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IRON ORE IN AUGUST 2009

U.S. mine production of iron ore in August 2009, on a daily average basis, increased by 20% compared with that of the prior month and was 63% less than that of August 2008, according to the U.S. Geological Survey (USGS). Average daily production, at 57,300 metric tons (t), was 9,500 t greater than that of July 2009.

Average daily shipments in August 2009, at 103,000 t, were 4% greater than those of the prior month but only slightly more than one-half that of August 2008. Mine stocks at the end of August 2009 were 1.4 million metric tons (Mt) less than the stocks held on July 31 a 19% decrease. U.S. net exports of iron ore in July 2009 were 86,000 t, with exports 33% greater than exports.

Price.—Amidst a continued stalemate between Chinese buyers and worldwide iron ore producers, an iron ore trade association—the Iron Ore & Steel Derivatives Association (IODA)—was formed to promote the trade of iron ore and related derivates, develop standard terms for iron ore contract transactions, and support the development and use of independent market indices. IODA was seen, by itself, as having an important role in the iron ore market as the market moves from annual contract pricing toward a spot market (Metal Bulletin, 2009).

Fortescue Metals Group Ltd. (East Perth, Australia) agreed to a price 3% below the benchmark into the Asian markets for its iron ore production sold to Chinese steel mills. This agreement has permitted Fortescue to complete a $6-billion deal to obtain financing from Chinese sponsors for project expansion (Mining Journal, 2009).

Domestic Production.—U.S. Steel Corp. (Pittsburgh, PA) announced plans to start up an additional pellet production line at the Minntac plant in Iron Mountain, MN, and to start up an additional two lines in September. U.S. Steel would then have four of the five production lines in operation (Skillings Mining Review, 2009).

World Production.—OJSC Magnitogorsk Iron & Steel Works (Magnitogorsk, Russia) announced the startup of iron ore production at the Sosnovsky Mine in Russia's Chelyabinsk Region. Reserves at the Sosnovsky deposit were estimated to be 70 million metric tons (Mt) with a full production rate of between 2 million metric tons per year (Mt/yr) and 2.5 Mt/yr, with 1 Mt/yr of sinter produced by dry magnetic separation. Mining rates of 370 Mt/yr and 500 Mt/yr were anticipated for 2009 and 2010, respectively (OJSC Magnitogorsk Iron & Steel Works, 2009).

Mergers and Acquisitions.—The Venezuelan Government unilaterally assumed exclusive control of the 1.5-Mt/yr hot briquetted iron plant of Materiales Siderúrgicos SA (Matesi), formerly owned by Tenaris SA (Luxembourg). Three other privately owned hot briquetted iron producers are in negotiations for the nationalization of their holdings (Weik, 2009).

References Cited

Metal Bulletin, 2009, Iron ore association formed: Metal Bulletin, no. 9110, August 10, p. 26.
Ming Journal, 2009, Fortescue secures iron-ore benchmark: Mining Journal, August 21, p. 1.
OJSC Magnitogorsk Iron & Steel Works, 2009, MMK starts production at its Sosnovsky iron ore deposit: OJSC Magnitogorsk Iron & Steel Works press release, August 11, 1 p. (Accessed August 13, 2009, via http://www.mmk.ru/.)
Skillings Mining Review, 2009, Minntac restarting production lines: Skillings Mining Review, v. 98, no. 9, September, p. 9.
Weik, Juan, 2009, Venezuela takes control of Matesi as commissions start work with three HBI producers: Metal Bulletin, no. 9112, August 24, p. 12.

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
2008:				
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	2,990	2,990	874	874
February	2,660	5,650	440	1,310
March	2,240	7,890	663	1,980
April	1,700	9,590	1,930	3,910
May	850	10,400	2,470	6,380
June	811	11,200	2,440	8,810
July	1,480	12,700	3,080	11,900
August	1,780	14,500	3,190	15,100

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

[2]Excludes byproduct ores.

TABLE 2

U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN AUGUST[1, 2]

(Thousand metric tons)

State	Production		Shipments[3]		Stocks[4]	
	2009	2008	2009	2008	2009	2008
Michigan	473	1,130	1,080	1,400	1,760	2,840
Minnesota	1,300	3,710	2,110	4,690	4,230	4,070
Total	1,780	4,840	3,190	6,100	5,990	6,910

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

[2]Excludes byproduct ore.

[3]Includes rail and vessel.

[4]Includes 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
2008:				
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	76	30,800
2009:				
January	1,030	600	3	1,640
February	793	823	2	1,620
March	662	1,450	1	2,120
April	1,630	871	8	2,510
May	2,090	1,260	7 r	3,350
June	820	1,080	10	1,910
July	1,360	1,430	10	2,800

rRevised.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]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[1]

(Thousand metric tons)

	Pig iron production, blast furnace		Raw steel production			
			Basic oxygen furnace		Electric furnace	
Period	Monthly	Year to date	Monthly	Year to date	Monthly	Year to date
2008:						
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
2009:						
January	1,450	1,450	1,320	1,320	2,630	2,630
February	1,510	2,960	1,180	2,500	2,440	5,070
March	1,630	4,580	1,430	3,930	2,330	7,400
April	1,410	5,990	1,230	5,170	2,390	9,800
May	1,370	7,360	1,070	6,240	2,760	12,600
June	1,380	8,740	1,210	7,440	2,980	15,500
July	1,840	10,600	1,630	9,070	3,200	18,700

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

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	2008	2009		
		1st quarter	2nd quarter	July
Algeria	80	--	--	--
Belgium	218	(3)	19	--
Canada	9,030	425	653	348
China	91	4	3	--
Colombia	11	8	7	(3)
Czech Republic	83	--	--	--
France	210	(3)	74	--
Germany	156	--	--	--
Malaysia	25	1	--	--
Mexico	328	12	2	(3)
Peru	103	--	--	--
Romania	128	--	--	--
Serbia	51	--	--	--
Slovakia	505	--	--	--
Spain	102	--	--	--
Sweden	4	--	2	--
Other	14	1	3	(3)
Total	11,100	450	763	348
Concentrates	142	9	8	11
Coarse ores	46	(3)	1	--
Fine ores	136	10	5	1
Pellets	10,800	431	746	336
Briquettes	(3)	--	3	--
Other agglomerates	20	--	(3)	(3)
Roasted pyrites	(3)	--	(3)	(3)
Total	11,100	450	763	348

-- Zero.

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

[2]Includes agglomerates.

[3]Less 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	2009					2008
	July		Year to date			January-July
	Thousand metric tons	Value[3] (thousand dollars)	Thousand metric tons	Value[3] (thousand dollars)	Value[3] (dollars per ton)	Thousand metric tons
Brazil	23	1,550	114	8,620	75.68	1,570
Canada	239	32,100	1,280	167,000	131.05	3,210
Chile	--	--	99	8,670	87.71	129
China	--	--	--	--	--	7
Finland	--	--	3	180	64.49	6
Japan	--	--	--	--	--	(4)
Mexico	--	--	26	2,380	90.61	25
Netherlands	--	--	--	--	--	1
Norway	1	13	2	35	18.00	--
Peru	--	--	34	1,670	49.31	38
South Africa	--	--	29	1,850	64.28	--
Sweden	--	--	4	66	18.00	46
Switzerland	--	--	--	--	--	70
United Kingdom	--	--	8	1,630	197.51	--
Venezuela	--	--	--	--	--	48
Total	262	33,700	1,600	193,000	120.64	5,150
Concentrates	--	--	152	12,800	84.37	575
Coarse ores	--	--	8	1,630	197.51	37
Fine ores	31	1,690	295	25,300	85.63	1,050
Pellets	231	32,000	1,140	153,000	134.30	3,480
Briquettes	--	--	--	--	--	--
Other agglomerates	--	--	2	77	40.01	--
Roasted pyrites	--	--	3	180	64.49	10
Total	262	33,700	1,600	193,000	120.64	5,150

-- Zero.

[1]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.

[2]Includes agglomerates.

[3]Customs value. Excludes international freight and insurance charges.

[4]Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 7

U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN JULY 2009[1, 2]

(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Country of origin	Type of product						
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	Total
Brazil	--	--	23	--	--	--	23
Canada	--	--	7	231	--	--	239
Norway	--	--	1	--	--	--	1
Total	--	--	31	231	--	--	262

-- Zero.

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

[2]Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY[1]

Country of origin	2009 July Thousand metric tons	2009 July Value[2] (thousand dollars)	2009 Year to date Thousand metric tons	2009 Year to date Value[2] (thousand dollars)	2009 Year to date Value[2] (dollars per ton)	2008 January-July Thousand metric tons
Brazil	--	--	38	3,510	93.23	529
Canada	231	32,000	1,090	149,000	136.07	2,880
Peru	--	--	5	283	57.11	18
Venezuela	--	--	--	--	--	48
Total	231	32,000	1,140	153,000	134.30	3,480

-- Zero.
[1]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.
[2]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[1, 2]
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	July 2009	January-July 2009	January-July 2008
Baltimore, MD (13)	--	130	2,230
Charleston, SC (16)	--	4	14
Chicago, IL (39)	23	120	459
Cleveland, OH (41)	232	950	1,560
Houston-Galveston, TX (53)	--	38	30
Mobile, AL (19)	--	5	50
New Orleans, LA (20)	--	309	790
New York, NY (10)	--	--	1
Nogales, AZ (26)	--	2	--
Norfolk, VA (14)	--	--	2
Ogdensburg, NY (07)	2	11	4
Philadelphia, PA (11)	--	3	6
Port Arthur, TX (21)	--	8	--
Seattle, WA (30)	6	17	--
Total	262	1,600	5,150

-- Zero.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 10
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,
BY CUSTOMS DISTRICT[1]

(Thousand metric tons)

Customs district (code no.)	July 2009	January-July 2009	January-July 2008
Baltimore, MD (13)	--	130	1,180
Chicago, IL (39)	--	15	174
Cleveland, OH (41)	231	948	1,530
Houston - Galveston, TX (53)	--	38	30
Mobile, AL (19)	--	5	18
New Orleans, LA (20)	--	--	547
Total	231	1,140	3,480

-- Zero.

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

Source: U.S. Census Bureau.