

Mineral Industry Surveys

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IRON ORE IN SEPTEMBER 2005

U.S. mine production of iron ore in September 2005, on a daily average basis, was 5% less than that of the prior month, according to the U.S. Geological Survey. Average daily production was 149,000 metric tons per day (t/d), 7,600 t/d less than the figure for August 2005.

Shipments in September 2005, on a daily basis, were 6% greater than those of August 2005. U.S. exports of iron ore in August 2005 were more than 30% greater than imports, with exports exceeding imports by more than 380,000 metric tons (t).

Exploration and Development.—In October, Australian miners Rio Tinto plc and BHP Billiton Limited (BHPB) announced plans to invest an additional \$1.35 billion and \$1.3 billion, respectively, in iron ore projects. Brazil's Companhia Vale do Rio Doce (CVRD) followed suit with an announcement to invest a further \$759 million to expand its Itabirito operations (Mining Journal, 2005).

Domestic Production.—Cleveland-Cliffs Inc announced record revenues and earnings for the first 9 months of 2005. Cliffs' share of the first 9 months of production from its North American operations (including Wabush operations in Canada) was 16.9 million metric tons (Mt), an increase of 6% over that of the same period in 2004 (Cleveland-Cliffs Inc, 2005¹).

World Production.—Rio Tinto announced 9-month production for 2005. Their share of saleable quantities of iron ore production plus pellets were as follows²: Channar (60%-owned), 4.2 Mt; Corumba, Brazil, 1.1 Mt; Eastern Range, 5.0 Mt; other Hamersley, 54.5 Mt; Iron Ore Company of Canada (59%-owned), 6.7 Mt; and Robe River (53%-owned), 20.4 Mt. Rio Tinto's share of the first 9 months of mine production for 2005 was 92.0 Mt compared with production of 78.9 Mt in the first three quarters of 2004. Robe River produced record tonnages following the completion of the West Angelas (Western Australia) capacity expansion to 25 million metric tons per year (Rio Tinto plc, 2005§).

BHPB announced third quarter production figures for 2005. BHPB's year-to-date share of saleable quantities of iron ore (wet) were as follows²: Area C Joint Venture (JV) (85%-owned), 19.2 Mt; Goldsworthy JV (85%-owned), 4.0 Mt; Jumblebar, 13.6 Mt; Mt. Newman JV (85%-owned), 26.1 Mt; Samarco, Brazil, (50%-owned), 4.5 Mt; and Yandi JV (85%-owned), 5.6 Mt. BHPB's share of total world mine production of iron ore for the first three quarters of 2005 was 72.9 Mt compared with 64.2 Mt during the same period in 2004. Although the third quarter production in 2005 increased compared with that of the third quarter of 2004, production was lower than that of the second quarter of 2005 owing to unusually wet weather and a train derailment at Western Australia Iron Ore (BHP Billiton Limited, 2005§).

In the first 9 months of 2005, CVRD reported (based on Brazilian Generally Accepted Accounting Practice) record iron ore production of 179.0 Mt and pellet production of 27.1 Mt, an increase of 3.3% compared with that of the same period in 2004 (Companhia Vale do Rio Doce, 2005§).

Reference Cited

Mining Journal, 2005, Iron-ore majors to invest US\$3.5 billion: Mining Journal, October 21, p. 1, 6.

Internet References Cited

BHP Billiton Limited, 2005 (October 27), BHP Billiton production report for the quarter ended 30 September 2005, accessed August 9, 2005, via URL <http://www.bhpbilliton.com>.

Cleveland-Cliffs Inc., 2005 (October 26), Cleveland-Cliffs' nine-month earnings climb 75 percent, accessed November 22, 2005, via URL <http://www.cleveland-cliffs.com>.

Companhia Vale do Rio Doce, 2005 (November 9), CVRD production report for 3Q05, accessed November 22, 2005, at URL http://www.cvr.com.br/cvrd_us/media/PREPORT3T05i.pdf.

Rio Tinto plc, 2005 (October 19), Third quarter 2005 operations review, accessed November 21, 2005, via URL <http://www.riotinto.com/media/downloads/pressreleases>.

¹References that include a section mark (§) are found in the Internet References Cited section.

²Production from Australia, unless otherwise noted.

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
2004:				
September	4,420	40,400	5,420	40,900
October	5,110	45,500	4,780	45,700
November	4,730	50,200	5,110	50,800
December	4,450	54,700	5,150	55,900
2005:				
January	4,420	4,420	3,350	3,350
February	3,870	8,290	1,150	4,500
March	4,240	12,500	2,610	7,110
April	4,220	16,800	4,940	12,100
May	5,250	22,000	5,210	17,300
June	4,480	26,500	4,840	22,100
July	5,160	31,600	5,110	27,200
August	4,840	36,500	5,020	32,200
September	4,460	40,900	5,150	37,400

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 SEPTEMBER^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2005	2004	2005	2004	2005	2004
Michigan	1,080	1,010	1,300	1,390	1,730	1,320
Minnesota	3,380	3,420	3,850	4,030	4,830	2,160
Total	4,460	4,420	5,150	5,420	6,550	3,470

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

²Excludes byproduct ore.

³Includes rail and vessel.

⁴Includes mines, plants, and loading docks.

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

(Thousand dry metric tons)

Period	Newfoundland	Quebec	British	Total
			Columbia	
2004:				
August	698	1,120	8	1,820 ^r
September	124	1,220	5	1,350
October	635	1,570	7	2,210
November	1,390	958	10	2,360
December	1,370	944	9	2,330
Year total	14,900	13,200	87	28,300
2005:				
January	1,210	1,070	8	2,280
February	928	748	8	1,680
March	1,160	873	10	2,040
April	1,690	967	7	2,660
May	1,940	588	10	2,540
June	1,450 ^r	399	8	1,860
July	1,440	1,050	7	2,490
August	1,590	708	10	2,310

^rRevised.

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
2004:						
August	3,490	27,200	3,830	30,500	4,620	35,100
September	3,400	30,600	3,020	33,500	5,370	40,400
October	3,570	34,200	3,030	36,600	5,630	46,100
November	2,140	36,300	5,520	42,100	2,580	48,600
December	4,270	40,600	3,810	45,900	4,390	53,000
2005:						
January	3,420	3,420	3,890	3,890	4,390	4,390
February	3,260	6,680	3,710	7,590	3,930	8,320
March	3,660	10,300	4,040	11,600	4,150	12,500
April	3,080	13,400	3,500	15,100	4,440	16,900
May	3,080	16,500	3,430	18,600	4,320	21,200
June	2,690	19,200	3,000	21,600	4,110	25,300
July	2,630	21,800	2,920	24,500	4,210	29,500
August	2,890	24,700	3,180	27,700	4,370	33,900

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.

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	2004	2005			
		1st quarter	2nd quarter	July	August
Canada	7,830	1,280	4,300	999	984
China	297	--	1	1	107
Mexico	4	1	1	(3)	(3)
Slovakia	187	--	26	52	158
Trinidad and Tobago	29	--	(3)	--	--
Other	53	(3)	4	(3)	(3)
Total	8,400	1,280	4,330	1,050	1,250
Pellets	8,100	1,280	4,320	1,050	1,200
Concentrates	25	2	4	1	2
Direct shipping ores	264	(3)	4	1	48
Other	6	2	1	1	1
Total	8,400	1,280	4,330	1,050	1,250

-- 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	2005					2004
	August		Year to date			January-August
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Australia	--	--	--	--	--	(4)
Bahamas, The	68	2,400	140	4,850	34.70	--
Brazil	197	7,180	2,890	119,000	41.09	3,310
Canada	578	20,100	4,330	161,000	37.32	3,870
Chile	--	--	221	8,470	38.34	107
China	--	--	(4)	2	263.13	--
Finland	--	--	6	266	43.09	8
Greece	--	--	13	243	18.80	--
Mexico	2	47	34	1,440	42.03	49
Norway	--	--	3	96	36.60	--
Paraguay	--	--	4	68	16.80	--
Peru	13	392	32	1,020	32.01	32
Russia	--	--	99	8,550	86.00 ⁵	--
South Africa	--	--	--	--	--	104
Spain	--	--	1	25	18.00	(4)
Sweden	--	--	--	--	--	60
Trinidad and Tobago	--	--	375	11,000	29.45	--
Venezuela	--	--	148	7,890	53.43	56
Total	858	30,100	8,290	324,000	39.09	7,600
Concentrates	70	1,110	601	17,700	29.51	528
Coarse ores	--	--	21	710	34.21	4
Fine ores	278	9,970	3,230	91,200	28.24	2,050
Pellets	508	19,000	4,370	212,000	48.45 ⁵	4,930
Briquettes	--	--	--	--	--	56
Other agglomerates	2	47	67	2,660	39.51	30
Roasted pyrites	--	--	4	156	38.97	4
Total	858	30,100	8,290	324,000	39.09	7,600

-- 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.

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 7
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN AUGUST 2005^{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	
Bahamas, The	--	--	68	--	--	--	68
Brazil	--	--	197	--	--	--	197
Canada	70	--	--	508	--	--	578
Mexico	--	--	--	--	2	--	2
Peru	(3)	--	13	--	--	--	13
Total	70	--	278	508	2	--	858

-- 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	2005					2004
	August		Year to date			January-August
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Brazil	--	--	1,510	79,300	52.46	1,750
Canada	508	19,000	2,760	124,000	44.90	3,180
Russia	--	--	99	8,550	86.00 ³	--
Total	508	19,000	4,370	212,000	48.45	4,930

-- 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.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

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.)	August	January-August	
	2005	2005	2004
Baltimore, MD (13)	214	2,220	2,580
Buffalo, NY (09)	--	6	4
Charleston, SC (16)	--	1	(3)
Chicago, IL (39)	122	685	731
Cleveland, OH (41)	482	1,710	1,550
Detroit, MI (38)	26	154	123
Great Falls, MT (33)	(3)	(3)	(3)
Houston-Galveston, TX (53)	--	36	28
Los Angeles, CA (27)	--	(3)	--
Mobile, AL (19)	--	63	80
New Orleans, LA (20)	13	3,400	2,500
Nogales, AZ (26)	2	11	(3)
Ogdensburg, NY (07)	--	(3)	--
Philadelphia, PA (11)	--	3	4
San Francisco, CA (28)	--	4	--
San Juan, PR (49)	--	6	--
Total	858	8,290	7,600

-- 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.)	August	January-August	
	2005	2005	2004
Baltimore, MD (13)	--	942	1,060
Chicago, IL (39)	--	53	188
Cleveland, OH (41)	482	1,710	1,520
Detroit, MI (38)	26	154	123
Houston-Galveston, TX (53)	--	36	28
Mobile, AL (19)	--	61	--
New Orleans, LA (20)	--	1,410	2,020
Total	508	4,370	4,930

-- Zero.

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

Source: U.S. Census Bureau.