

Mineral Industry Surveys

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IRON ORE IN JULY 2010

U.S. mine production of iron ore in July 2010, on a daily average basis, was 21% greater than that for the prior month and was more than 3 times that of July 2009, according to the U.S. Geological Survey (USGS). Average daily production, at 149,000 metric tons (t), was 25,900 t greater than that of June 2010.

Average daily shipments in July 2010, at 163,000 t, were 1,200 t less than those of the prior month but 64% more than those of July 2009. Mine stocks at the end of July 2010 were 432,000 t less than the adjusted stocks held on June 30, a 10% decrease. U.S. net exports of iron ore in June 2010 were 456,000 t, with exports 73% greater than imports.

Prices.—Wuhan Iron and Steel Co. Ltd. (WISCO), China's third-leading steelmaker, secured a special price from Corporación Venezolana de Guayana (CVG) at about \$20 per metric ton below the third quarter price being charged by Vale S.A. (Rio de Janeiro, Brazil) to its Asian customers. CVG, a Venezuelan state-owned mining and metallurgical group, sold 480,000 t of iron ore in 2009 to WISCO and has an existing contract to sell more than 40 million metric tons of iron ore over the next seven years to WISCO (Skillings Mining Review, 2010).

Following plans to increase the price of iron ore sold to ArcelorMittal South Africa Ltd. (Amsa), Kumba Iron Ore Ltd. (Pretoria, South Africa), a subsidiary of Anglo American plc, conceded to an interim iron ore pricing agreement. It appeared that Amsa, which controls 70-80% of South Africa's domestic steel industry, was able to obtain the agreement by warning that it might close its Saldanha steel plant, 40 kilometers (km) north of Cape Town. Amsa lost control of a 21.4% stake in minerals rights to the Sishen iron ore mine earlier in the year when it failed to convert its mineral rights to the mine (Metal Bulletin, 2010a).

Rio Tinto plc (London, United Kingdom) changed the reference period for calculating its quarterly iron ore prices. Rio

of Vale (Metal Bulletin, 2010b).

World Exploration and Development.—Rio Tinto approved \$200 million in funding to prepare for the expansion of its iron ore operations in Western Australia. The initial funding was for dredging contracts to establish an additional 1.8-km, four-berth jetty and wharf at Cape Lambert as part of its overall plan. The broader plan included the expansion of the mines in the Pilbara and development of additional port capacity at Dampier and Cape Lambert in order to expand iron ore operating capacity to 330 million metric tons per year (Mt/yr) by 2016 (Rio Tinto plc, 2010).

World Production.—Consolidated Thompson Iron Mines Ltd. (Montreal, Quebec, Canada) shipped its first iron ore concentrate—165,000 t, to WISCO in China—from its Bloom Lake Mine in northeastern Quebec (See Iron ore in March 2009). The shipment was made from Consolidated Thompson's new port facilities at Pointe Noire in Sept Iles, Quebec. Consolidated Thompson planned to ship 8 Mt/yr from the mine, which had the potential to expand to 16 Mt/yr capacity (Consolidated Thompson Iron Mines Ltd., 2010).

References Cited

- Consolidated Thompson Iron Mines Ltd., 2010, Consolidated Thompson's first iron ore shipment to WISCO leaves Port of Sept-Iles for China: Consolidated Thompson Iron Mines Ltd. news release, July 27, 2 p. (Accessed December 6, 2010, via <http://www.consolidatedthompson.com>.)
- Metal Bulletin, 2010a, Amsa brinkmanship pays off in KIO deal: Metal Bulletin, no. 9159, July 26, p. 15–16.
- Metal Bulletin, 2010b, Rio changes quarterly iron ore pricing reference period, moves in line with Vale: Metal Bulletin, no. 9159, July 26, p. 21.
- Rio Tinto plc, 2010, Rio Tinto approves US\$200 million funding towards an expansion of Pilbara operations to 330Mt/a capacity: London, United Kingdom, Rio Tinto plc press release, July 14, 2 p. (Accessed December 7, 2010, via <http://www.riotinto.com/>.)
- Skillings Mining Review, 2010, Wuhan gets reduced price contract from Venezuela: Skillings Mining Review, v. 99, no. 8, August, p. 15.

Tinto's new pricing mechanism was then more in line with that

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
2009:				
July	1,480	12,700	3,080	11,900
August	1,780	14,500	3,190	15,100
September	2,560	17,100	3,120	18,200
October	3,080	20,100	3,370	21,600
November	3,140	23,300	4,380	26,000
December	3,180	26,500	3,960	29,900
2010:				
January	3,040	3,040	2,400	2,400
February	3,270	6,300	943	3,340
March	3,630	9,930	2,630	5,970
April	3,780	13,700	4,790	10,800
May	4,560	18,300	5,230	16,000
June	3,700	22,000	4,940	20,900
July	4,630	26,600	5,060	26,000

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 JULY^{1,2}

(Thousand metric tons, unless otherwise noted)

State	Production		Shipments ³		Stocks ⁴	
	2010	2009	2010	2009	2010	2009
Michigan	1,060	623	973	1,300	1,770	2,370
Minnesota	3,570	858	4,090	1,780	1,960	5,040
Total	4,630	1,480	5,060	3,080	3,730	7,410

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.

Note: An imbalance of production and shipments compared with stock changes indicates an inventory adjustment at the mines of 42,000 metric tons.

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

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	British Columbia	Total
2009:				
June	820	1,080	10	1,910
July	1,360	1,430	10	2,800
August	1,480	1,570	8	3,060
September	1,540	1,580	8	3,130
October	2,060	1,510	7	3,580
November	2,010	1,000	8	3,020
December	1,660	1,320	(3)	2,980
Year total	17,100	14,500	73	31,700
2010:				
January	1,300	1,090	3	2,390
February	1,130	872	3	2,000
March	1,390	1,100	6	2,500
April	1,500	1,510	7	3,020
May	1,840	1,340 ^r	11	3,190 ^r
June	1,860	1,710	10	3,580

^rRevised.

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

²Includes production from steel plant waste oxides.

³Less than ½ unit.

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		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2009:						
June	1,380	8,740	1,210	7,440	2,980	15,500
July	1,840	10,600	1,630	9,070	3,200	18,700
August	2,090	12,700	1,810	10,900	3,460	22,200
September	1,930	14,600	2,230	13,100	3,540	25,700
October	2,510	17,100	2,080	15,200	3,480	29,200
November	2,240	19,400	2,000	17,200	3,470	32,700
December	2,410	21,800	2,120	19,300	3,450	36,100
2010:						
January	2,350	2,350	1,830	1,830	3,890	3,890
February	2,530	4,870	1,960	3,790	3,720	7,610
March	2,870	7,740	2,560	6,350	4,240	11,800
April	2,030	9,770	2,820	9,170	4,140	16,000
May	2,830	12,600	2,560	11,700	4,440	20,400
June	2,800	15,400	2,530	14,300	4,300	24,700

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

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	2009	2010				
		1st quarter	April	May	June	2nd quarter
Belgium	194	1	27	78	--	105
Canada	3,060	918	545	702	864	2,110
China	99	--	55	27	57	139
Colombia	19	4	2	1	(3)	3
Finland	--	--	--	35	--	35
France	179	25	55	78	78	211
Germany	234	--	209	131	--	341
Mexico	70	151	11	4	3	19
Serbia	--	--	44	--	--	44
South Africa	52	--	--	--	--	--
Spain	--	--	28	27	76	131
Other ⁴	10	(3)	--	(3)	(3)	(3)
Total	3,910	1,100	976	1,080	1,080	3,140
Concentrates	123	6	2	5	61	67
Coarse ores	5	--	--	35	(3)	35
Fine ores	24	(3)	44	28	(3)	72
Pellets	3,760	1,090	930	1,020	1,020	2,960
Briquettes	3	--	(3)	(3)	--	--
Other agglomerates	(3)	(3)	--	--	--	(3)
Roasted pyrites	1	(3)	--	(3)	--	(3)
Total	3,910	1,100	976	1,080	1,080	3,140

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

⁴Includes all countries receiving less than 5,000 metric tons in any month during the 2-year period.

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	2010					2009
	June		Year to date			January-June
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Brazil	80	8,450	117	12,200	104.50	91
Canada	450	54,500	2,510	235,000	93.75	1,040
Chile	--	--	46	3,270	71.02	99
Finland	--	--	--	--	--	3
France	--	--	(4)	4	4,480.00	--
Mexico	--	--	48	3,980	83.00	26
Norway	1	13	2	43	21.50	1
Peru	--	--	7	315	45.00	34
Russia	64	11,200	536	57,600	107.39	--
South Africa	--	--	--	--	--	29
Spain	1	29	4	142	35.50	--
Sweden	--	--	--	--	--	4
Trinidad and Tobago	--	--	(4)	11	187.50	--
Turkey	--	--	(4)	3	91.51	--
Ukraine	--	--	95	13,700	143.78	--
United Kingdom	--	--	--	--	--	8
Venezuela	28	1,860	80	5,350	66.91	--
Total	623	76,000	3,450	332,000	96.28	1,330
Concentrates	80	8,440	175	15,700	89.74	152
Coarse ores	(4)	4	(4)	4	197.50	8
Fine ores	1	25	155	15,400	99.21	264
Pellets	541	67,500	3,110	300,000	96.55	905
Briquettes	1	29	4	142	35.50	--
Other agglomerates	--	--	--	--	--	2
Roasted pyrites	--	--	(4)	4	4,480.00	3
Total	623	76,000	3,450	332,000	96.28	1,330

-- 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 JUNE 2010^{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	80	(3)	--	--	--	--	80
Canada	--	--	--	450	--	--	450
Norway	--	--	1	--	--	--	1
Russia	--	--	--	64	--	--	64
Spain	--	--	--	--	1	--	1
Venezuela	--	--	--	28	--	--	28
Total	80	(3)	1	541	1	--	623

-- 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	2010					2009
	June		Year to date			January-June
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Brazil	--	--	37	3,780	102.16	38
Canada	450	54,500	2,360	220,000	93.14	862
Peru	--	--	--	--	--	5
Russia	64	11,200	536	57,600	107.39	--
Ukraine	--	--	95	13,700	143.78	--
Venezuela	28	1,860	80	5,350	66.91	--
Total	541	67,500	3,110	300,000	96.55	905

-- 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.)	June	January-June	
	2010	2010	2009
Baltimore, MD (13)	209	1,780	130
Charleston, SC (16)	--	--	4
Chicago, IL (39)	80	110	97
Cleveland, OH (41)	306	1,130	718
El Paso, TX (24)	--	3	--
Houston-Galveston, TX (53)	--	37	38
Minneapolis, MN (35)	--	(3)	--
Mobile, AL (19)	--	--	5
New Orleans, LA (20)	28	376	309
New York, NY (10)	--	(3)	--
Nogales, AZ (26)	--	--	2
Norfolk, VA (14)	--	1	--
Ogdensburg, NY (07)	1	4	9
Philadelphia, PA (11)	--	--	3
Port Arthur, TX (21)	--	--	8
Seattle, WA (30)	--	--	12
Total	623	3,450	1,330

-- 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.)	June	January-June	
	2010	2010	2009
Baltimore, MD (13)	209	1,780	130
Chicago, IL (39)	--	30	15
Cleveland, OH (41)	305	1,130	717
Houston-Galveston, TX (53)	--	37	38
Mobile, AL (19)	--	--	5
New Orleans, LA (20)	28	136	--
Total	541	3,110	905

-- Zero.

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

Source: U.S. Census Bureau.