

TALC AND PYROPHYLLITE

(Data in thousand metric tons unless otherwise noted)

Domestic Production and Use: Domestic talc production in 2009 was estimated to be 527,000 tons valued at \$15 million. There were seven talc-producing mines in four States in 2009. Montana was the leading producer, followed by Texas, Vermont, and California. Two other companies, one in California and one in Virginia, worked from stocks. Sales of talc were estimated to be 514,000 tons valued at \$63 million. About 36% of the talc produced domestically was exported in 2009. Talc produced and sold in the United States was used for paint, 21%; paper, 20%; ceramics, 18%; plastics, 10%; roofing, 8%; rubber, 3%; cosmetics, 3%; and other, 17%. About 98,000 tons of talc was imported with more than 75% of the imported talc being used for plastics, cosmetics, and paint applications, in decreasing order by tonnage. The total estimated use of talc in the United States, with imported talc included, was plastics, 22%; paint, 17%; paper, 16%; ceramics, 15%; roofing, 7%; cosmetics, 5%; rubber, 3%; and other, 15%. One company in North Carolina mined pyrophyllite. Production of pyrophyllite decreased from that of 2008. Consumption was, in decreasing order by tonnage, in refractory products, ceramics, and paint.

Salient Statistics—United States: ¹	2005	2006	2007	2008	2009^e
Production, mine	856	895	769	706	527
Sold by producers	826	900	720	667	514
Imports for consumption	237	314	221	193	98
Exports	270	253	271	244	190
Shipments from Government stockpile excesses	—	—	—	(²)	—
Consumption, apparent	823	956	719	655	435
Price, average, processed, dollars per ton	86	90	114	125	123
Employment, mine and mill	440	435	430	350	280
Net import reliance ³ as a percentage of apparent consumption	E	6	E	E	E

Recycling: Insignificant.

Import Sources (2005-08): China, 46%; Canada, 33%; Japan, 9%; France, 5%; and other, 7%.

Tariff: Item	Number	Normal Trade Relations 12-31-09
Not crushed, not powdered	2526.10.0000	Free.
Crushed or powdered	2526.20.0000	Free.
Cut or sawed	6815.99.2000	Free.

Depletion Allowance: Block steatite talc, 22% (Domestic), 14% (Foreign); and other, 14% (Domestic and foreign).

Government Stockpile:

Material	Stockpile Status—9-30-09⁴ (Metric tons)			
	Uncommitted inventory	Authorized for disposal	Disposal plan FY 2009	Disposals FY 2009
Talc, block and lump	865	865	⁵ 907	—
Talc, ground	621	621	(⁶)	—

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Events, Trends, and Issues: The continued slowdown of the U.S. and world economies affected the talc industry in 2009. Major market sectors, such as automotive, housing, and general manufacturing, declined in 2008 and made no significant recovery by mid-2009. This affected talc sales for such product applications as adhesives, caulks, ceramics, joint compounds, paint, plastics, roofing, and rubber. Many governments instituted economic stimulus programs that helped to improve the stability of banking and finance systems in 2008 but most major world economies continued to decline in early 2009. By mid-2009, there were indications that the world economies were stabilizing. However, concerns over job losses, increased saving rates in the United States, and tight credit have dampened consumer spending. This, in turn, has affected new home construction and the recovery of the manufacturing sector, on which talc sales are strongly dependent. Consumer product inventory draw downs during this time of slow sales further reduced demands by the manufacturing sector. The slowdown in major industries that use pyrophyllite to produce ceramic, paint, and refractory products also negatively affected pyrophyllite sales.

Production and sales of talc declined 25% and 23%, respectively, from those of 2008. The economic recession worldwide resulted in a significant decline in U.S. talc exports in 2009. U.S. exports of talc decreased 22% from those of 2008. Mexico was the leading destination for U.S. talc exports, accounting for 32% of the tonnage. Canada followed closely with 12% of the export tonnage. U.S. imports decreased 49% from those of 2008. In 2009, Canada and China supplied approximately 84% of the imported talc. Apparent consumption decreased by 34% in 2009. U.S. apparent consumption, production, and sales of talc may experience additional declines in 2010 based on current market conditions. The economy's impact on the U.S. talc industry is best illustrated by the fact that U.S. apparent consumption, production, and sales of talc have not been this low since the late 1940s.

Europe's leading world producer of talc entered a joint venture to produce talc in Liaoning Province, China. The venture allows the company to access high quality talc reserves in China and reduce its dependence on talc from its Finnish operation and other sources. The move also was taken because many of the company's customers were relocating in Asia, where markets were expanding. The leading Indian talc producer opened a new talc mill in Thailand to process Indian ore for Southeast Asian markets.

World Mine Production and Reserves:

	Mine production		Reserves ⁷
	2008	2009 ^e	
United States ¹	706	527	140,000
Brazil	405	405	180,000
China	2,200	2,200	Large
Finland	550	525	Large
India	647	650	4,000
Japan	355	350	100,000
Korea, Republic of	825	800	14,000
Other countries	<u>1,820</u>	<u>1,750</u>	<u>Large</u>
World total (rounded)	7,510	7,210	Large

World Resources: The United States is self-sufficient in most grades of talc and related minerals. Domestic and world resources are estimated to be approximately five times the quantity of reserves.

Substitutes: Substitutes for talc include bentonite, chlorite, kaolin, and pyrophyllite in ceramics; chlorite, kaolin, and mica in paint; calcium carbonate and kaolin in paper; bentonite, kaolin, mica, and wollastonite in plastics; and kaolin and mica in rubber.

^eEstimated. E Net exporter. — Zero.

¹Excludes pyrophyllite.

²Less than ½ unit.

³Defined as imports – exports + adjustments for Government and industry stock changes.

⁴See Appendix B for definitions.

⁵Includes block and lump talc and ground talc.

⁶Included in block and lump talc.

⁷See Appendix C for definitions. Reserve base estimates were discontinued in 2009; see Introduction.