

Mineral Industry Surveys

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IRON ORE IN JUNE 2014

U.S. mine production and shipments of iron ore in June 2014 were 4.69 million metric tons (Mt) and 5.94 Mt, respectively. Average daily production was 156,000 metric tons (t), slightly greater than that of May 2014 and 17% more than that of June 2013. Average daily shipments were 198,000 t, 4% greater than those of May and 15% more than those of June 2013. Mine stocks at the end of June 2014 were 9% less than those held in May and more than double those in June 2013.

U.S. exports of iron ore were 1.37 Mt in June 2014, 14% greater than those in May 2014 and 85% greater than those of June 2013. U.S. imports of iron ore were 361,000 t in June 2014, 40% less than those in May 2014 and 69% greater than those of June 2013.

Industry News

Increased global iron ore production, primarily in Australia and Brazil, and reduced consumption in China created an oversupply of marketable product in the first half of 2014 and steadily declining prices. BHP Billiton Ltd.'s second quarter production increased by 19% to 56.6 Mt from that of the same period in 2013. Rio Tinto Group's production increased by 11% (8.0 Mt) during the same period (Stringer, 2014). BHP Billiton opened its Jimblebar Mine in Western Australia in late April and expected to reach full production capacity of 35 million metric tons per year (Mt/yr) in 2015. This would increase the company's total iron ore capacity to 200 Mt/yr. A potential expansion at the Jimblebar Mine could add another 20 Mt/yr of production capacity (Metal Bulletin, 2014b).

Following the completion of infrastructure improvements in August 2013 in the first phase of capacity increases, Rio Tinto's operating rate in Western Australia increased to 290 Mt/yr in May 2014. The second phase of expansions were underway and expected to increase iron ore production to 360 Mt/yr by the end of the first half of 2015 (Rio Tinto Group, undated).

In May, China's Ministry of Industry Information and Technology announced their intent to close 28.7 Mt/yr of steelmaking capacity, about 3% of total capacity, and 19 Mt/yr of iron ore capacity by yearend 2014 (Metal Bulletin, 2014a).

The China Metallurgical Mining Enterprise Association reported that 20% to 30% of iron ore mines in China closed or were idled in 2014 owing to low prices. Credit Suisse Group AG estimated that production in China will decline by 16% to 310 Mt in 2014 and further decline to 275 Mt in 2015 (Ng, 2014).

The average spot price for iron ore fines at 62% iron content (cost and freight Tianjin port) fell to \$92.74 per dry metric ton in June 2014, 7.8% lower than in May 2014 and 23% lower than in June 2013 (Index Mundi, undated). Prices in the first and second half of 2013 averaged \$136.87 and \$133.35, respectively, before falling steadily from \$128.12 in January 2014.

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

(Thousand metric tons)

Period	Production		Shipments ³		Stocks ⁴
	Monthly	Year to date	Monthly	Year to date	End of Month
2013:					
June	3,990	24,200	5,170	21,300	5,390
July	4,400	28,600	5,650	26,900	4,130
August	4,610	33,200	5,430	32,300	3,320
September	4,780	38,000	5,400	37,700	2,770
October	4,460	42,500	5,120	42,900	2,110
November	4,650	47,100	4,280	47,100	2,470
December	3,870	51,000	4,660	51,800	3,690
2014:					
January	3,900	3,900	2,390	2,390	5,200
February	5,460	9,370	1,900	4,290	8,820
March	4,440	13,800	1,310	5,600	11,900
April	3,930	17,700	2,690	8,290	13,200
May	4,740	22,500	5,880	14,200	12,000
June	4,690	27,200	5,940	20,100	10,900

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

²Excludes byproduct ores.

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

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	Total
2013:			
June	2,220	2,060	4,280
July	1,880	2,140	4,030
August	1,840	2,260	4,100
September	1,640	2,000	3,640
October	1,710	2,300	4,010
November	1,640	1,690	3,330
December	1,390	2,440	3,830
January–December	18,900	22,900	41,800
2014:			
January	1,010	1,570	2,580
February	919	2,380	3,300
March	821	1,680	2,510
April	811	2,560	3,370
May	860	2,680	3,540
June	835	2,550	3,380

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 3
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
2013:						
June	2,760	17,300	2,440	15,500	4,340	25,800
July	2,760	20,100	2,430	18,000	4,680	30,500
August	2,890	22,900	2,550	20,500	4,580	35,100
September	2,880	25,800	2,460	23,000	4,400	39,500
October	2,870	28,700	2,510	25,500	4,490	44,000
November	2,760	31,500	2,430	27,900	4,340	48,300
December	2,780	34,200	2,380	30,300	4,340	52,600
2014:						
January	2,430	2,430	2,680	2,680	4,650	4,650
February	2,450	4,880	2,580	5,250	4,230	8,880
March	2,820	7,700	2,490	7,740	4,690	13,600
April	2,580	10,300	2,120	9,860	4,580	18,100
May	2,710	13,000	2,380	12,200	4,740	22,900
June	2,760	15,800	2,500	14,700	4,590	27,500

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

Source: American Iron and Steel Institute.

TABLE 4
U.S. EXPORTS OF IRON ORE, BY COUNTRY AND TYPE^{1,2}
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2013	2014				
	January–June	June		January–June		
	Thousand metric tons	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ^{3,4} (dollars per ton)
Belgium	--	15	\$1,340	51	\$5,130	\$100.51
Canada	2,920	996	117,000	3,050	380,000	124.49
China	870	142	11,000	1,180	109,000	95.69
Mexico	610	218	17,100	814	67,900	83.45
Other	655	(5)	23	85	8,910	104.82
Total	5,050	1,370	147,000	5,180	571,000	110.26
Concentrates	1,120	143	11,200	956	96,800	101.25
Fine ores	303	(5)	30	60	7,300	121.68
Pellets	3,350	1,140	128,000	3,740	431,000	115.08
Other	283	87	7,440	419	36,000	85.87
Total	5,050	1,370	147,000	5,180	571,000	110.26

-- 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.

²All countries with less than 5,000 metric tons of exports per month of report included in "Other."

³Customs value. Excludes international freight and insurance charges.

⁴Values are calculated and may not reflect actual price per ton.

⁵Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. IMPORTS OF IRON ORE, BY COUNTRY AND TYPE^{1,2}
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2013			2014		
	January–June Thousand metric tons	June		January–June Thousand metric tons	January–June	
		Thousand metric tons	Value ³ (thousand dollars)		Value ³ (thousand dollars)	Value ^{3,4} (dollars per ton)
Brazil	38	106	\$14,500	775	\$118,000	\$151.71
Canada	1,100	256	33,500	1,670	244,000	146.28
Other	156	--	--	117	15,500	132.83
Total	1,290	361	48,000	2,560	377,000	147.43
Concentrates	132	47	4,570	140	15,700	111.86
Fine ores	345	--	--	215	28,400	132.29
Pellets	796	288	41,600	2,170	331,000	152.21
Other	19	27	1,810	27	1,820	67.41
Total	1,290	361	48,000	2,560	377,000	147.43

-- 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.

²All countries with less than 5,000 metric tons of imports per month of report included in "Other."

³Customs value. Excludes international freight and insurance charges.

⁴Values are calculated and may not reflect actual price per ton.

Source: U.S. Census Bureau.

TABLE 6
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.)	Pellets			Total, all products		
	January–June		June	January–June		June
	2013	2014	2014	2013	2014	2014
Chicago, IL (39)	--	49	22	82	176	96
Cleveland, OH (41)	718	475	115	718	475	115
Mobile, AL (19)	--	72	72	18	77	72
New Orleans, LA (20)	78	1,300	78	470	1,550	78
Other	(3)	282	--	7	284	--
Total	796	2,170	288	1,290	2,560	361

-- Zero.

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

²Customs Districts with less than 5,000 metric tons total per month of report included in "Other."

³Less than ½ unit.

Source: U.S. Census Bureau.