

Mineral Industry Surveys

For information, contact:

Candice C. Tuck, Iron Ore Commodity Specialist
U.S. Geological Survey
989 National Center
Reston, VA 20192
Telephone: (703) 648-4912, Fax: (703) 648-7757
E-mail: ctuck@usgs.gov

Michelle B. Blackwell (Data)
Telephone: (703) 648-7943
Fax: (703) 648-7975
E-mail: mblackwell@usgs.gov

Internet: <http://minerals.usgs.gov/minerals>

IRON ORE IN AUGUST 2012

U.S. mine production of iron ore in August 2012 was 4.35 million metric tons (Mt), a slight increase from that in July. Production was 140,000 metric tons (t) on a daily average basis, slightly greater than that of July and 9% less than that of August 2011. Average daily production in August 2012 was 3,100 t more than that of July. U.S. iron ore shipments were 5.22 Mt in August 2012, 9% less than those in July.

Shipments were 168,000 t on a daily average basis, 9% less than those of July and 4% less than those of August 2011. Mine stocks at the end of August 2012 were 870,000 t less than those held on July 31, a 23% decrease. U.S. exports of iron ore were 1.03 Mt, and U.S. imports were 340,000 t.

Domestic Production

Cliffs Natural Resources Inc. resumed full production at its Empire Mine in August, with the current mining plan not set to expire until 2015 (American Metal Market, 2012). A short-term extension was reached between Cliffs Natural Resources Inc. and the United Steelworkers regarding current labor contracts (Cliffs Natural Resources Inc., 2012).

The U.S. Environmental Protection Agency heard arguments regarding plans for tighter limits on nitrogen oxide (NO_x) emissions for taconite pellet furnaces. Decisions on the plan, which would require low NO_x burners to be retrofitted in plants within 5 years, were expected by mid-November (Hemphill, 2012).

The chair for Wisconsin's Senate Select Committee on Mining announced that he would ask the committee to work toward a bill that revises iron ore permitting laws to abbreviate waiting periods after a similar bill failed in early 2012. Areas in Ashland and Iron Counties were potential sites for Gogebic Taconite, LLC's proposed \$1 billion investment for new mining (Vangeren, 2012).

World Production

China Metal Recycling Holdings Ltd. indicated that steel scrap use in production could increase from 14% to 20%, as steel production fell, further reducing iron ore consumption in China (Yun, 2012). Owing to the falling price of iron ore, as well as decreases in government stockpiles, companies such as

Hebei Tianzhu Iron and Steel (Group) Co. indicated that nearly all iron ore consumed in their furnaces was imported. Rising demand for use in construction and rebuilding stockpiles in China was expected to spur production of iron ore and increase prices through the end of the year (Hobbs, 2012).

Exploration and Development

Vale SA's CLN project secured \$1.9 billion in additional funding for expansions, including adding a fourth pier and rail facilities, to increase production by an estimated 40 million metric tons per year (Mining Journal, 2012). BHP Billiton Ltd. announced a 35% decline in profits and that the company was scaling back several major projects, including the Olympic Dam deposit, which was expected to recover nearly \$50 billion in expected expenditures (Stewart, 2012).

References Cited

- American Metal Market, 2012, Cliffs to resume iron ore output at Empire Mine: American Metal Market, v. 119, no. 33-4, August 16, p. 4.
- Cliffs Natural Resources Inc., 2012, Cliffs and United Steelworkers agree to short-term labor contract extension: Cleveland, OH, Cliffs Natural Resources Inc. press release, August 31. (Accessed October 1, 2012, at <http://ir.cliffsnaturalresources.com/releasedetail.cfm?ReleaseID=703819>.)
- Hemphill, Stephanie, 2012, Taconite plants face environmental challenge: Minnesota Public Radio, August 29. (Accessed August 31, 2012, at <http://minnesota.publicradio.org/display/web/2012/08/29/environment/taconite-e-pollution-regulation/>.)
- Hobbs, Andrew, and Keenan, Rebecca, 2012, Iron ore price to rebound as China seeks cheaper imports: Bloomberg News, August 22. (Accessed August 22, 2012, at <http://www.bloomberg.com/news/2012-08-21/iron-ore-to-rebound-as-china-seeks-cheaper-imports-commodities.html>.)
- Mining Journal, 2012, Vale gets US\$1.9 billion loan for CLN iron-ore expansion: Mining Journal, August 31, p. 4.
- Stewart, Robb, 2012, BHP signals darker days for mining: The Wall Street Journal, August 23, p. B3.
- Vangeren, Jessica, 2012, Capitol report— Senate Democrats aim to quickly revive mining bill: The Cap Times, August 3. (Accessed August 31, 2012, at http://host.madison.com/news/local/govt-and-politics/capitol-report/capitol-report-senate-democrats-aim-to-quickly-revive-mining-bill/article_c04f5c7c-dce8-11e1-92b7-0019bb2963f4.html.)
- Yun, Michelle, 2012, China iron ore demand to fall on more scrap use, dealer says: Bloomberg News, October 9. (Accessed October 12, 2012, at <http://www.businessweek.com/news/2012-10-09/china-steelmakers-to-use-more-scrap-over-iron-ore-dealer-says/>.)

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
2011:				
August	4,780	35,600	5,460	32,600
September	4,400	40,000	5,630	38,200
October	4,440	44,400	4,910	43,100
November	4,600	49,000	5,010	48,100
December	4,630	53,600	6,040	54,200
2012:				
January	4,170	4,170	3,840	3,840
February	4,270	8,450	725	4,560
March	4,290	12,700	2,130	6,690
April	3,980	16,700	5,150	11,800
May	4,430	21,100	5,750	17,600
June	4,200	25,300	5,270	22,900
July	4,250	29,600	5,730	28,600
August	4,350	33,900	5,220	33,800

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 AUGUST^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2011	2012	2011	2012	2011	2012
Michigan	1,230	795	1,230	869	2,870	1,060
Minnesota	3,550	3,550	4,240	4,350	3,510	1,920
Total	4,780	4,350	5,460	5,220	6,380	2,980

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
2011:				
August	2,040	1,730	6	3,770
September	1,650	1,610	6	3,260
October	1,390	1,460	6	2,850
November	1,210	2,340	5	3,550
December	1,340	2,200	1	3,540
January–December	15,800	19,800	59	35,700
2012:				
January	1,240	1,420	1	2,650
February	1,400	1,150	1	2,550
March	1,029	1,880	(3)	2,910
April	1,460	1,450	4	2,900
May	1,320	1,780	3	3,100
June	1,320	2,290	3	3,620
July	1,390	1,550	3	2,940
August	1,410	1,620	2	3,030

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
U.S. PRODUCTION OF PIG IRON AND RAW STEEL, 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
2011:						
August	2,610	21,100	3,060	20,500	4,370	35,500
September	2,540	23,600	3,080	23,600	4,150	39,600
October	3,010	26,600	2,630	26,200	4,140	43,800
November	2,990	29,600	2,680	28,900	4,040	47,800
December	3,190	32,800	2,840	31,700	4,290	52,100
2012:						
January	3,080	3,080	2,780	2,780	4,630	4,630
February	3,050	6,130	2,660	5,440	4,490	9,120
March	3,430	9,560	3,060	8,500	4,530	13,700
April	2,920	12,500	3,190	11,700	4,640	18,300
May	3,320	15,800	2,900	14,600	4,590	22,900
June	2,970	18,800	2,570	17,200	4,270	27,200
July	2,930	21,700	2,580	19,700	4,390	31,500
August	2,860	24,600	3,180	22,900	4,450	36,000

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	2011	2012			
		1st quarter	2nd quarter	July	August
Canada	7,050	1,290	1,850	650	603
China	3,190	814	1,820	313	351
Colombia	16	1	--	--	--
France	430	--	--	--	--
Germany	81	--	--	--	--
Mexico	51	48	98	74	71
Spain	187	--	--	--	(3)
Switzerland	46	--	--	--	--
Other	8	5	1	(3)	(3)
Total	11,100	2,160	3,770	1,040	1,030
Concentrates	628	148	449	78	189
Coarse ores	1,740	554	499	72	51
Fine ores	208	114	10	54	32
Pellets	8,470	1,340	2,810	832	753
Briquettes	(3)	(3)	(3)	(3)	--
Other agglomerates	1	(3)	1	(3)	--
Roasted pyrites	3	1	1	(3)	(3)
Total	11,100	2,160	3,770	1,040	1,030

-- 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	2011			2012		
	January–August	August		January–August		
	Thousand metric tons	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)
Argentina	74	--	--	40	5,940	148.48
Brazil	69	111	11,800	627	79,600	126.88
Canada	2,670	229	30,800	2,570	409,000	159.36
Chile	121	--	--	96	14,400	150.29
China	(4)	--	--	(4)	55	5,470.00
Finland	4	--	--	4	278	69.50
France	--	(4)	7	(4)	7	345.11
Germany	--	--	--	(4)	9	120.40
Latvia	--	--	--	(4)	3	3,150.00
Mexico	27	--	--	47	5,630	119.74
Norway	(4)	--	--	(4)	30	299.36
Peru	14	--	--	8	956	119.50
Russia	(4)	--	--	--	--	--
South Africa	147	--	--	39	6,360	163.00
Sweden	42	(4)	7	66	7,910	119.82
Ukraine	--	--	--	(4)	15	54.17
United Kingdom	--	--	--	76	10,100	132.87
Venezuela	160	--	--	33	4,280	129.67
Total	3,320	340	42,600	3,600	545,000	151.24
Concentrates	364	139	15,100	642	77,700	120.99
Coarse ores	36	--	--	(4)	15	54.17
Fine ores	571	(4)	7	231	31,100	134.84
Pellets	2,310	202	27,600	2,720	435,000	159.91
Briquettes	8	--	--	--	--	--
Other agglomerates	34	--	--	(4)	55	5,470.00
Roasted pyrites	4	--	--	4	278	69.50
Total	3,320	340	42,600	3,600	545,000	151.24

-- 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 AUGUST 2012^{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	111	--	--	--	--	--	111
Canada	28	--	--	202	--	--	229
France	(3)	--	--	--	--	--	(3)
Sweden	--	--	(3)	--	--	--	(3)
Total	139	--	(3)	202	--	--	340

-- 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 IRON ORE PELLETS, BY COUNTRY¹

Country of origin	2011		2012			
	January–August Thousand metric tons	August		January–August		
		Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)
Brazil	--	--	--	284	40,700	143.27
Canada	2,310	202	27,600	2,360	385,000	162.71
United Kingdom	--	--	--	76	10,100	132.87
Total	2,310	202	27,600	2,720	435,000	159.91

-- 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.)	January–August		August
	2011	2012	2012
Baltimore, MD (13)	1,020	1,440	--
Buffalo, NY (09)	(3)	--	--
Charleston, SC (16)	--	(3)	(3)
Chicago, IL (39)	230	447	139
Cleveland, OH (41)	1,420	1,090	202
Detroit, MI (38)	11	(3)	--
El Paso, TX (24)	18	--	--
Houston-Galveston, TX (53)	20	10	--
Laredo, TX (23)	1	--	--
Los Angeles, CA (27)	(3)	(3)	--
Mobile, AL (19)	5	22	--
New Orleans, LA (20)	571	560	--
New York, NY (10)	--	(3)	(3)
Norfolk, VA (14)	1	--	--
Ogdensburg, NY (07)	1	(3)	--
Philadelphia, PA (11)	4	4	--
Port Arthur, TX (21)	--	27	--
San Francisco, CA (28)	5	--	--
Seattle, WA (30)	--	(3)	--
St. Albans, VT (02)	1	--	--
Tampa, FL (18)	10	3	--
Total	3,320	3,600	340

-- 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 IRON ORE PELLETS,
 BY CUSTOMS DISTRICT¹

(Thousand metric tons)

Customs district (code no.)	January–August		August
	2011	2012	2012
Baltimore, MD (13)	814	1,260	--
Buffalo, NY (09)	(2)	--	--
Chicago, IL (39)	--	28	--
Cleveland, OH (41)	1,420	1,090	202
New Orleans, LA (20)	70	345	--
Total	2,310	2,720	202

-- Zero.

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

²Less than ½ unit.

Source: U.S. Census Bureau.