

Mineral Industry Surveys

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IRON ORE IN FEBRUARY 2010

U.S. mine production of iron ore in February 2010, on a daily average basis, was 19% greater than that for the prior month and 23% greater than that of February 2009, according to the U.S. Geological Survey (USGS). Average daily production, at 117,000 metric tons (t), was 19,000 t more than that of January 2010.

Average daily shipments in February 2010, at 33,700 t, were 56% less than those of the prior month but 18,000 t greater than those of February 2009. Mine stocks at the end of February 2010 were 2.32 million metric tons (Mt) greater than the stocks held on January 31, 2010, a 62% increase. U.S. net exports of iron ore in January 2010 were 215,000 t, with exports 56% greater than imports.

Price.—Iron ore negotiations for 2010–11 benchmark prices between Chinese steelmakers and Australian producers BHP Billiton Ltd. (Melbourne, Australia) and Rio Tinto plc (London, United Kingdom) began. Talks were held in Singapore owing to legal problems that developed last year for Rio Tinto's negotiators in China. Analysts expected ore prices to rise between 10% and 50% from those of the prior year with producers expected to hold back until Japan and the Republic of Korea had signed deals. Anticipation of the Indian Government introducing export duties on iron ore and a subsequent rise in spot iron ore prices from Indian iron ore exporters might push the contract benchmark price higher for this year's contract. The Brazilian Government's discussion of a possible iron ore export tax to stimulate the domestic steel industry was also seen as supporting an increase in contract prices (Cavallaro, 2010; Metal Bulletin, 2010a, b).

World Exploration and Development.—China's Sinosteel Midwest Corp. and the Karara joint venture between China's Anshan Iron and Steel Group and Australia's Gindalbie Metals Ltd. agreed to share infrastructure and mine services. The sharing of facilities was expected to enhance project economics and develop synergies between the Karara iron ore project and Sinosteel's Koolanooka/Blue Hills project in Western Australia. Sinosteel expected to begin operation of a 1.5-million-metric-ton-per-year hematite mine before the end of February. The

Ansteel-Gindalbie joint venture expected to begin production at Karara in 2011 (Mining Journal, 2010).

The Government of Afghanistan decided to rebid the 1.8-billion-metric-ton Hajigak iron ore deposit about 100 kilometers west of Kabul. Rumors about the initial bid concerning lack of transparency, low interest, and the exclusion of a downstream integrated steelmaking facility option were all factors in the decision to rebid the project (Skillings Mining Review, 2010).

Mergers and Acquisitions.—Cliffs Natural Resources Inc. (Cleveland, OH) completed the acquisition of Wabash Mines (See Iron Ore in October 2009.), with mine, rail, concentrating, pelletizing, and port operations in Newfoundland and Labrador, and Quebec Provinces, Canada (Cliffs Natural Resources Inc., 2010).

Mitsubishi Corp. (Tokyo, Japan) planned to acquire 25% of the shares in Compañía Minera del Pacífico (CMP) S.A. [the mining subsidiary of Compañía de Acero del Pacífico S.A. (Santiago, Chile)]. Mitsubishi would fund a \$400 million capital increase for CMP for a total acquisition cost of \$924 million. CMP has several Chilean iron ore mines, plants, and ancillary facilities, as well as mineral rights to several iron ore deposits in Chile (Reuters, 2010).

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
2009:				
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
November	3,140	23,300	4,380	26,000
December	3,180	26,500	3,960	29,900
2010:				
January	3,040	3,040	2,400	2,400
February	3,270	6,300	943	3,340

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 FEBRUARY^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2010	2009	2010	2009	2010	2009
Michigan	1,070	641	191	99	1,560	3,430
Minnesota	2,200	2,020	752	341	4,520	7,470
Total	3,270	2,660	943	440	6,080	10,900

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
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	1,570	8	3,060
September	1,540	1,580	8	3,130
October	2,060	1,510	7	3,580
November	2,010	1,000	8	3,020
December	1,660	1,320	(3)	2,980
Year total	17,100	14,500	73	31,700
2010, January	1,300	1,090	3	2,390

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

²Includes production from steel plant waste oxides.

³Less than ½ unit.

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
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
October	2,510	17,100	2,080	15,200	3,480	29,200
November	2,240	19,400	2,000	17,200	3,470	32,700
December	2,410	21,800	2,120	19,300	3,450	36,100
2010, January	2,350	2,350	1,830	1,830	3,890	3,890

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	2009						2010
	1st quarter	2nd quarter	3rd quarter	December	4th quarter	Total	January
Belgium	(3)	19	25	53	150	194	1
Canada	425	653	1,100	399	877	3,060	564
China	4	3	92	--	(3)	99	--
Colombia	8	7	1	2	3	19	2
France	(3)	74	105	--	(3)	179	--
Germany	--	--	81	--	153	234	--
Mexico	12	2	1	33	55	70	32
South Africa	--	--	27	--	25	52	--
Other ⁴	1	5	1	(3)	3	10	(3)
Total	450	763	1,430	487	1,270	3,910	599
Concentrates	9	8	101	1	5	123	3
Coarse ores	(3)	1	--	--	4	5	--
Fine ores	10	5	7	(3)	2	24	(3)
Pellets	431	746	1,330	485	1,260	3,760	596
Briquettes	--	3	(3)	--	--	3	(3)
Other agglomerates	--	(3)	(3)	(3)	(3)	(3)	--
Roasted pyrites	--	(3)	1	--	(3)	1	--
Total	450	763	1,430	487	1,270	3,910	599

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

⁴Includes all countries receiving less than 5,000 metric tons in any month during the 2-year period.

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	2010					2009
	January		Year to date			January
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Canada, total	384	29,800	384	29,800	77.64	147
Concentrates	--	--	--	--	--	--
Coarse ores	--	--	--	--	--	--
Fine ores	(4)	6	(4)	6	17.98	1
Pellets	384	29,800	384	29,800	77.62	146
Briquettes	--	--	--	--	--	--
Other agglomerates	--	--	--	--	--	--
Roasted pyrites	--	--	--	--	--	--
Total	384	29,800	384	29,800	77.64	147

-- 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 JANUARY 2010^{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	
Canada, total	--	--	(3)	384	--	--	384

-- 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	2010					2009
	January		Year to date			January
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Canada, total	384	29,800	384	29,800	77.62	147

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.)	January	
	2010	2009
Baltimore, MD (13)	384	130
Chicago, IL (39)	--	15
Ogdensburg, NY (07)	(3)	1
Total	384	147

-- 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.)	January	
	2010	2009
Baltimore, MD (13)	384	130
Chicago, IL (39)	--	15
Total	384	147

-- Zero.

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

Source: U.S. Census Bureau.