

Mineral Industry Surveys

For information, contact:

John D. Jorgenson, Iron Ore Commodity Specialist
U.S. Geological Survey
989 National Center
Reston, VA 20192
Telephone: (703) 648-4912, Fax: (703) 648-7757
E-mail: jjorgenson@usgs.gov

Michelle B. Blackwell (Data)
Telephone: (703) 648-7943
Fax: (703) 648-7975
E-mail: mblackwell@usgs.gov

Internet: <http://minerals.usgs.gov/minerals>

IRON ORE IN OCTOBER 2009

U.S. mine production of iron ore in October 2009, on a daily average basis, was 16% greater than that for the prior month but still 32% less than that of October 2008, according to the U.S. Geological Survey (USGS). Average daily production, at 99,200 metric tons (t), was 13,900 t greater than that of September 2009.

Average daily shipments in October 2009, at 109,000 t, were 5% greater than those of the prior month but 47,900 t less than those of October 2008. Mine stocks at the end of October 2009 were 296,000 t less than the stocks held on September 30, a 5% decrease. U.S. net exports of iron ore in September 2009 were 119,000 t, with exports 23% greater than imports.

North American Production.—United States Steel Corp. (Pittsburgh, PA) had workers begin winterizing the Keetac plant in Keewatin, MN, in anticipation of extending the shutdown of operations (Skillings Mining Review, 2009).

Cliffs Natural Resources Inc. (Cleveland, OH) exercised its right of first refusal and announced it would purchase Wabush Mines, with mine, rail, concentrating, pelletizing, and port operations in Newfoundland and Labrador, and Quebec Provinces, Canada. Cliffs planned to purchase Wabush Mines from the two other joint venture partners—U.S. Steel Canada (Hamilton, Ontario, Canada) (a subsidiary of U.S. Steel) and ArcelorMittal Dofasco (Hamilton, Ontario, Canada) (a subsidiary of ArcelorMittal). The \$88-million purchase would increase Cliffs' ownership in the operations to 100% from 26.8%. Wabush Mines has a production capacity of 5.6 million metric tons per year (Mt/yr) and about 70 million metric tons (Mt) of iron ore reserves (Cliffs Natural Resources Inc., 2009).

World Production.—Fortescue Metals Group Ltd. (East Perth, Australia) decided to fund an expansion of its Pilbara operations itself after a deal with Chinese investors failed. The proposed \$6 billion funding requirement would be used to double iron ore output to 90 Mt/yr. Original funding with Chinese investors had been tied to an agreement by Fortescue to sell 20 Mt of iron ore to Chinese steel mills at a 35% reduction on the previous year's prices (Welch, 2009).

Mergers and Acquisitions.—Following announcements of nationalization of several hot briquetted iron (HBI) plants in Venezuela (See Iron Ore in August 2009), Weik (2009) reported extremely low levels of HBI production from Venezuela. Technical problems, labor issues, and output cuts caused by low prices and decreasing demand for product all contributed to these lower production levels.

Rio Tinto plc (London, United Kingdom) and BHP Billiton Ltd. (Melbourne, Australia) decided not to proceed with the formation of a joint venture iron ore marketing entity and instead were to market production from their planned joint venture separately (See Iron Ore in June 2009). The companies continued to merge production and development units to take advantage of significant operational synergies (BHP Billiton Ltd., 2009). The decision to keep separate marketing entities may aid regulators in appraising the merger. China Iron and Steel Association's unification of all Chinese iron ore purchasing in one organization may be seen, especially in light of the two major iron ore producing companies' withdrawal from a unified sales strategy, as a strong move away from balanced trade negotiations toward a market in which the purchaser (China) has greater control (Metal Bulletin, 2009).

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
2008:				
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
September	2,560	17,100	3,120	18,200
October	3,080	20,100	3,370	21,600

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 OCTOBER^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2009	2008	2009	2008	2009	2008
Michigan	977	1,100	864	1,110	1,510	2,550
Minnesota	2,100	3,440	2,510	3,750	3,620	3,260
Total	3,080	4,540	3,370	4,860	5,130	5,800

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
2008:				
September	1,390 ^r	1,100 ^r	9	2,500 ^r
October	1,760	984	8	2,750
November	1,370	801 ^r	6	2,170 ^r
December	832 ^r	737 ^r	4 ^r	1,570 ^r
Year total	18,700	13,400 ^r	77 ^r	32,100 ^r
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	3,350
June	820	1,080	10	1,910
July	1,360	1,430	10	2,800
August	1,480 ^r	1,570	8	3,060 ^r
September	1,540	1,580	8	3,130

^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		Electric furnace	
	Monthly	Year to date	Monthly	Year to date	Monthly	Year to date
2008:						
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
August	2,090	12,700	1,810	10,900	3,460	22,200
September	1,930	14,600	2,230	13,100	3,540	25,700

¹Data 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	August	September
Algeria	80	--	--	--	--	--
Belgium	218	(3)	19	--	(3)	25
Canada	9,030	425	653	348	384	369
China	91	4	3	--	34	58
Colombia	11	8	7	(3)	1	(3)
Czech Republic	83	--	--	--	--	--
France	210	(3)	74	--	26	78
Germany	156	--	--	--	--	81
Malaysia	25	1	--	--	--	--
Mexico	328	12	2	(3)	(3)	(3)
Poland ⁴	103	--	--	--	--	--
Romania	128	--	--	--	--	--
Serbia	51	--	--	--	--	--
Slovakia	505	--	--	--	--	--
South Africa	--	--	--	--	--	27
Spain	102	--	--	--	--	--
Sweden	4	--	2	--	1	--
Other	14	1	3	(3)	(3)	(3)
Total	11,100	450	763	348	447	639
Concentrates	142	9	8	11	33	57
Coarse ores	46	(3)	1	--	--	--
Fine ores	136	10	5	1	5	1
Pellets	10,800	431	746	336	409	581
Briquettes	(3)	--	3	--	--	(3)
Other agglomerates	20	--	(3)	(3)	--	--
Roasted pyrites	(3)	--	(3)	(3)	--	1
Total	11,100	450	763	348	447	639

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

⁴Correction to previous months' information should read Poland, not Peru.

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
	September		Year to date			January-September Thousand metric tons
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	
Bosnia and Herzegovina	--	--	--	--	--	23
Brazil	27	1,670	141	10,300	72.78	1,990
Canada	370	27,000	1,880	225,000	119.26	4,490
Chile	50	3,520	148	12,200	82.11	173
China	--	--	(4)	2	2,100.00	14
Finland	--	--	6	367	62.89	6
Italy	--	--	--	--	--	1
Japan	--	--	--	--	--	(4)
Mexico	--	--	54	4,510	84.10	25
Netherlands	--	--	--	--	--	1
Norway	--	--	2	35	18.00	--
Peru	--	--	34	1,670	49.31	39
Russia	70	4,270	70	4,270	60.77	66
South Africa	--	--	29	1,850	64.28	--
Spain	3	117	4	159	39.94	1
Sweden	--	--	4	66	18.00	46
Switzerland	--	--	--	--	--	70
United Kingdom	--	--	8	1,630	197.51	--
Venezuela	--	--	--	--	--	68
Total	520	36,600	2,380	262,000	109.78	7,010
Concentrates	50	3,520	229	18,500	80.68	965
Coarse ores	--	--	8	1,630	197.74	37
Fine ores	78	2,980	375	28,300	75.45	1,280
Pellets	390	30,000	1,760	213,000	120.87	4,720
Briquettes	3	117	4	159	39.94	(4)
Other agglomerates	--	--	2	77	40.01	--
Roasted pyrites	--	--	6	367	62.89	12
Total	520	36,600	2,380	262,000	109.78	7,010

-- 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 SEPTEMBER 2009^{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	--	--	27	--	--	--	27
Canada	--	--	50	320	--	--	370
Chile	50	--	--	--	--	--	50
Russia	--	--	--	70	--	--	70
Spain	--	--	--	--	3	--	3
Total	50	--	78	390	3	--	520

-- Zero.

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

²Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8
 U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY¹

Country of origin	2009					2008
	September		Year to date			January-September
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Bosnia and Herzegovina	--	--	--	--	--	23
Brazil	--	--	38	3,510	93.23	596
Canada	320	25,700	1,650	205,000	124.25	4,010
Peru	--	--	5	283	57.11	18
Russia	70	4,270	70	4,270	60.77	--
Venezuela	--	--	--	--	--	68
Total	390	30,000	1,760	213,000	120.87	4,720

-- 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.)	September	January-September	
	2009	2009	2008
Baltimore, MD (13)	215	345	2,830
Buffalo, NY (09)	--	--	1
Charleston, SC (16)	1	6	20
Chicago, IL (39)	97	247	818
Cleveland, OH (41)	149	1,300	2,300
Detroit, MI (38)	--	--	(3)
Houston-Galveston, TX (53)	--	38	31
Los Angeles, CA (27)	--	(3)	--
Mobile, AL (19)	--	5	50
New Orleans, LA (20)	50	386	946
New York, NY (10)	--	--	1
Nogales, AZ (26)	--	2	--
Norfolk, VA (14)	--	--	4
Ogdensburg, NY (07)	1	14	9
Philadelphia, PA (11)	--	6	6
Port Arthur, TX (21)	--	8	--
Seattle, WA (30)	7	24	--
Total	520	2,380	7,010

-- 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.)	September	January-September	
	2009	2009	2008
Baltimore, MD (13)	215	345	1,570
Chicago, IL (39)	27	71	174
Cleveland, OH (41)	148	1,300	2,270
Houston - Galveston, TX (53)	--	38	30
Mobile, AL (19)	--	5	18
New Orleans, LA (20)	--	--	658
Total	390	1,760	4,720

-- Zero.

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

Source: U.S. Census Bureau.