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Mineral Industry Surveys

For information, contact:
David E. Guberman, Lead Commodity Specialist
U.S. Geological Survey
989 National Center
Reston, VA 20192
Telephone: (703) 648-4977, Fax: (703) 648-7757
E-mail: dguberman@usgs.gov

Elsie D. Isaac (Data)
Telephone: (703) 648-7950
Fax: (703) 648-7975
E-mail: eisaac@usgs.gov

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

LEAD IN FEBRUARY 2009

Domestic mine production (recoverable) of lead in February was 31,200 metric tons (t), according to the U.S. Geological Survey. Average daily mine production in February was 1,110 t, up 2% from than that in January 2009. Secondary refinery production of lead increased by about 2% compared with that of the previous month. Secondary refinery production through February 2009 was 3% lower than that in the corresponding period of 2008.

Total imports of lead for consumption in January 2009 were about 17% lower than those in the same month of 2008. Canada (71%) and Mexico (26%) were the principal sources of imported refined lead. Total exports of lead, exclusive of scrap, in January 2009 were 138% higher than those in the previous month. The majority of lead contained in lead ore and concentrates, which represented 79% of total lead, exclusive of scrap, exported in January 2009, was sent to China (61%), the Republic of Korea (24%), and Canada (15%). Exports of lead scrap in January 2009 decreased by nearly 12% from those in the previous month.

According to Platts Metals Week, the average North American producer price for lead in February 2009 was $0.66 per pound, down slightly from that of the previous month and 55% lower than that in February 2008. The London Metal Exchange (LME) cash price in February 2009 averaged $1,100 per metric ton, down 3% from that of the previous month and 64% lower than that in February 2008. Global LME lead stocks at the end of February 2009 were 60,475 t, 13% higher than those at the end of January 2009 and 32% higher than those at month-end February 2008.

Effective February 10, section 101 of the Consumer Product Safety Improvement Act set new limits on the lead content allowed in any product intended primarily for use by children. In general, a children's product that contained more than 600 parts per million (ppm) of lead in any accessible part was to be treated as a hazardous substance. The sale of such products would be banned in the United States and would potentially result in civil and criminal liability. In August 2009, the allowable lead limits in children's products were to drop to 300 ppm, and the limits were to be reduced again in 2011 to the lowest lead level determined to be technologically feasible at the time (U.S. Consumer Product Safety Commission, 2009).

In mid-February, Exide Technologies (Alpharetta, GA) announced that it planned to invest $7 million in expansion projects at its Kansas City, KS, lead-acid battery manufacturing facility. The plant manufactures motive power lead-acid batteries that are used in forklifts, material handling, mining, and railroad equipment. The project was expected to be completed by yearend 2009 and included the installation of a new battery plate manufacturing line as well as improvements to existing production facilities (Exide Technologies, 2009).

In Belgium, Umicore s.a. (Brussels) announced that following a review, it had decided to close the lead sheet operation at its Overpelt facility. The company stated that the lead sheet segment had been operating in a declining market for some time. The European construction industry, which consumed lead sheet products for roofing, experienced a slowdown in activity during the fourth quarter of 2008 (Umicore s.a., 2009).

Xstrata plc (Zug, Switzerland) announced that it had received final approval from the Australian Minister for the Environment, Heritage, and the Arts, to proceed with an open pit development plan at its McArthur River zinc-lead mine in Australia's Northern Territory. Operations at the mine, which had been suspended in mid-December 2008 following a federal court ruling that invalidated a previous approval of the development plan, were restarted. Xstrata intended to convert the underground zinc-lead mine to an open pit operation in order to extend the life of the mine by about 25 years. According to Xstrata, the most accessible underground ore at the mine had been extracted, and further underground mining operations were no longer financially viable. The proposed development would have allowed Xstrata to mine identified reported reserves of 43 million metric tons of ore containing 11.9% zinc, 5.2% lead, and 53 grams per metric ton silver. Upon receiving final approval for the conversion, Xstrata expected that the construction process would last at least 2 years. Production capacity of zinc-lead-silver bulk concentrates at McArthur River was about 320,000 metric tons per year in 2008 (McArthur River Mining Pty. Ltd., 2009; Xstrata plc, 2009).

References Cited

Exide Technologies, 2009, Exide Technologies announces planned expansion at Kansas City industrial energy facility: Alpharetta, GA, Exide Technologies news release, February 12, 2 p.

McArthur River Mining Pty. Ltd., 2009, McArthur River Mine open pit development: Winnellie, Northern Territory, Australia, McArthur River Mining Pty. Ltd. (Accessed April 24, 2009, at http://www.mcarthurriver.com.au/index.htm.)

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U.S. Consumer Product Safety Commission, 2009, Statement of commission enforcement policy on section 101 lead limits: U.S. Consumer Product Safety Commission, 6 p. (Accessed April 28, 2009, at http://www.cpsc.gov/about/cpsia/101lead.pdf.)

Xstrata plc, 2009, Xstrata zinc welcomes minister Garrett's decision to approve the McArthur River Mine open-pit expansion: Zug, Switzerland, Xstrata plc news release, February 20, 2 p.

TABLE 1
SALIENT LEAD STATISTICS IN THE UNITED STATES[1]

(Metric tons, lead content, unless otherwise specified)

	2008		2009		
	Year	January-February	January	February	January-February
Production:					
Mine (recoverable)	414,000	74,900	33,800	31,200	65,000
Secondary refinery:					
Reported by smelters/refineries	1,170,000	198,000	95,100	96,800	192,000
Estimated	13,700	1,980	951	968	1,920
Recovered from copper-base scrap[e]	15,000	2,500	1,250	1,250	2,500
Total secondary	1,200,000	202,000	97,300	99,000	196,000
Consumption:					
Reported	1,560,000	269,000	119,000 [r]	119,000	238,000
Undistributed[e]	46,700	8,080	3,570 [r]	3,580	7,150
Total	1,600,000	277,000	123,000	123,000	245,000
Stocks, end of period, consumers and secondary smelters	69,900	52,600	71,400 [r]	73,000	73,000
Imports for consumption:					
Base bullion	2,740	138	57	NA	57 [2]
Refined metal	309,000	50,500	20,300	NA	20,300 [2]
Exports:					
Ore and concentrate	277,000	18,100	23,700	NA	23,700 [2]
Bullion	614	35	16	NA	16 [2]
Wrought and unwrought lead	74,200	13,000	6,230	NA	6,230 [2]
TEL/TML preparations, based on lead compounds	2,330	447	49	NA	49 [2]
Scrap (gross weight)	175,000	38,000	11,800	NA	11,800 [2]
Platts Metals Week North American producer price (cents per pound)	120.33	148.46	66.79	66.01	66.40

[e]Estimated. [r]Revised. NA Not available.

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

[2]Includes data for January only; February 2009 data were not available at time of publication.

TABLE 2
MONTHLY AVERAGE LEAD PRICES

	North American producer price	LME		Sterling exchange rate
	cents/lb	$/metric ton	£/metric ton	dollars/£
2008:				
December	81.51	961.89	647.56	1.485405
Year	120.33	2,089.71	1,128.19	1.852265
2009:				
January	66.79	1,131.58	782.46	1.446210
February	66.01	1,099.61	758.55	1.444962

Source: Platts Metals Week.

TABLE 3
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP[1]

(Metric tons, gross weight)

Item	Stocks January 31, 2009	Net receipts	Consumption	Stocks February 28, 2009
Battery-lead	15,600	89,400	87,200	17,900
Soft lead	W	W	W	W
Drosses and residues	W	W	W	W
Other[2]	1,690 r	7,370	7,440	1,620
Total	17,300 r	96,800	94,600	19,500
Percent change from preceding month	XX	+4.2	+0.1	+12.5

rRevised. W Withheld to avoid disclosing company proprietary data; included with "Other." XX Not applicable.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes solder, common babbitt, antimonial lead, cable covering, type metals, and other lead-base scrap.

TABLE 4
LEAD, TIN, AND ANTIMONY RECOVERED FROM
LEAD-BASE SCRAP IN FEBRUARY[1]

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	52,700	--	--
Remelt lead	W	--	--
Antimonial lead	11,000*	(2)	(2)
Other[3]	33,000*	(2)	(2)
Total lead-base	96,800	132	230

W Withheld to avoid disclosing company proprietary data; included in "Other."
-- Zero.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Withheld to avoid disclosing company proprietary data; included in "Total."
[3]Includes cable lead, lead-base babbitt, solder, type metals, and other products.
*Correction posted on June 9, 2009.

TABLE 5
CONSUMPTION OF LEAD IN THE UNITED STATES[1]

(Metric tons, lead content)

Use	2008		2009		
	January-December	January-February	January	February	January-February
Metal products:					
Ammunition, shot and bullets	74,500	12,600	5,000	5,280	10,300
Brass and bronze, billet and ingots	2,260	674	362	363	725
Cable covering, power and communication and calking lead, building construction	7,340	1,250	648	772	1,420
Casting metals	31,700	5,280	1,670 r	1,670	3,330
Sheet lead, pipes, traps and other extruded products	27,800	4,570	2,270	2,270	4,540
Solder	7,040	1,170	573 r	573	1,150
Storage batteries, including oxides	1,360,000	237,000	105,000	105,000	210,000
Terne metal, type metal, and other metal products[2]	26,600	2,800	1,390	1,390	2,780
Total metal products	1,540,000	265,000	117,000 r	117,000	234,000
Other oxides and miscellaneous	15,600	3,980	1,980	1,890	3,870
Total reported	1,560,000	269,000	119,000 r	119,000	238,000
Undistributed[e]	46,700	8,080	3,570 r	3,580	7,150
Grand total	1,600,000	277,000	123,000	123,000	245,000

[e]Estimated. [r]Revised.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes lead consumed in foil, collapsible tubes, annealing, plating, galvanizing, and fishing weights.

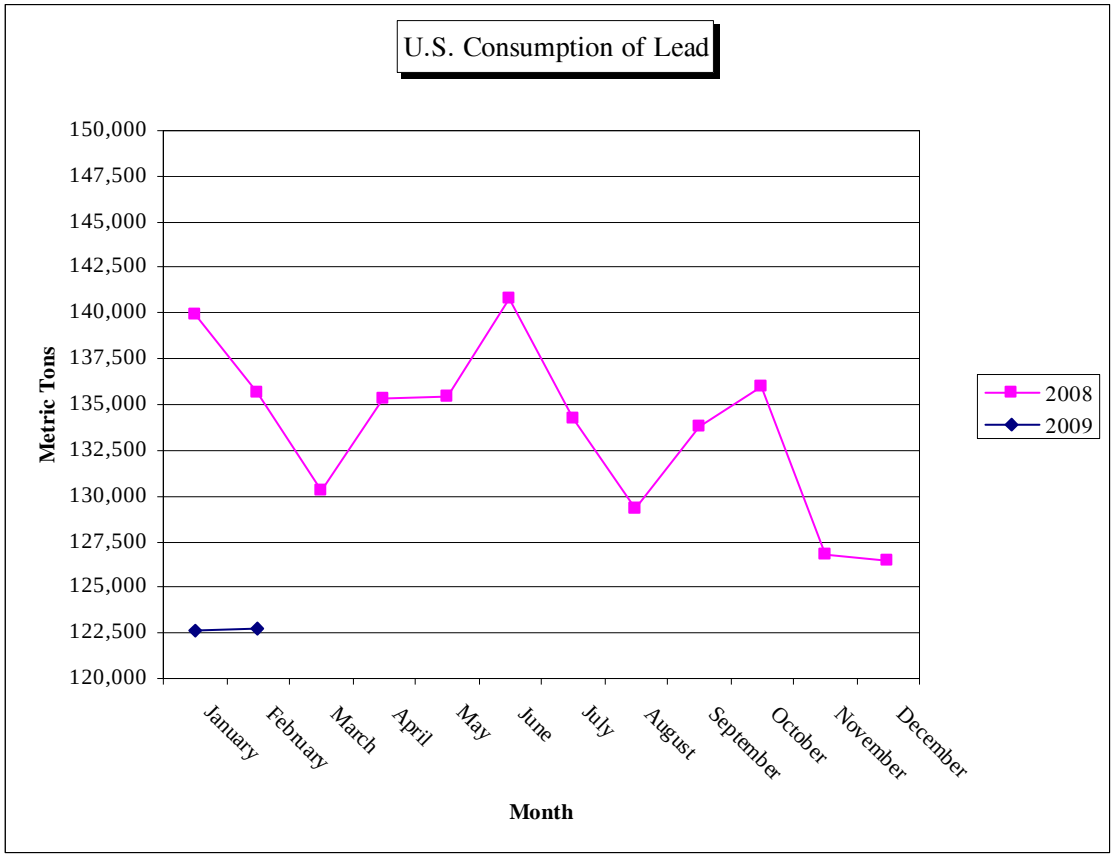

TABLE 6
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS, AND CONSUMPTION OF LEAD[1]

(Metric tons, lead content)

Type of material	Stocks January 31, 2009	Net receipts	Consumption	Stocks February 28, 2009
Soft lead	37,100 r	66,500	65,200	38,400
Antimonial lead	19,600 r	23,200	22,600	20,200
Lead alloys	W	W	W	W
Copper-base scrap	W	W	W	W
Total	71,400 r	121,000	119,000	73,000

rRevised. W Withheld to avoid disclosing company proprietary data; included in "Total."
[1]Data are rounded to no more than three significant digits.

TABLE 7
U.S. EXPORTS OF LEAD, BY CLASS[1]

(Metric tons)

	2008		2009
	December	Year	January
Lead content:			
Ore and concentrates	4,440	277,000	23,700
Bullion	40	614	16
Materials excluding scrap	7,970	74,200	6,230
TEL/TML preparations, based on lead compounds	165	2,330	49
Total	12,600	354,000	30,000
Gross weight, scrap	13,400	175,000	11,800

[1]Data are rounded to more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.

TABLE 8

U.S. IMPORTS OF LEAD BY TYPE OF MATERIALS AND BY COUNTRY OF ORIGIN[1]

(Metric tons, lead content)

	General imports				Imports for consumption			
	2008			2009	2008			2009
Country of origin	Year	January	December	January	Year	January	December	January
Ore, matte, etc.:								
Canada	41	--	--	--	41	--	--	--
Mexico	451	--	--	--	451	--	--	--
Total	492	--	--	--	492	--	--	--
Base bullion:								
Colombia	92	20	--	--	92	20	--	--
Mexico	2,040	--	97	57	2,040	--	97	57
Other	602	--	--	--	602	--	--	--
Total	2,740	20	97	57	2,740	20	97	57
Pigs and bars:								
Canada	219,000	19,900	14,200	14,400	219,000	19,900	14,200	14,400
Mexico	58,100	3,140	4,800	5,320	58,100	3,140	4,800	5,320
Peru	10,600	656	496	496	10,600	656	496	496
Other	22,300	756	366	93	22,300	756	366	93
Total	309,000	24,400	19,900	20,300	309,000	24,400	19,900	20,300
Grand total	313,000	24,400	20,000	20,400	313,000	24,400	20,000	20,400

-- Zero.

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

Source: U.S. Census Bureau.