

Mineral Industry Surveys

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IRON ORE IN JUNE 2008

U.S. mine production of iron ore in June 2008, on a daily average basis, was 3% greater than that for the prior month, according to the U.S. Geological Survey (USGS). Average daily production, at 162,000 metric tons (t), was 5,000 t greater than that of May 2008.

Average daily shipments in June 2008, at 182,000 t, were 19,000 t less than those of May. Mine stocks at the end of June 2008 were 586,000 t less than stocks held on May 31, a 6% decrease. U.S. net imports of iron ore in May 2008 were 81,000 t, with imports 7% greater than exports.

Prices.—Australian miners BHP Billiton Ltd. (BHPB) and Rio Tinto plc negotiated an average 85% increase in iron ore price with Chinese steelmakers in June. This represented a transportation premium when compared with Brazilian ores, which received a 65% to 71% increase in iron ore price earlier in 2008. Some analysts indicate this may end the benchmark system of iron ore pricing and lead to a system of indexed iron ore prices (Matthews, 2008; Ritchie and others, 2008).

Domestic Production.—Cleveland-Cliffs Inc (Cleveland, OH) announced production for the second quarter of 2008 for its North American operations. Mine production was as follows (United States, unless otherwise specified): Empire, 1.4 million metric tons (Mt); Hibbing Taconite, 2.0 Mt; Northshore, 1.5 Mt; Tilden, 2.2 Mt; United Taconite, 1.5 Mt; and Wabush (Canada), 1.1 Mt. Cliffs' share of the total production of 9.9 Mt was 6.4 Mt. The Tilden Mine increased production by sending additional iron ore to the Empire processing plant, and Hibbing Taconite's production increase resulted from restart of an additional furnace line at the end of the first quarter (Cleveland-Cliffs Inc, 2008, p. 2, 3).

World Production.—Rio Tinto plc announced second quarter production for 2008. Rio Tinto's share of saleable iron ore plus pellets worldwide for the quarter ending June 30 was 41.9 Mt—a 13% increase compared with that of the same period in 2007. Rio Tinto's Hope Downs Mine produced 3.5 Mt in the quarter and continued to ramp up toward a planned capacity of

30 million metric tons per year (Mt/yr) in 2009. Rio Tinto's (59%-owned) Iron Ore Company of Canada increased production compared with that of the second quarter of 2007 by 39% owing to debottlenecking efforts at the plant and the absence of labor stoppages (Rio Tinto plc, 2008, p. 3, 12).

BHPB announced that its share of second quarter iron ore (wet) worldwide production for 2008 was 29.7 Mt—a 15% increase compared with that of the corresponding period in 2007 (BHP Billiton Limited, 2008, p. 4).

In the second quarter of 2008, Companhia Vale do Rio Doce (Vale) reported iron ore production of 78.1 Mt (including Vale's Samarco joint venture)—an increase of over 3% compared with that of the same period in 2007. Vale pellet production for the second quarter was 11.2 Mt—an 8% increase compared with that of the first quarter of 2008. Vale entered a leasing agreement that increased its attributable production from the Kobrasco and Nibrasco pelletizing operations from slightly over 50% to 100% (Companhia Vale do Rio Doce, 2008, p. 1, 2).

References Cited

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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
2007:				
June	4,610	25,100	5,120	21,200
July	4,690	29,800	5,210	26,400
August	4,450	34,200	5,090	31,500
September	4,350	38,600	5,100	36,600
October	4,820	43,400	5,130	41,700
November	4,280	47,700	4,830	46,600
December	4,320	52,000	4,960	51,500
2008:				
January	4,170	4,170	3,730	3,730
February	3,990	8,160	1,090	4,830
March	4,780	12,900	2,190	7,010
April	4,130	17,100	5,220	12,200
May	4,860	21,900	6,230	18,500
June	4,870	26,800	5,450	23,900

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 JUNE^{1, 2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2008	2007	2008	2007	2008	2007
Michigan	1,280	1,310	1,070	1,210	3,320	2,890
Minnesota	3,590	3,300	4,390	3,910	6,050	6,980
Total	4,870	4,610	5,450	5,120	9,370	9,870

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
2007:				
May	1,720	1,650	8	3,380
June	1,650	1,310	7	2,960
July	2,070	1,340	7	3,420
August	2,150	1,150	6	3,310
September	1,410	1,400	6	2,820
October	1,860	1,600	6	3,460
November	2,110	1,470	7	3,590
December	1,180	1,450	5	2,640
Year total	17,900	14,900	75	32,800
2008:				
January	1,210	816	6	2,030
February	1,120	833	4	1,950
March	1,140	855	4	2,000
April	1,680	984	4	2,670
May	2,670	1,330	7	4,010

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	Monthly	Year to date
2007:						
May	3,130	14,600	3,530	16,400	5,000	23,900
June	3,120	17,800	3,470	19,900	4,770	28,600
July	3,080	20,800	3,420	23,300	4,860	33,500
August	3,010	23,800	3,370	26,600	4,970	38,400
September	3,010	26,900	3,370	30,000	4,600	43,000
October	3,200	30,100	3,540	33,500	4,940	48,000
November	2,940	33,000	3,280	36,800	4,920	52,900
December	3,160	36,200	3,550	40,400	4,900	57,800
2008:						
January	2,900	2,900	3,550	3,550	5,100	5,100
February	3,110	6,010	3,470	7,020	4,750	9,850
March	3,280	9,290	3,700	10,700	4,900	14,800
April	3,240	12,500	3,560	14,300	4,820	19,600
May	3,210	15,700	3,650	17,900	5,080	24,700

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	2007		2008			
	4th quarter	Total	March	1st quarter	April	May
Algeria	25	570	--	--	--	--
Belgium	--	--	56	57	30	131
Canada	2,190	7,340	206	1,460	702	942
China	81	1,130	4	23	7	--
Colombia	(3)	7	--	1	--	1
Czech Republic	--	--	--	--	--	60
Germany	--	--	--	--	49	30
Japan	7	7	--	--	--	--
Malaysia	--	--	24	24	--	--
Mexico	82	148	(3)	66	55	45
Peru	(3)	5	--	--	--	--
Romania	--	87	--	--	--	--
Spain	--	--	--	--	77	--
Sweden	--	2	--	1	--	--
Other	1	8	3	3	1	5
Total	2,390	9,310	293	1,630	921	1,210
Pellets	2,340	9,170	238	1,570	910	1,180
Concentrates	9	51	12	21	10	26
Briquettes	1	1	16	16	--	--
Sinter	21	22	--	(3)	--	--
Direct shipping ores - coarse	2	6	1	3	1	7
Direct shipping ores - fines	5	51	26	28	--	3
Roasted pyrites	10	11	--	--	--	--
Total	2,390	9,310	293	1,630	921	1,210

-- 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	2008					2007
	May		Year to date			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	257	27,900	944	68,800	72.85	1,260
Canada	982	118,000	2,160	203,000	94.22	1,410
Chile	--	--	129	7,710	59.95	133
China	(4)	6	(4)	21	59.18	--
Finland	--	--	3	106	39.26	2
Greenland	--	--	--	--	--	(4)
Mexico	--	--	25	1,650	65.94	26
Netherlands	--	--	1	22	18.00	--
Norway	--	--	--	--	--	8
Peru	16	1,150	35	1,950	55.27	52
Sweden	39	1,820	41	1,850	45.49	57
United Kingdom	--	--	--	--	--	(4)
Venezuela	--	--	25	1,630	65.00	--
Total	1,300	149,000	3,360	287,000	85.40	2,950
Concentrates	99	5,370	460	27,500	59.75	246
Coarse ores	37	1,790	37	1,790	47.80	82
Fine ores	91	6,840	493	29,100	59.10	572
Pellets	1,070	135,000	2,370	228,000	96.54	2,040
Briquettes	--	--	--	--	--	--
Other agglomerates	--	--	--	--	--	7
Roasted pyrites	(4)	6	5	197	43.66	4
Total	1,300	149,000	3,360	287,000	85.40	2,950

-- 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 MAY 2008^{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	14	--	73	170	--	--	257
Canada	85	--	--	897	--	--	982
China	--	--	--	--	--	(3)	(3)
Peru	--	--	16	--	--	--	16
Sweden	--	37	2	--	--	--	39
Total	99	37	91	1,070	--	(3)	1,300

-- 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	2008					2007
	May		Year to date			January-May
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	
Brazil	170	21,500	385	36,300	94.23	764
Canada	897	113,000	1,940	190,000	97.90	1,220
Mexico	--	--	--	--	--	19
Peru	--	--	18	736	42.03	9
Sweden	--	--	--	--	--	24
Venezuela	--	--	25	1,630	65.00	--
Total	1,070	135,000	2,370	228,000	96.54	2,040

-- 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.)	May	January-May	
	2008	2008	2007
Baltimore, MD (13)	497	1,580	918
Charleston, SC (16)	1	2	2
Chicago, IL (39)	119	266	181
Cleveland, OH (41)	460	806	808
Detroit, MI (38)	--	--	(3)
Houston-Galveston, TX (53)	30	30	38
Mobile, AL (19)	32	50	33
New Orleans, LA (20)	156	624	929
New York City, NY (10)	--	1	--
Nogales, AZ (26)	--	--	7
Ogdensburg, NY (07)	--	(3)	--
Philadelphia, PA (11)	--	3	2
Port Arthur, TX (21)	--	--	24
Providence, RI (05)	--	--	8
Total	1,300	3,360	2,950

-- 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.)	May	January-May	
	2008	2008	2007
Baltimore, MD (13)	384	1,010	394
Chicago, IL (39)	54	123	48
Cleveland, OH (41)	459	803	781
Detroit, MI (38)	--	--	(2)
Houston-Galveston, TX (53)	30	30	38
Mobile, AL (19)	--	18	--
New Orleans, LA (20)	140	380	754
Port Arthur, TX (21)	--	--	24
Total	1,070	2,370	2,040

-- Zero.

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

² Less than 1/2 unit.

Source: U.S. Census Bureau.