

# Mineral Industry Surveys

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## IRON ORE IN JANUARY 2009

U.S. mine production of iron ore in January 2009, on a daily average basis, was 16% less than that for the prior month, and was 28% less than that of January 2008, according to the U.S. Geological Survey (USGS). Average daily production, at 96,200 metric tons (t), was 19,000 t less than that of December 2008.

Average daily shipments in January 2009, at 28,200 t, were 62,900 t less than those of the prior month, and 92,300 t less than those of January 2008. Mine stocks at the end of January 2009 were 2.1 million metric tons (Mt) greater than the revised stocks held on December 31, a 32% increase. U.S. net exports of iron ore in December 2008 were 499,000 t, with exports more than two-and-one half times imports.

**Price.**—The secretary general of China Iron & Steel Association (CISA) reportedly indicated that China would not seek “unreasonable decreases” during 2009 iron ore contract price negotiations. China also was trying to negotiate for price reductions to be made retroactive to January so that Chinese mills are not forced to pay 2008 negotiated prices. CISA indicated that it would like more flexibility to adjust prices mid-year, but did not want to be hampered by an iron ore index for long-term supply contracts (Li, 2009).

**World Production.**—In mid-January, Mikhailovsky Mining & Processing (MGOK), owned by Metalloinvest Holding Co. (Moscow, Russia), resumed iron ore pellet production, which it had shut down to perform processing plant maintenance during a decline in iron ore market demand. MGOK had shipped stockpiled pellets while production was idled at the Lebedinsky and Mikhailovsky Mines since November 2008 (Interfax Ltd.—Russia & CIS—Metals & Mining Weekly, 2009).

**Mergers and Acquisitions.**—Companhia Vale do Rio Doce (Rio de Janeiro, Brazil) announced a purchase and sale agreement with Rio Tinto plc (London, United Kingdom) to acquire 100% of the Corumbá open pit iron ore operations in the State of Mato Grosso do Sul, Brazil. The price for the iron ore assets was \$750 million and included associated logistics assets—port and barges. The Corumbá Mine has a production capacity of 2.5 million metric tons per year and reportedly had

proven and probable reserves of 583 Mt at the end of 2007

(Companhia Vale do Rio Doce, 2009).

**World Trade.**—In China, the State Administration of Taxation in the Ministry of Finance announced the rate of value-added tax for imported iron ore would be raised from 13% to 17%. This increase was scheduled to be effective beginning January 1, 2009 (The TEX Report, 2009b).

According to The TEX Report (2009a), China, the world’s leading importer of iron ore, imported 424 Mt of non-agglomerated iron ore and 20 Mt of agglomerated ore in 2008. The leading exporters of non-agglomerated ore to China were Australia (43%), Brazil (22%), and India (21%), with the remainder shared among 33 countries. The leading exporters of agglomerated ore to China were Brazil (37%), Canada (13%), and Kazakhstan (12%), with the remainder shared among 18 countries.

**Transportation.**—The *CSL Argosy*, an 800-foot bulk carrier loaded with iron ore, ran aground in the Chesapeake Bay, just north of Annapolis, MD. The vessel, headed to Baltimore, MD, had 19,300 t of iron ore removed and was refloated before proceeding to inspection in Annapolis (American Metal Market, 2009).

## References Cited

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TABLE 1  
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE<sup>1,2</sup>  
(Exclusive of ore containing 5% or more of manganese)

(Thousand metric tons)

Period	Production		Shipments	
	Monthly	Year to date	Monthly	Year to date
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	7,020
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
July	4,960	31,800	6,160	30,100
August	4,840	36,600	6,100	36,200
September	4,310	40,900	5,500	41,700
October	4,540	45,400	4,860	46,500
November	3,940	49,400	3,910	50,400
December	3,570	53,000	2,820	53,300
2009, January	2,980	2,980	874	874

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Excludes byproduct ores.

TABLE 2  
U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN JANUARY<sup>1,2</sup>

(Thousand metric tons)

State	Production		Shipments <sup>3</sup>		Stocks <sup>4</sup>	
	2009	2008	2009	2008	2009	2008
Michigan	655	834	180	1,210	2,890	2,170
Minnesota	2,330	3,330	694	2,530	5,780	4,760
Total	2,980	4,170	874	3,730	8,670	6,930

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

<sup>2</sup>Excludes byproduct ore.

<sup>3</sup>Includes rail and vessel.

<sup>4</sup>Includes usable (marketable) material at mines, concentrators, pelletizing plants, and loading docks. Excludes stocks of crude ore at mine and concentrates at agglomerating complexes.

Note: An imbalance of production and shipments compared with stock changes indicates an inventory adjustment at the mines of 67 thousand metric tons.

TABLE 3  
CANADA: SHIPMENTS OF IRON ORE<sup>1,2</sup>

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	British Columbia	Total
2007:				
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
June	1,580	1,380	9	2,970
July	1,820	1,370	8	3,200
August	2,270	1,200	9	3,470
September	1,310	1,050	9	2,370
October	1,760	984	8	2,750
November	1,370	687	6	2,060
December	749	618	3	1,370
Year total	18,700	12,100	75	30,800

<sup>1</sup>Revised.

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

<sup>2</sup>Includes 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  
FURNACE<sup>1</sup>

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
	Monthly	Year to date	Basic oxygen furnace <sup>2</sup>		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2007:						
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
June	3,020	18,800	3,450	21,400	4,930	29,600
July	3,090	21,800	3,460	24,800	5,060	34,600
August	3,290	25,100	3,680	28,500	4,990	39,600
September	2,900	28,000	3,290	31,800	4,560	44,200
October	2,770	30,800	2,330	34,100	3,990	48,200
November	2,040	32,800	1,980	36,100	2,660	50,800
December	1,690	34,500	1,390	37,500	2,220	53,100

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

<sup>2</sup>Raw 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<sup>1,2</sup>

(Thousand metric tons)

Country of destination and type of product	2007	2008					
		1st quarter	2nd quarter	3rd quarter	December	4th quarter	Total
Algeria	570	--	28	52	--	--	80
Belgium	--	57	161	(3)	(3)	(3)	218
Canada	7,340	1,460	2,290	3,160	566	2,120	9,030
China	1,130	24	8	5	--	54	91
Colombia	7	1	3	2	1	5	11
Czech Republic	--	--	83	--	--	--	83
France	--	--	--	54	105	156	210
Germany	--	1	79	(3)	--	76	156
Japan	7	--	--	--	--	--	--
Malaysia	--	24	1	--	--	--	25
Mexico	148	67	100	93	(3)	68	328
Peru	5	--	--	--	(3)	(3)	(3)
Poland	--	--	--	103	--	(3)	103
Romania	87	--	76	52	--	--	128
Serbia	--	--	--	51	--	--	51
Slovakia	--	--	50	--	135	455	505
Spain	--	(3)	77	25	--	--	102
Sweden	2	1	--	2	--	1	4
Other	8	2	6	4	(3)	2	14
<b>Total</b>	<b>9,310</b>	<b>1,630</b>	<b>2,960</b>	<b>3,610</b>	<b>809</b>	<b>2,940</b>	<b>11,100</b>
Concentrates	51	21	39	23	2	59	142
Coarse ores	6	2	5	14	--	25	46
Fine ores	51	28	9	78	(3)	21	136
Pellets	9,170	1,570	2,910	3,490	807	2,840	10,800
Briquettes	1	--	--	--	--	(3)	(3)
Other agglomerates	22	16	3	1	(3)	(3)	20
Roasted pyrites	11	--	(3)	(3)	--	(3)	(3)
<b>Total</b>	<b>9,310</b>	<b>1,630</b>	<b>2,960</b>	<b>3,610</b>	<b>809</b>	<b>2,940</b>	<b>11,100</b>

-- Zero.

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

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 6  
 U.S. IMPORTS FOR CONSUMPTION OF IRON ORE, BY COUNTRY AND TYPE<sup>1, 2</sup>  
 (Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2008					2007
	December		Year to date			January-December
	Thousand metric tons	Value <sup>3</sup> (thousand dollars)	Thousand metric tons	Value <sup>3</sup> (thousand dollars)	Value <sup>3</sup> (dollars per ton)	Thousand metric tons
Bosnia and Herzegovina	--	--	23	1,570	68.43	--
Brazil	34	2,810	2,620	216,000	82.45	3,210
Canada	240	28,200	5,900	645,000	109.35	5,520
Chile	--	--	215	16,800	78.25	279
China	--	--	14	266	19.00	--
Finland	--	--	6	233	38.83	8
Greenland	--	--	--	--	--	(4)
India	--	--	--	--	--	(4)
Italy	--	--	1	43	43.00	--
Japan	--	--	(4)	7	793.89	--
Mexico	--	--	52	4,290	82.56	35
Netherlands	--	--	1	22	22.00	--
Norway	--	--	--	--	--	8
Peru	--	--	59	3,100	52.59	140
Russia	--	--	127	16,000	126.06	--
Spain	--	--	2	112	56.00	--
Sweden	37	2,490	88	4,540	51.59	141
Switzerland	--	--	70	5,410	77.29	--
United Kingdom	--	--	--	--	--	(4)
Venezuela	--	--	68	4,210	61.85	58
<b>Total</b>	<b>310</b>	<b>33,500</b>	<b>9,250</b>	<b>918,000</b>	<b>99.27</b>	<b>9,400</b>
Concentrates	16	1,290	1,250	92,200	73.79	1,280
Coarse ores	11	174	48	1,970	41.10	176
Fine ores	95	8,590	1,980	149,000	75.59	1,790
Pellets	188	23,400	5,960	674,000	113.03	6,050
Briquettes	--	--	1	97	97.00	--
Other agglomerates	--	--	--	--	--	87
Roasted pyrites	--	--	12	537	44.75	11
<b>Total</b>	<b>310</b>	<b>33,500</b>	<b>9,250</b>	<b>918,000</b>	<b>99.27</b>	<b>9,400</b>

-- Zero.

<sup>1</sup>Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Customs value. Excludes international freight and insurance charges.

<sup>4</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 7  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN DECEMBER 2008<sup>1,2</sup>  
(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	16	--	18	--	--	--	34
Canada	--	--	52	188	--	--	240
Sweden	--	11	26	--	--	--	37
Total	16	11	95	188	--	--	310

-- Zero.

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

<sup>2</sup>Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8  
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY<sup>1</sup>

Country of origin	2008					2007
	December		Year to date			January-December
	Thousand metric tons	Value <sup>2</sup> (thousand dollars)	Thousand metric tons	Value <sup>2</sup> (thousand dollars)	Value <sup>2</sup> (dollars per ton)	Thousand metric tons
Bosnia and Herzegovina	--	--	23	1,570	68.43	--
Brazil	--	--	616	65,600	106.50	1,260
Canada	188	23,400	5,240	602,000	114.91	4,680
Mexico	--	--	--	--	--	19
Peru	--	--	18	736	40.89	9
Sweden	--	--	--	--	--	24
Venezuela	--	--	68	4,210	61.85	58
Total	188	23,400	5,960	674,000	113.03	6,050

-- Zero.

<sup>1</sup>Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Customs 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<sup>1,2</sup>  
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	December	January-December	
	2008	2008	2007
Baltimore, MD (13)	--	3,590	3,130
Buffalo, NY (09)	--	1	--
Charleston, SC (16)	2	28	3
Chicago, IL (39)	34	1,160	1,330
Cleveland, OH (41)	188	3,160	3,120
Detroit, MI (38)	--	(3)	(3)
Houston-Galveston, TX (53)	--	51	65
Minneapolis, MN (35)	51	104	--
Mobile, AL (19)	25	74	33
New Orleans, LA (20)	--	1,020	1,610
New York, NY (10)	--	1	--
Nogales, AZ (26)	--	--	16
Norfolk, VA (14)	--	10	--
Ogdensburg, NY (07)	1	12	1
Philadelphia, PA (11)	--	6	8
Port Arthur, TX (21)	--	--	71
Providence, RI (05)	--	--	8
Savannah, GA (17)	--	--	(3)
St. Albans, VT (02)	--	--	(3)
Tampa, FL (18)	11	24	13
Total	310	9,250	9,400

-- Zero.

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

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 10  
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,  
BY CUSTOMS DISTRICT<sup>1</sup>

(Thousand metric tons)

Customs district (code no.)	December	January-December	
	2008	2008	2007
Baltimore, MD (13)	--	1,860	1,320
Chicago, IL (39)	--	240	419
Cleveland, OH (41)	188	3,130	3,060
Detroit, MI (38)	--	--	(2)
Houston - Galveston, TX (53)	--	50	65
Mobile, AL (19)	--	18	--
New Orleans, LA (20)	--	658	1,170
Port Arthur, TX (21)	--	--	24
Total	188	5,960	6,050

-- Zero.

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

<sup>2</sup>Less than ½ unit.

Source: U.S. Census Bureau.