Mineral Industry Surveys

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LEAD IN JUNE 2009

Domestic mine production (recoverable) of lead in June was 33,700 metric tons (t), according to the U.S. Geological Survey. Average daily mine production in June was 1,120 t, up 4% from that in May 2009. Secondary refinery production of lead increased slightly compared with that of the previous month. Secondary refinery production through June 2009 was 6% lower than that in the corresponding period of 2008.

Total imports of lead for consumption through May 2009 were about 22% lower than those in the same period of 2008. Canada (80%) and Mexico (17%) were the principal sources of imported refined lead through May 2009. Total exports of lead, exclusive of scrap, in May 2009 were 42% lower than those in the previous month owing to a decrease in shipments of lead ore and concentrates. Exports of lead scrap in May 2009 increased by 18% from those in the previous month.

According to Platts Metals Week, the average North American producer price for lead in June 2009 was $0.82 per pound, up 14% from that of the previous month and 29% lower than that in June 2008. The London Metal Exchange (LME) cash price in June 2009 averaged $1,674 per metric ton, up 16% from that of the previous month and 10% lower than that in June 2008. Global LME lead stocks at the end of June 2009 were 91,650 t, 16% higher than those at the end of May 2009 and 9% lower than those at month-end June 2008.

The latest lead-acid battery shipment report released by the Battery Council International revealed that North American shipments of original equipment (OE) and replacement lead-acid automotive batteries through the first 6 months of 2009 had declined about 9% when compared with those of the same time period of 2008. North American shipments of replacement lead-acid automotive batteries (47.3 million) through June 2009 were slightly lower than those in the corresponding period of 2008. Shipments of OE lead-acid automotive batteries (5.98 million) through June 2009 declined by 40% compared with shipments through June 2008. OE battery shipments had been affected by the slowdown in domestic vehicle production. Through the second quarter of 2009, about 50% fewer vehicles (personal cars, trucks, and light commercial vehicles) were manufactured in the United States compared with those through the second quarter of 2008 (Battery Council International, 2009).

In early June, lead-acid battery manufacturer Johnson Controls Inc. (JCI) (Milwaukee, WI) announced that it was planning to build a $100 million battery recycling plant in Florence, SC, that would eventually employ about 200 workers. JCI expected to break ground in the fall and commence production at the facility by yearend 2010. This would be the first recycling plant that JCI operated in the United States. According to the company, the new facility would be outfitted with state-of-the-art environmental controls and would conform well within all Federal, State, and local environmental regulations. Production capacity at the plant was expected initially to be about 90,000 metric tons per year (t/yr) of refined lead and would expand to 180,000 t/yr shortly after operations at the facility commence (CRU International Ltd., 2009, p. 123; Shaffer, 2009).

In Italy, Glencore International AG (Baar, Switzerland) placed the lead production line at is Porto Vesme metallurgical complex (Sardinia) on temporary care-and-maintenance status. Porto Vesme is an integrated zinc and lead smelting operation that has the capability to smelt both primary and secondary materials. Production capacity at the facility was reported to be 120,000 t/yr refined zinc and 80,000 t/yr refined lead. The zinc production line was expected to continue operating at normal production levels (O’Donovan, 2009).

In mid-June, OZ Minerals Ltd. (Melbourne, Australia) announced that its shareholders had approved the sale of certain assets to a wholly owned subsidiary of State-owned China Minmetals Corp. (Beijing, China) called China Minmetals Non-Ferrous Metals Co., Ltd. According to the agreement, China Minmetals acquired the Avebury (nickel), Century (zinc-silver-lead), Golden Grove (zinc-copper), and Rosebery (zinc-lead-silver-copper-gold) mines in Australia, Sepon (gold-copper) operations in Laos, and other development projects for a total of $1.35 billion after settlement adjustments. Shortly after the acquisition, China Minmetals formed a new Australian-based company called Minerals and Metals Group (MMG) to manage the new mining and exploration projects. The Australian assets that MMG acquired produced about 101,000 t of lead in concentrate in 2008 (China Minmetals Corp. 2009; OZ Minerals Ltd., 2009).

References Cited

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TABLE 1

SALIENT LEAD STATISTICS IN THE UNITED STATES[1]

(Metric tons, lead content, unless otherwise specified)

	2008		2009		
	Year	January-June	May	June	January-June
Production:					
Mine (recoverable)	414,000	210,000	33,600 r	33,700	200,000
Secondary refinery:					
Reported by smelters/refineries	1,170,000	598,000	89,500	91,700	559,000
Estimated	13,700	5,980	895	917	5,600
Recovered from copper-base scrap[e]	15,000	7,500	1,250	1,250	7,500
Total secondary	1,200,000	612,000	91,600	93,800	572,000
Consumption:					
Reported	1,560,000	789,000	112,000 r	114,000	695,000
Undistributed[e]	46,700	20,900	3,370 r	3,420	20,800
Total	1,600,000	810,000	116,000 r	117,000	715,000
Stocks, end of period, consumers and secondary smelters	69,900	51,100	70,200 r	65,600	65,600
Imports for consumption:					
Base bullion	2,740	1,770	39	NA	384 [2]
Refined metal	309,000	160,000	25,000	NA	104,000 [2]
Exports:					
Ore and concentrate	277,000	54,100	20,800	NA	106,000 [2]
Bullion	614	425	--	NA	25 [2]
Wrought and unwrought lead	74,200	32,300	8,130	NA	40,600 [2]
TEL/TML preparations, based on lead compounds	2,330	1,330	189	NA	1,610 [2]
Scrap (gross weight)	175,000	94,500	14,100	NA	59,700 [2]
Platts Metals Week North American producer price (cents per pound)	120.33	141.40	71.79	81.92	70.05

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

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

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

TABLE 2

MONTHLY AVERAGE LEAD PRICES

	North American producer price cents/lb	London Metal Exchange cash $/metric ton	London Metal Exchange cash £/metric ton	Sterling exchange rate dollars/£
2008:				
June	115.21	1,862.33	947.05	1.966448
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
March	66.53	1,238.25	876.74	1.412341
April	67.24	1,382.08	940.30	1.469815
May	71.79	1,439.58	934.07	1.541189
June	81.92	1,673.65	1,012.14	1.635659

Source: Platts Metals Week.

TABLE 3

CONSUMPTION OF PURCHASED LEAD-BASE SCRAP[1]

(Metric tons, gross weight)

Item	Stocks May 31, 2009	Net receipts	Consumption	Stocks June 30, 2009
Battery-lead	18,500 r	89,700	93,600	14,500
Soft lead	W	W	W	W
Drosses and residues	W	W	W	W
Other[2]	1,150 r	6,940	6,940	1,140
Total	19,600 r	96,600	101,000	15,600
Percent change from preceding month	XX	+3.5	+3.2	-20.3

[r]Revised. 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 JUNE[1]

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	48,700	--	--
Remelt lead	W	--	--
Antimonial lead	13,600	(2)	(2)
Other[3]	29,300	(2)	(2)
Total lead-base	91,700	134	248

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.

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

(Metric tons, lead content)

Use	2008 January-December	2008 January-June	2009 May	2009 June	2009 January-June
Metal products:					
Ammunition, shot and bullets	74,500	38,400	5,630	7,510	36,600
Brass and bronze, billet and ingots	2,260	1,970	319	319	2,000
Cable covering, power and communication and calking lead, building construction	7,340	4,280	305 r	299	3,570
Casting metals	31,700	15,900	1,680	1,670	10,100
Sheet lead, pipes, traps and other extruded products	27,800	14,100	2,170	2,140	13,500
Solder	7,040	3,520	629	629	3,610
Storage batteries, including oxides	1,360,000	691,000	98,300 r	98,500	605,000
Terne metal, type metal, and other metal products[2]	26,600	8,230	1,390	1,390	8,330
Total metal products	1,540,000	777,000	110,000 r	112,000	683,000
Other oxides and miscellaneous	15,600	11,800	1,960 r	1,590	11,500
Total reported	1,560,000	789,000	112,000 r	114,000	695,000
Undistributed[e]	46,700	20,900	3,370 r	3,420	20,800
Grand total	1,600,000	810,000	116,000 r	117,000	715,000

[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.

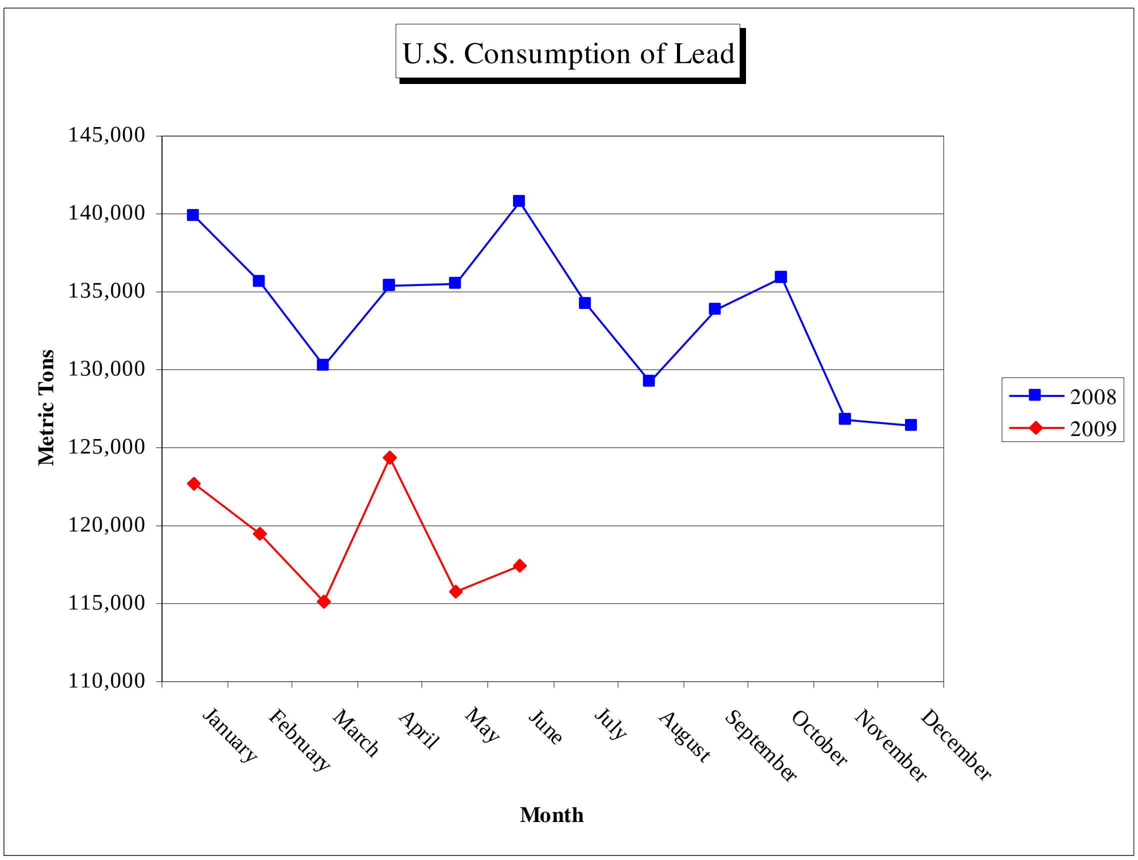

TABLE 6

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

(Metric tons, lead content)

Type of material	Stocks May 31, 2009	Net receipts	Consumption	Stocks June 30, 2009
Soft lead	28,000 r	71,600	74,300	25,300
Antimonial lead	20,000 r	23,200	25,200	18,100
Lead alloys	W	W	W	W
Copper-base scrap	W	W	W	W
Total	70,200 r	109,000	114,000	65,600

[r]Revised. 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		
	May	Year	April	May	January-May
Lead content:					
Ore and concentrates	8,640	277,000	37,800	20,800	106,000
Bullion	121	614	10	--	25
Materials excluding scrap	5,340	74,200	11,900	8,130	40,600
TEL/TML preparations, based on lead compounds	83	2,330	652	189	1,610
Total	14,200	354,000	50,400	29,200	148,000
Gross weight, scrap	9,990	175,000	11,900	14,100	59,700

-- Zero.

[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-May	April	May	January-May	Year	January-May	April	May	January-May
Ore, matte, etc.:										
Canada	41	41	272	136	744	41	41	272	136	744
Mexico	451	206	--	--	--	451	206	--	--	--
Total	492	247	272	136	744	492	247	272	136	744
Base bullion:										
Colombia	92	360	--	--	--	92	360	--	--	--
Mexico	2,040	1,070	60	39	384	2,040	1,070	60	39	384
Other	602	20	--	--	--	602	20	--	--	--
Total	2,740	1,450	60	39	384	2,740	1,450	60	39	384
Pigs and bars:										
Canada	219,000	99,300	19,300	20,400	83,300	219,000	99,300	19,300	20,400	83,300
Mexico	58,100	23,700	2,260	4,660	17,400	58,100	23,700	2,260	4,660	17,400
Peru	10,600	4,620	--	--	991	10,600	4,620	--	--	991
Other	22,300	5,350	809	9	2,540	22,300	5,350	809	9	2,540
Total	309,000	133,000	22,400	25,000	104,000	309,000	133,000	22,400	25,000	104,000
Grand total	313,000	135,000	22,700	25,200	105,000	313,000	135,000	22,700	25,200	105,000

-- Zero.

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

Source: U.S. Census Bureau.