

Mineral Industry Surveys

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IRON ORE IN MAY 2016

U.S. mine production and shipments of iron ore in May 2016 were 3.66 million metric tons (Mt) and 4.71 Mt, respectively (fig. 1, table 1). Average daily production of iron ore was 118,000 metric tons (t), 29% greater than that of April and slightly more than that of May 2015. Average daily shipments of iron ore were 152,000 t, 6% greater than those in April. Increased shipments in May followed seasonal patterns but have trended downward over the last couple of years; 13% less shipments than those in May 2015 and 20% less than those in May 2014. Mine stocks at the end of May 2016 were 9% less than those held at the end of April and 21% less than those held at the end of May 2015.

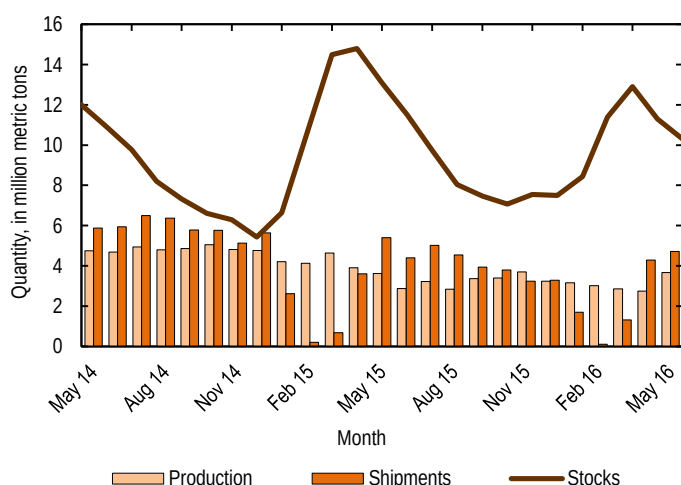


Figure 1. Monthly domestic production, shipments, and stocks of iron ore from May 2014 through May 2016.

As of May 2016, six open pit mines and collocated pellet plants, one tailings reclamation operation, and two iron metallurgics facilities were operating. One iron ore mine reopened in May and another was expected to reopen in October 2016. Three facilities remained idled indefinitely. One iron metallurgics plant and its dedicated iron ore mine were expected to remain idle through May 2017.

Monthly iron ore data are reported as gross weight unless otherwise noted and do not include iron metallurgics such as pig iron, direct-reduced iron, hot-briquetted iron, or iron nuggets. Data for iron metallurgics can be found in the Iron Ore chapter in the U. S. Geological Survey Minerals Yearbook, volume I, Metals and minerals.

U.S. exports of iron ore totaled 750,000 t in May 2016, 28% greater than in April and 24% less than those in May 2015. U.S. imports of iron ore totaled 271,000 t in May 2016, 4% greater than those in April and 48% less than those in May 2015 (fig. 2).

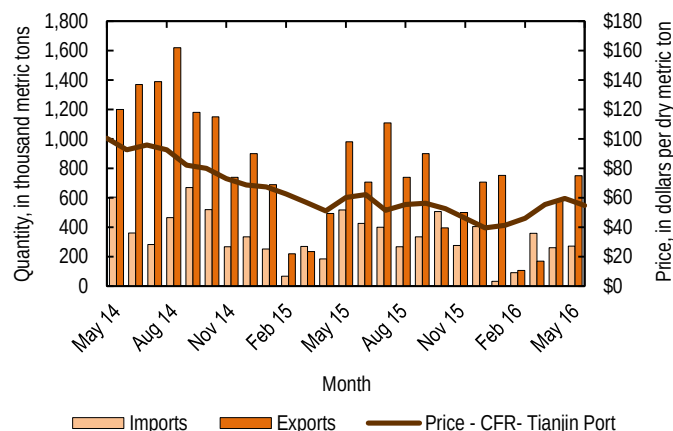


Figure 2. Monthly domestic imports and exports of iron ore and spot prices for iron ore import fines, 62% iron content CFR, at Tianjin Port, from May 2014 through May 2016. Source: U.S. Census Bureau and Index Mundi, undated.

Industry News

Cliffs Natural Resources Inc. reached a long-term supply agreement with ArcelorMittal USA LLC to supply custom-engineered iron ore pellets through 2026, replacing previous contracts set to expire in December 2016 and January 2017. The contract includes the purchase of between 7.1 Mt and 10.2 Mt of pellets annually. Pricing will be based on U.S. domestic steel prices, general inflation, and other industry indices (Cliffs Natural Resources Inc., 2016b). Cliffs also reached agreements with Minnesota Power for long-term, low-cost power for its

Northshore Mine and other noncore operations through 2031, pending regulatory approval. Cliffs separately extended power arrangements for 10 years at the United Taconite and Babbitt, MN, facilities (Cliffs Natural Resources Inc., 2016a).

A direct-reduced iron (DRI) production facility in Portland, TX, voestalpine Texas LLC, received its first 100,000 t shipment of iron ore pellets from Brazil in early May. The 2-million-metric-ton-per-year DRI facility was in the first of two stages of commission, after beginning testing in April. The company expected the commissioning period to continue through the summer and the facility to be operational by yearend 2016 (Ramirez, 2016.)

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References Cited

- Cliffs Natural Resources Inc., 2016a, Cliffs announces agreements with Minnesota Power: Cleveland, OH, Cliffs Natural Resources Inc. news release, May 24. (Accessed July 19, 2016, at <http://www.cliffsnaturalresources.com/English/news-center/news-releases/news-releases-details/2016/Cliffs-Announces-Agreements-with-Minnesota-Power/default.aspx>.)
- Cliffs Natural Resources Inc., 2016b, Cliffs Natural Resources Inc. and ArcelorMittal USA LLC enter into new long-term iron ore supply agreement through 2026: Cleveland, OH, Cliffs Natural Resources Inc. news release, May 31. (Accessed July 19, 2016, at <http://www.cliffsnaturalresources.com/English/news-center/news-releases/news-releases-details/2016/Cliffs-Natural-Resources-Inc-and-ArcelorMittal-USA-LLC-Enter-Into-New-Long-term-Iron-Ore-Supply-Agreement-through-2026/default.aspx>.)
- Ramirez, Chris, 2016, voestalpine Texas welcomes iron shipment: Corpus Christi [TX] Caller-Times, May 13. (Accessed July 19, 2016, at <http://www.caller.com/news/energy-effects/voestalpine-texas-welcomes-iron-shipment-31e219c1-fc20-2c90-e053-0100007f50be-379466201.html>.)

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
	Monthly	Year to date	Monthly	Year to date	End of Month
2015:					
May	3,620	20,500	5,400	12,500	13,100
June	2,870	23,400	4,400	16,900	11,500
July	3,220	26,600	5,020	21,900	9,740
August	2,840	29,400	4,540	26,400	8,040
September	3,360	32,800	3,940	30,400	7,460
October	3,400	36,200	3,790	34,200	7,070
November	3,700	39,900	3,230	37,400	7,550
December	3,230	43,100	3,290	40,700	7,490
2016:					
January	3,150	3,150	1,700	1,700	8,440
February	3,020	6,160	106	1,810	11,400
March	2,850	9,010	1,310	3,120	12,900
April	2,740	11,800	4,290	7,410	11,300
May	3,660	15,400	4,710	12,100	10,300

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

²Excludes byproduct ores and iron metallics.

³Includes rail and vessel.

TABLE 2
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
2015:						
May	2,530	12,300	2,180	10,500	4,310	20,800
June	2,670	15,000	2,340	12,900	4,180	25,000
July	2,830	17,800	2,460	15,300	4,200	29,200
August	2,690	20,500	2,330	17,600	4,240	33,400
September	2,390	22,900	2,090	19,700	4,170	37,600
October	2,270	25,200	1,990	21,700	4,270	41,900
November	2,120	27,300	1,780	23,500	3,710	45,600
December	2,110	29,400	1,930	25,400	3,860	49,400
2016:						
January	2,200	2,200	1,910	1,910	4,250	4,250
February	2,260	4,460	2,010	3,920	4,170	8,420
March	2,380	6,840	2,040	5,960	4,390	12,800
April	2,150	8,980	1,860	7,820	4,460	17,300
May	1,910	10,900	2,210	10,000	4,770	22,000

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

Source: American Iron and Steel Institute.

TABLE 3
U.S. EXPORTS OF IRON ORE, BY COUNTRY AND TYPE ^{1,2}
(Exclusive of ore containing 20% or more manganese)

Country and type of product	2015	2016				
	January–May	May		January–May		
	Thousand metric tons	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)
Canada	2,150	710	\$47,100	2,320	\$171,000	\$73.85
Mexico	420	33	1,500	34	1,720	50.53
Netherlands	(4)	7	842	7	850	121.43
Other	37	(4)	8	(4)	84	21.00
Total	2,610	750	49,500	2,360	174,000	73.66
Concentrates	51	10	1,230	10	1,310	130.50
Fine ores	15	(4)	5	(4)	68	17.00
Pellets	2,170	707	46,800	2,320	171,000	73.78
Other	376	33	1,490	34	1,660	48.82
Total	2,610	750	49,500	2,360	174,000	73.66

¹Data 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 included in "Other."

³Free alongside ship (FAS) value.

⁴Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 4
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	2015	2016				
	January–May	May		January–May		
	Thousand metric tons	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)
Brazil	506	113	\$7,530	548	\$41,200	\$75.19
Canada	667	85	5,640	237	14,600	61.44
Peru	22	9	976	29	7,230	249.45
Sweden	(4)	63	4,880	138	10,700	77.29
Other	99	--	--	60	4,950	82.45
Total	1,290	271	19,000	1,010	78,600	77.68
Concentrates	110	55	1,920	200	8,700	43.49
Fine Ores	61	9	976	59	10,400	175.64
Pellets	1,090	207	16,100	753	59,500	79.08
Other	31	--	--	(4)	5	1.25
Total	1,290	271	19,000	1,010	78,600	77.68

-- Zero.

¹Data 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 included in "Other."

³Customs value. Excludes international freight and insurance charges.

⁴Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE,
BY CUSTOMS DISTRICT^{1, 2}

(Exclusive of ore containing 20% or more manganese)

Customs district (code no.)	(Thousand metric tons)					
	Pellets			Total, all products		
	January–May		May	January–May		May
	2015	2016	2016	2015	2016	2016
Chicago, IL (39)	--	--	--	79	170	55
Houston-Galveston, TX (53)	--	10	10	(3)	10	10
Los Angeles, CA (27)	--	--	--	(3)	9	9
New Orleans, LA (20)	552	743	197	664	821	197
Other	539	--	--	549	3	1
Total	1,090	753	207	1,290	1,010	271

-- 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 of imports per month included in "Other."

³Less than ½ unit.

Source: U.S. Census Bureau.