

Mineral Industry Surveys

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ZINC IN MAY 2013

Domestic mine production (recoverable) of zinc in May 2013 was 65,600 metric tons (t). Average daily mine production in May was 2,120 t, essentially unchanged from that in April 2013 and 9% more than that in May 2012.

The Platts Metals Week average price for North American Special High Grade (SHG) zinc for May 2013 was 91.96 cents per pound, slightly less than the April 2013 average price and 3% less than the May 2012 average price. The average London Metal Exchange Ltd. (LME) cash price of SHG zinc for May 2013 was \$1,828.76 per metric ton, slightly less than the average price in April 2013 and 5% less than the average price in May 2012. During May 2013, global LME stocks of SHG zinc increased by 24,175 t to 1,086,350 t.

Update

Concern over long load-out queues at LME warehouses has prompted recent action by the LME and regulatory agencies. Industry reports indicated that trader premiums for zinc have risen, and limited material was available for prompt delivery owing to high levels of zinc inventory held in New Orleans LME warehouses and lengthy load-out queues, estimated by one trader to be about 10 months (O'Donovan, 2013).

On July 1, the LME proposed new delivery rates for warehouses with long load-out queues, such as those in Detroit, MI; New Orleans, LA; Antwerp, Belgium; Johor, Malaysia; and Vlissingen, Netherlands. Under the new proposal, the amount of metal loaded into warehouses would be monitored for a 3-month period. At the end of the time period, warehouses with queues of 100 days or more would be required to deliver out more metal than it loads in until the queue falls to fewer than 100 days. The LME was to decide on

whether to adopt the proposal at a board meeting in October, and if adopted, the proposal would be implemented in April 2014 (Burton, 2013; Thomas, 2013).

In mid-July, the U.S. Commodity Futures Trading Commission ordered certain banks and trading companies to preserve documents from the past 3 years ahead of a possible investigation into the activities of metal warehousing businesses. Documents requested included communication relating to complaints about daily load-out rates, delivery policies, high load-out requests, and premiums given to metal producers in exchange for storing metal. On July 23, the U.S. Senate Committee on Banking, Housing, and Urban Affairs held a hearing to examine whether financial holding companies should own metal warehouses in the United States (American Metal Market, 2013; Mason, 2013).

References Cited

- American Metal Market, 2013, Senate to hear roles of banks in warehouses: American Metal Market, July 17. (Accessed on July 17, 2013, via <http://www.amm.com/>)
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- Mason, Josephine, 2013, CFTC puts metals warehouses on notice of possible probe: Reuters, July 22. (Accessed on July 26, 2013, at <http://www.reuters.com/article/2013/07/22/us-cftc-warehouses-enquiry-idUSBRE96L0CY20130722>.)
- O'Donovan, Barbara, 2013, Zinc premiums jump in New Orleans: American Metal Market, May 24. (Accessed on Jul 30, 2013, via <http://www.amm.com/>)
- Thomas, Susan, 2013, Update 2—LME tries Chinese medicine to cut metals warehouse queues: Reuters, July 1. (Accessed on July 26, 2013, at <http://uk.reuters.com/article/2013/07/01/lme-warehousing-idUKL5N0F724I20130701>.)

TABLE 1
SALIENT ZINC STATISTICS¹

(Metric tons, unless otherwise specified)

| | 2012 ^P | 2013 | | |
|--|----------------------|----------|----------|-----------------|
| | January– December | April | May | January– May |
| Production: | | | | |
| Mine, zinc content of concentrate ² | 738,000 | 65,400 | 67,900 | 314,000 |
| Mine, recoverable zinc ² | 713,000 | 63,200 | 65,600 | 303,000 |
| Smelter, refined zinc ^{e,3} | 261,000 | 20,200 | 20,200 | 95,900 |
| Consumption of refined zinc: | | | | |
| Apparent ^{e,4,5} | 904,000 | 98,400 | 79,400 | 406,000 |
| Imports for consumption: | | | | |
| Ore and concentrate (zinc content) | 6,140 | 247 | 312 | 1,180 |
| Refined zinc | 655,000 | 75,700 | 57,800 | 303,000 |
| Exports: | | | | |
| Ore and concentrate (zinc content) | 592,000 | 10,700 | 6,310 | 46,800 |
| Refined zinc | 14,100 | 2,440 | 1,450 | 7,330 |
| Price:⁶ | | | | |
| London Metal Exchange cash, average, dollars per metric ton | 1,947.73 | 1,852.63 | 1,828.76 | 1,955.76 |
| Platts Metals Week North American, average, cents per pound | 95.76 | 92.83 | 91.96 | 97.29 |

^eEstimated. ^PPreliminary.

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

²Reported zinc content in both zinc and lead concentrates.

³Includes zinc metal used to manufacture zinc oxide.

⁴Smelter production plus imports for consumption minus domestic exports plus stock change.

⁵The collection of monthly consumer stocks data is in the process of being discontinued. As of January 2013, apparent consumption is equal to smelter production plus imports for consumption minus domestic exports.

⁶Special High Grade Zinc.

TABLE 2
MINE AND SMELTER PRODUCTION OF ZINC
IN THE UNITED STATES¹

(Metric tons)

| Period | Mine ² | | Smelter ^{e,3} |
|--------------------------|-------------------|-------------|------------------------|
| | Zinc content | Recoverable | |
| 2012:^P | | | |
| May | 62,300 | 60,200 | 22,600 |
| June | 56,600 | 54,700 | 22,600 |
| July | 60,600 | 58,600 | 20,000 |
| August | 58,900 | 56,900 | 20,000 |
| September | 62,300 | 60,200 | 20,000 |
| October | 57,500 | 55,500 | 22,700 |
| November | 67,000 | 64,800 | 22,700 |
| December | 70,600 | 68,200 | 22,700 |
| January–December | 738,000 | 713,000 | 261,000 |
| 2013: | | | |
| January | 66,000 | 63,800 | 18,500 |
| February | 56,400 | 54,500 | 18,500 |
| March | 57,800 | 56,000 | 18,500 |
| April | 65,400 | 63,200 | 20,200 |
| May | 67,900 | 65,600 | 20,200 |
| January–May | 314,000 | 303,000 | 95,900 |

^eEstimated. ^PPreliminary.

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

²Includes the zinc content in both lead and zinc concentrates.

³Includes zinc metal used to manufacture zinc oxide.

TABLE 3
U.S. IMPORTS FOR CONSUMPTION OF ZINC¹

(Gross weight, unless otherwise specified)

| Material | 2012 | | 2013 | | | |
|------------------------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
| | Quantity (metric tons) | Value (thousands) | May | | January–May | |
| | | | Quantity (metric tons) | Value (thousands) | Quantity (metric tons) | Value (thousands) |
| Ore and concentrate (zinc content) | 6,140 | \$11,200 | 312 | \$707 | 1,180 | \$2,630 |
| Unwrought: | | | | | | |
| Refined zinc | 655,000 | 1,320,000 | 57,800 | 112,000 | 303,000 | 623,000 |
| Zinc alloys | 20,600 | 41,900 | 679 | 1,380 | 3,690 | 7,740 |
| Wrought: | | | | | | |
| Bars, rods, profiles, wire | 2,570 | 7,270 | 213 | 584 | 1,180 | 3,360 |
| Plates, sheets, strip, foil | 2,920 | 12,700 | 321 | 1,180 | 1,510 | 6,070 |
| Other: | | | | | | |
| Dross, ashes, fume (zinc content) | 23,200 | 26,800 | 2,000 | 2,190 | 8,270 | 9,510 |
| Powders, flakes, dust | 28,200 | 80,500 | 2,230 | 6,430 | 10,700 | 31,500 |
| Waste and scrap | 20,000 | 24,600 | 2,330 | 2,970 | 7,240 | 9,220 |
| Chemicals: | | | | | | |
| Oxide | 82,700 | 158,000 | 8,870 | 18,200 | 41,600 | 85,000 |
| Chloride | 190 | 1,490 | 16 | 166 | 119 | 843 |
| Sulfate | 56,300 | 51,100 | 2,640 | 2,380 | 20,400 | 17,900 |
| Compounds, other ² | 3,460 | 10,500 | 176 | 729 | 1,230 | 4,320 |

¹Data are rounded to no more than three significant digits.

²Includes zinc sulfide (HTS 2830.90.1000 and 2830.90.1500), chromates of zinc or of lead (HTS 2841.90.4500), and lithopone and other pigments and preparations based on zinc sulfide (HTS 3206.42.0000).

Source: U.S. Census Bureau.

TABLE 4
U.S. IMPORTS OF ZINC, BY TYPE OF MATERIAL AND COUNTRY¹

(Metric tons, gross weight, unless otherwise specified)

| Material and country | General imports | | | Imports for consumption | | |
|--|-----------------|--------|-------------|-------------------------|--------|-------------|
| | 2012 | 2013 | | 2012 | 2013 | |
| | | May | January–May | | May | January–May |
| Ore and concentrate (zinc content): | | | | | | |
| Canada | 3,450 | 312 | 1,180 | 3,450 | 312 | 1,180 |
| Mexico | 2,680 | -- | -- | 2,680 | -- | -- |
| Total | 6,140 | 312 | 1,180 | 6,140 | 312 | 1,180 |
| Refined zinc: | | | | | | |
| Argentina | -- | -- | 1,000 | -- | -- | 1,000 |
| Australia | 26,500 | -- | -- | 29,000 | -- | 25,200 |
| Brazil | 7,020 | 5,030 | 7,080 | 7,020 | 600 | 2,650 |
| Canada | 463,000 | 40,800 | 201,000 | 463,000 | 40,800 | 204,000 |
| China | 65 | (2) | 40 | 65 | (2) | 151 |
| France | 52 | -- | -- | 52 | -- | -- |
| Korea, Republic of | -- | -- | -- | 471 | 274 | 365 |
| Mexico | 94,400 | 8,140 | 39,500 | 94,400 | 8,140 | 39,500 |
| Netherlands | 1,300 | -- | -- | 1,330 | -- | -- |
| Peru | 58,300 | 7,900 | 29,800 | 58,300 | 7,900 | 29,800 |
| Spain | 1 | -- | -- | 729 | -- | 23 |
| Taiwan | 49 | 11 | 30 | 49 | 11 | 30 |
| Other | (2) | 1 | 5 | (2) | 75 | 79 |
| Total | 651,000 | 61,900 | 278,000 | 655,000 | 57,800 | 303,000 |
| Oxide: | | | | | | |
| Australia | 1,080 | 158 | 532 | 1,080 | 158 | 532 |
| Belgium | 175 | 46 | 58 | 175 | 46 | 58 |
| Brazil | 1 | 127 | 255 | 1 | 127 | 255 |
| Canada | 42,500 | 5,030 | 22,800 | 42,500 | 5,030 | 22,800 |
| China | 675 | -- | 202 | 675 | -- | 202 |
| Denmark | 7 | -- | 7 | 7 | -- | 7 |
| France | 22 | -- | 699 | 22 | -- | 699 |
| Germany | 3,210 | 314 | 1,630 | 3,210 | 314 | 1,630 |
| India | 81 | 19 | 55 | 81 | 19 | 55 |
| Indonesia | 1 | 66 | 66 | 1 | 66 | 66 |
| Israel | 1 | -- | 19 | 1 | -- | 19 |
| Italy | 37 | 53 | 170 | 37 | 53 | 170 |
| Japan | 3,050 | 132 | 445 | 3,050 | 132 | 445 |
| Korea, Republic of | 64 | -- | 12 | 64 | -- | 12 |
| Mexico | 25,900 | 2,510 | 12,300 | 25,900 | 2,510 | 12,300 |
| Netherlands | 5,240 | 334 | 1,480 | 5,240 | 334 | 1,480 |
| Peru | 170 | 57 | 755 | 170 | 57 | 755 |
| Switzerland | 75 | -- | (2) | 75 | -- | (2) |
| Turkey | 355 | 20 | 140 | 355 | 20 | 140 |
| United Kingdom | 47 | 5 | 19 | 47 | 5 | 19 |
| Other | 71 ^r | -- | (2) | 71 ^r | -- | (2) |
| Total | 82,700 | 8,870 | 41,600 | 82,700 | 8,870 | 41,600 |

^rRevised. -- Zero.

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

²Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF ZINC¹

(Gross weight, unless otherwise specified)

| Material | 2012 | | 2013 | | | |
|------------------------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
| | Quantity (metric tons) | Value (thousands) | May | | January–May | |
| | | | Quantity (metric tons) | Value (thousands) | Quantity (metric tons) | Value (thousands) |
| Ore and concentrate (zinc content) | 592,000 | \$806,000 | 6,310 | \$10,600 | 46,800 | \$71,400 |
| Unwrought: | | | | | | |
| Refined zinc | 14,100 | 14,900 | 1,450 | 1,330 | 7,330 | 6,900 |
| Zinc alloys | 17,900 | 46,000 | 2,170 | 5,460 | 10,400 | 26,700 |
| Wrought: | | | | | | |
| Bars, rods, profiles, wire | 17,700 | 28,900 | 967 | 1,770 | 3,660 | 6,880 |
| Plates, sheets, strip, foil | 6,040 | 20,600 | 738 | 2,380 | 2,900 | 9,820 |
| Other: | | | | | | |
| Dross, ashes, fume (zinc content) | 34,900 | 19,900 | 1,140 | 1,850 | 9,270 | 11,200 |
| Powders, flakes, dust | 14,200 | 33,200 | 965 | 2,440 | 4,560 | 12,300 |
| Waste and scrap | 90,500 | 107,000 | 7,070 | 8,020 | 34,700 | 40,500 |
| Chemicals: | | | | | | |
| Oxide | 41,800 | 50,200 | 1,030 | 3,280 | 12,700 | 17,100 |
| Chloride | 902 | 1,590 | 126 | 194 | 493 | 658 |
| Sulfate | 774 | 1,160 | 17 | 35 | 276 | 422 |
| Compounds, other ² | 8,690 | 15,000 | 667 | 1,270 | 4,530 | 8,650 |

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

²Includes zinc sulfide (Schedule B 2830.90.1000 and 2830.90.1500), chromates of zinc or of lead (Schedule B 2841.90.4500), and lithopone and other pigments and preparations based on zinc sulfide (Schedule B 3206.42.0000).

Source: U.S. Census Bureau.

TABLE 6
AVERAGE PRICES FOR SPECIAL HIGH GRADE ZINC

| Period | North | London Metal Exchange | |
|------------------|-----------------------|-----------------------|----------|
| | American ¹ | cash ² | |
| | ¢/lb. | ¢/lb. | \$/t |
| 2012: | | | |
| May | 94.79 | 87.53 | 1,929.68 |
| June | 91.43 | 84.16 | 1,855.49 |
| July | 91.30 | 83.95 | 1,850.82 |
| August | 89.77 | 82.26 | 1,813.46 |
| September | 98.31 | 90.80 | 2,001.81 |
| October | 94.88 | 86.70 | 1,911.42 |
| November | 93.88 | 86.36 | 1,904.01 |
| December | 99.93 | 92.41 | 2,037.18 |
| January–December | 95.76 | 88.35 | 1,947.73 |
| 2013: | | | |
| January | 100.25 | 92.21 | 2,032.86 |
| February | 105.08 | 96.57 | 2,129.00 |
| March | 96.31 | 87.80 | 1,935.56 |
| April | 92.83 | 84.03 | 1,852.63 |
| May | 91.96 | 82.95 | 1,828.76 |
| January–May | 97.29 | 88.71 | 1,955.76 |

¹Platts Metals Week North American price. Based on the London Metal Exchange cash price plus premiums or discounts, depending on market conditions.

²Average of the cash buyer price and the cash seller and settlement price.

Source: Platts Metals Week.

TABLE 7
LONDON METAL EXCHANGE (LME) STOCKS OF SPECIAL HIGH GRADE ZINC, END OF PERIOD

(Metric tons)

| Period | United States | | | Total | Europe | Other | Total LME |
|-----------|---------------|-----------------|--------|---------|---------|---------|-----------|
| | Detroit, MI | New Orleans, LA | Other | | | | |
| 2012: | | | | | | | |
| May | 97,125 | 636,750 | 21,100 | 754,975 | 31,000 | 153,275 | 939,250 |
| June | 107,850 | 683,475 | 18,525 | 809,850 | 31,825 | 153,000 | 994,675 |
| July | 108,800 | 705,975 | 16,775 | 831,550 | 33,100 | 132,475 | 997,125 |
| August | 109,500 | 667,250 | 15,425 | 792,175 | 32,600 | 126,300 | 951,075 |
| September | 109,750 | 703,225 | 14,825 | 827,800 | 32,600 | 129,100 | 989,500 |
| October | 111,325 | 723,725 | 14,075 | 849,125 | 188,875 | 131,875 | 1,169,875 |
| November | 114,175 | 802,900 | 12,975 | 930,050 | 196,625 | 106,900 | 1,233,575 |
| December | 116,225 | 800,025 | 11,950 | 928,200 | 197,650 | 94,875 | 1,220,725 |
| 2013: | | | | | | | |
| January | 116,225 | 784,125 | 11,375 | 911,725 | 208,025 | 85,525 | 1,205,275 |
| February | 116,225 | 766,650 | 11,275 | 894,150 | 221,600 | 84,300 | 1,200,050 |
| March | 116,225 | 748,300 | 9,825 | 874,350 | 212,450 | 84,300 | 1,171,100 |
| April | 116,225 | 692,225 | 9,475 | 817,925 | 183,850 | 60,400 | 1,062,175 |
| May | 119,050 | 647,825 | 9,200 | 776,075 | 261,375 | 48,900 | 1,086,350 |

Source: London Metal Exchange, Ltd.