November	December	Total	January
Canada	1,280	4,300	3,010	2,560	1,180	888	494	11,200	648
China	--	1	196	86	86	--	(3)	282	--
Mexico	1	1	1	27	(3)	26	(3)	30	(3)
Slovakia	--	26	210	--	--	--	--	237	--
Trinidad and Tobago	--	(3)	--	--	--	--	--	(3)	--
United Kingdom	--	--	--	78	--	78	--	78	--
Other	(3)	4	1	3	2	1	1	8	1
Total	1,280	4,330	3,420	2,760	1,270	993	495	11,800	649
Pellets	1,280	4,320	3,360	2,670	1,260	911	491	11,600	645
Concentrates	2	4	3	80	(3)	78	1	89	1
Direct shipping ores	(3)	4	52	5	2	2	1	60	1
Other	2	1	2	6	2	2	2	11	2
Total	1,280	4,330	3,420	2,760	1,270	993	495	11,800	649

-- Zero.

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

[2]Includes agglomerates.

[3]Less than ½ 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	2006					2005
	January		Year to date			January
	Thousand metric tons	Value[3] (thousand dollars)	Thousand metric tons	Value[3] (thousand dollars)	Value[3] (dollars per ton)	Thousand metric tons
Australia	8	135	8	135	18.00	--
Brazil	501	25,100	501	25,100	50.19	278
Canada	236	12,500	236	12,500	52.98	235
Chile	46	2,060	46	2,060	44.89	45
Greece	--	--	--	--	--	13
Mexico	1	20	1	20	25.01	--
Paraguay	--	--	--	--	--	3
Peru	38	1,200	38	1,200	31.44	--
Russia	--	--	--	--	--	50
Trinidad and Tobago	284	5,900	284	5,900	20.80	368
Venezuela	--	--	--	--	--	14
Total	1,110	47,000	1,110	47,000	42.19	1,010
Concentrates	256	10,200	256	10,200	39.77	45
Coarse ores	--	--	--	--	--	17
Fine ores	554	16,100	554	16,100	29.06	523
Pellets	302	20,700	302	20,700	68.32	421
Other agglomerates	1	20	1	20	25.01	--
Total	1,110	47,000	1,110	47,000	42.19	1,010

-- Zero.

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

[2]Includes agglomerates.

[3]Customs value. Excludes international freight and insurance charges.

Source: U.S. Census Bureau.

TABLE 7

U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN JANUARY 2006[1, 2]

(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

	Type of product						
Country of origin	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	Total
Australia	--	--	8	--	--	--	8
Brazil	72	--	224	205	--	--	501
Canada	138	--	--	98	--	--	236
Chile	46	--	--	--	--	--	46
Mexico	--	--	--	--	1	--	1
Peru	--	--	38	--	--	--	38
Trinidad and Tobago	--	--	284	--	--	--	284
Total	256	--	554	302	1	--	1,110

-- Zero.

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

[2]Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8

U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY[1]

	2006					2005
	January		Year to date			January
Country of origin	Thousand metric tons	Value[2] (thousand dollars)	Thousand metric tons	Value[2] (thousand dollars)	Value[2] (dollars per ton)	Thousand metric tons
Brazil	205	13,800	205	13,800	67.61	209
Canada	98	6,820	98	6,820	69.81	162
Russia	--	--	--	--	--	50
Total	302	20,700	302	20,700	68.32	421

-- Zero.

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

[2]Customs value. Excludes international freight and insurance charges.

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)

	January	
Customs district (code no.)	2006	2005
Baltimore, MD (13)	353	254
Buffalo, NY (09)	--	1
Chicago, IL (39)	--	26
Detroit, MI (38)	25	--
Mobile, AL (19)	5	--
New Orleans, LA (20)	721	722
Nogales, AZ (26)	8	--
San Francisco, CA (28)	--	3
Total	1,110	1,010

-- Zero.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 10
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,
BY CUSTOMS DISTRICT[1]

(Thousand metric tons)

	January	
Customs district (code no.)	2006	2005
Baltimore, MD (13)	72	185
Chicago, IL (39)	--	26
Detroit, MI (38)	25	--
New Orleans, LA (20)	205	209
Total	302	421

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

Source: U.S. Census Bureau.