

Mineral Industry Surveys

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IRON ORE IN MAY 2009

U.S. mine production of iron ore in May 2009, on a daily average basis, was 52% less than that for the prior month, and was 83% less than that of May 2008, according to the U.S. Geological Survey (USGS). Average daily production, at 27,400 metric tons (t), was 29,200 t less than that of April 2009.

Average daily shipments in May 2009, at 79,700 t, were 24% greater than those of the prior month but 121,000 t less than those of May 2008. Mine stocks at the end of May 2009 were 1.6 million metric tons (Mt) less than the stocks held on April 30, a 13% decrease. U.S. net imports of iron ore in April 2009 were 210,000 t, with imports more than 2.1 times exports.

Price.—At the end of May, Rio Tinto plc (London, United Kingdom) settled the 2009–10 annual iron ore contract with Japanese steel firms—JFE Holdings Inc., Kobe Steel Ltd., Nippon Steel Corp., and Sumitomo Metal Industries Ltd.—and Korea's POSCO. The agreement, the first price reduction in 7 years was for a 33% lower price for fines and a 44% lower price for lump ore. Chinese steelmakers continued to negotiate deeper discounts on both lump and fine ores. Vale S.A. (Rio de Janeiro, Brazil), the world's leading producer of iron ore, which had officially changed its corporate name from Companhia Vale do Rio Doce, continued discussions with steel firms (Thompson, 2009; Vale S.A., 2009).

Despite the impasse in iron ore price negotiations, Chinese imports of iron ore through May 2009, at 242 Mt, have increased 26% compared with those of the same period in 2008. The import value of this ore was almost 28% lower when comparing these two periods (The TEX Report, 2009b).

Domestic Production.—Cliffs Natural Resources Inc. (Cleveland, OH) announced that the shutdown of the Northshore Mining Co. facilities initiated in April would be extended through July (Skillings Mining Review, 2009).

Domestic Production Update.—Cliffs indicated that the owners of the Hibbing Taconite Mine (ArcelorMittal, 62.3%; Cliffs, 23%; and U.S. Steel Canada Inc., 14.7%) had agreed to lengthen the plant shutdown at Hibbing Taconite. This extended the shutdown—which started with two of three pellet lines shut

down in March and then the plant shut down for 15 weeks

beginning in May—through the first quarter of 2010 (Cliffs Natural Resources Inc., 2009).

World Exploration and Development.—Hunan Valin Iron & Steel Group acquired a slightly greater than 17% stake in Fortescue Metals Group Ltd. and was planning to assist Fortescue in obtaining additional debt financing. It was estimated that an additional \$3 to \$4 billion would be required to raise production capacity to 90 million metric tons per year (Mt/yr) from 50 Mt/yr at Fortescue's iron ore mines.

In an effort to acquire additional equity interest in Australian iron ore resources, Chinese investors sought and received approval from Australia's Federal Investment Review Board for Anshan Iron & Steel Group to increase its equity ownership of Gindalbie Metals Ltd. to 36.28% from 12.6%. Gindalbie was developing the Karara iron ore project in Western Australia, with plans for port development at Oakajee and a joint-venture pellet plant in China (The TEX Report, 2009a; Wall Street Journal, The, 2009).

References Cited

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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
2008:				
May	4,860	21,900	6,230	18,500
June	4,870	26,800	5,450	23,900
July	4,960	31,800	6,160	30,100
August	4,840	36,600	6,100	36,200
September	4,310	40,900	5,500	41,700
October	4,540	45,400	4,860	46,500
November	3,940	49,400	3,910	50,400
December	3,570	53,000	2,820	53,300
2009:				
January	2,990	2,990	874	874
February	2,660	5,650	440	1,310
March	2,240	7,890	663	1,980
April	1,700	9,590	1,930	3,910
May	850	10,400	2,470	6,380

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 MAY^{1, 2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2009	2008	2009	2008	2009	2008
Michigan	650	1,280	962	1,310	3,410	3,110
Minnesota	200	3,590	1,510	4,920	7,230	6,850
Total	850	4,860	2,470	6,230	10,600	9,950

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

²Excludes byproduct ore.

³Includes rail and vessel.

⁴Includes usable (marketable) material at mines, concentrators, pelletizing plants, and loading docks. Excludes stocks of crude ore at mine and concentrates at agglomerating complexes.

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

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	British Columbia	Total
2008:				
April	1,680	984	4	2,670
May	2,670	1,330	7	4,010
June	1,580	1,380	9	2,970
July	1,820	1,370	8	3,200
August	2,270	1,200	9	3,470
September	1,310	1,050	9	2,370
October	1,760	984	8	2,750
November	1,370	687	6	2,060
December	749	618	3	1,370
Year total	18,700	12,100	76	30,800
2009:				
January	1,030	600	3	1,640
February	793	823	2	1,620
March	662	1,450	1	2,120
April	1,630	871	8	2,510

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	Monthly	Year to date
2008:						
April	3,240	12,500	3,560	14,300	4,820	19,600
May	3,210	15,700	3,650	17,900	5,080	24,700
June	3,020	18,800	3,450	21,400	4,930	29,600
July	3,090	21,800	3,460	24,800	5,060	34,600
August	3,290	25,100	3,680	28,500	4,990	39,600
September	2,900	28,000	3,290	31,800	4,560	44,200
October	2,770	30,800	2,330	34,100	3,990	48,200
November	2,040	32,800	1,980	36,100	2,660	50,800
December	1,690	34,500	1,390	37,500	2,220	53,100
2009:						
January	1,450	1,450	1,320	1,320	2,630	2,630
February	1,510	2,960	1,180	2,500	2,440	5,070
March	1,630	4,580	1,430	3,930	2,330	7,400
April	1,410	5,990	1,230	5,170	2,390	9,800

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.

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	2008		2009			
	4th quarter	Total	February	March	1st quarter	April
Algeria	--	80	--	--	--	--
Belgium	(3)	218	--	--	(3)	19
Canada	2,120	9,030	106	113	425	85
China	54	91	(3)	2	4	2
Colombia	5	11	2	5	8	6
Czech Republic	--	83	--	--	--	--
France	156	210	--	--	(3)	74
Germany	76	156	--	--	--	--
Malaysia	--	25	--	--	1	--
Mexico	68	328	11	(3)	12	(3)
Peru	(3)	103	--	--	--	--
Romania	--	128	--	--	--	--
Serbia	--	51	--	--	--	--
Slovakia	455	505	--	--	--	--
Spain	--	102	--	--	--	--
Sweden	1	4	--	--	--	--
Other	2	14	(3)	--	1	3
Total	2,940	11,100	119	120	450	188
Concentrates	59	142	2	5	9	6
Coarse ores	25	46	(3)	--	(3)	--
Fine ores	21	136	6	2	10	(3)
Pellets	2,840	10,800	111	113	431	179
Briquettes	(3)	(3)	--	--	--	3
Other agglomerates	(3)	20	--	--	--	--
Roasted pyrites	(3)	(3)	--	--	--	--
Total	2,940	11,100	119	120	450	188

-- Zero.

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

²Includes agglomerates.

³Less 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	2009					2008
	April		Year to date			January-April Thousand metric tons
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	
Brazil	38	3,510	38	3,510	93.23	688
Canada	359	44,000	507	64,100	126.26	1,180
Chile	--	--	47	5,020	105.88	129
China	--	--	--	--	--	(4)
Finland	--	--	3	180	64.49	3
Mexico	2	60	26	2,370	91.43	25
Netherlands	--	--	--	--	--	1
Norway	--	--	1	22	18.00	--
Peru	--	--	5	283	57.11	19
Sweden	--	--	4	66	18.00	2
United Kingdom	--	--	8	1,630	197.51	--
Venezuela	--	--	--	--	--	25
Total	398	47,600	639	77,100	120.68	2,070
Concentrates	--	--	72	7,320	102.05	361
Coarse ores	--	--	8	1,630	197.51	--
Fine ores	158	18,200	166	18,300	110.61	402
Pellets	238	29,400	389	49,600	127.49	1,300
Briquettes	--	--	--	--	--	--
Other agglomerates	2	60	2	60	40.00	--
Roasted pyrites	--	--	3	180	64.49	4
Total	398	47,600	639	77,100	120.68	2,070

-- 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.

Source: U.S. Census Bureau.

TABLE 7
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN APRIL 2009^{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	--	--	(3)	38	--	--	38
Canada	--	--	158	201	--	--	359
Mexico	--	--	--	--	2	--	2
Total	--	--	158	238	2	--	398

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

Source: U.S. Census Bureau.

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

Country of origin	2009					2008
	April		Year to date			January-April
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Brazil	38	3,510	38	3,510	93.23	215
Canada	201	25,800	347	45,800	132.21	1,040
Peru	--	--	5	283	57.11	18
Venezuela	--	--	--	--	--	25
Total	238	29,400	389	49,600	127.49	1,300

-- 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.

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.)	April	January-April	
	2009	2009	2008
Baltimore, MD (13)	--	130	1,080
Charleston, SC (16)	--	4	2
Chicago, IL (39)	(3)	15	148
Cleveland, OH (41)	201	202	345
Houston-Galveston, TX (53)	38	38	--
Mobile, AL (19)	--	5	18
New Orleans, LA (20)	157	228	467
New York, NY (10)	--	--	1
Nogales, AZ (26)	2	2	--
Ogdensburg, NY (07)	1	4	(3)
Philadelphia, PA (11)	--	3	3
Port Arthur, TX (21)	--	8	--
Total	398	639	2,070

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

Source: U.S. Census Bureau.

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

(Thousand metric tons)

Customs district (code no.)	April	January-April	
	2009	2009	2008
Baltimore, MD (13)	--	130	628
Chicago, IL (39)	--	15	69
Cleveland, OH (41)	201	201	344
Houston - Galveston, TX (53)	38	38	--
Mobile, AL (19)	--	5	18
New Orleans, LA (20)	--	--	240
Total	238	389	1,300

-- Zero.

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

Source: U.S. Census Bureau.