

Mineral Industry Surveys

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LEAD IN AUGUST 2007

Domestic mine production of lead, based on the net quantity of lead recovered from concentrate, was 41,300 metric tons (t) in August, according to the U.S. Geological Survey. Mine production for the first 8 months of 2007 was about 3% above that for the same period in 2006. Secondary refinery production of lead increased slightly over that of the previous month.

According to Platts Metals Week published quotations, the average North American producer price increased by about 19% from that of the previous month to \$1.50 per pound. The London Metal Exchange Ltd. (LME) cash price in August averaged \$3,118 per metric ton, a slight increase from that of the previous month after having increased by 85% during the first 7 months of 2007.

In China, the Ministry of Finance and the State Administration of Taxation issued a joint policy raising the resource tax for lead and zinc ores by about fivefold. The new taxation policy became effective on August 1, 2007. The tax adjustment was aimed at bringing the resource tax more in line with the higher price of the resource product. This was the first adjustment to the resource tax since it was instituted in 1993 (China Mining Association, 2007).

Chinese exports of refined lead totaled 15,525 t in July, down 43% from the 27,371 t exported in June. Refined lead export levels had declined around 49% from those of the first 6 months of the year when compared with the same period in 2006, according to the General Administration of Customs in China. This decline had been attributed to the removal of a 13% export tax rebate on lead in 2006 along with a new 10% export tax added in June 2007 (Platts Metals Week, 2007a).

Japanese lead acid battery manufacturers were impacted by China's new trade policy as Japan relies on China for roughly 98% of its imported lead supply. In response to lower levels of imported Chinese lead and higher costs, the battery manufacturers increased prices of their products by as much as 25% (Platts Metals Week, 2007b).

In Bolivia, Apex Silver Mines Limited (Denver, CO) began producing the first concentrate from its San Cristobal zinc, lead, and silver mine. The mine was slated to produce 85,000 metric tons per year (t/yr) of lead during the first 5 years of production.

Apex had agreements in place with smelters in Asia, Europe and Australia to process about 75 percent of the mine's zinc and lead concentrates (American Metal Market, 2007a).

In Peru, Compania Minera Milpo S.A. (Lima, Peru) opened its Cerro Lindo copper, lead, and zinc mine. The mine was expected to yield 15,000 t/yr of lead concentrates (Metal-Pages, 2007). An earthquake that occurred mid August about 120 kilometers from Cerro Lindo cut off access roads and forced a temporary suspension of operations shortly after the mine had begun production. Damage to the mine was minimal, however, owing to its modern infrastructure (American Metal Market 2007b).

In New Brunswick, Canada, near Bathurst, Blue Note Mining Inc.'s (Montreal, Quebec, Canada) Caribou zinc-lead mine made its first delivery of lead concentrate to Xstrata plc's (Zug, Switzerland) lead smelter in Belledune. Start-up operations at the mine were continuing as planned and were on schedule. The mine was expected to produce 20,000 t/yr of lead concentrates (Blue Note Mining Inc., 2007).

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- Platts Metals Week, 2007a, China's refined lead exports continue to slip in July: Platts Metals Week, August 27, p. 6.
- Platts Metals Week, 2007b, Japan's battery makers hit by reduced Chinese lead supply: Platts Metals Week, August 6, p. 1.

TABLE 1
SALIENT LEAD STATISTICS IN THE UNITED STATES¹

(Metric tons, lead content, unless otherwise specified)

	2006		2007		
	Year	January-August	July	August	January-August
Production:					
Mine (recoverable)	419,000	284,000 ^r	38,700 ^r	41,300	292,000
Primary refinery	153,000	NA	NA	NA	NA
Secondary refinery:					
Reported by smelters/refineries	1,150,000	758,000	100,000 ^r	101,000	776,000
Estimated	--	7,650	1,000 ^r	1,010	7,560
Recovered from copper-base scrap ^c	8,990	10,000	1,250	1,250	10,000
Total secondary	1,160,000	775,000	103,000 ^r	103,000	793,000
Stocks, end of period:					
Secondary smelters and consumers	53,700	48,000	54,300 ^r	54,100	54,100
Imports for consumption:					
Ore and concentrate	539	400	79	276	1,080
Refined metal	331,000	234,000	23,900	21,400	167,000
Consumption:					
Reported	1,560,000	979,000	128,000	130,000	1,020,000
Undistributed ^c	--	30,300	3,680	3,910	30,700
Total	1,560,000	1,010,000	131,000	134,000	1,050,000
Exports:					
Ore and concentrate	298,000	146,000	56,900	41,500	178,000
Bullion	197	175	--	17	106
Wrought and unwrought lead	68,500	49,500	2,950	4,520	32,600
TEL/TML preparations, based on lead compounds	9,520	5,140	6	32	2,530
Exports (gross weight): Scrap	121,000	75,500	9,360	11,300	70,300
Platts Metals Week North American producer price (cents per pound)					
	77.40	75.35	126.28	149.76	106.02

^cEstimated. ^rRevised. NA Not available. -- Zero.

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

TABLE 2
MONTHLY AVERAGE LEAD PRICES

	North American producer price cents/lb	LME		Sterling exchange rate dollars/£
		\$/metric ton	£/metric ton	
2006:				
August	76.47	1,173.36	619.49	1.894070
December	86.31	1,724.38	878.51	1.962855
Year	77.40	1,289.06	651.84	1.977591
2007:				
January	86.71	1,665.34	850.22	1.958719
February	87.11	1,778.56	907.92	1.958947
March	93.82	1,913.11	982.38	1.947427
April	98.53	1,999.78	1,005.98	1.987886
May	99.60	2,099.68	1,058.30	1.984000
June	106.34	2,425.20	1,220.70	1.986729
July	126.28	3,082.76	1,514.52	2.035471
August	149.76	3,118.08	1,550.49	2.011026

Source: Platts Metals Week.

TABLE 3
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP¹

(Metric tons, gross weight)

Item	Stocks	Net	Consumption	Stocks
	July 31, 2007	receipts		August 31, 2007
Battery-lead	29,300 ^r	119,000	115,000	33,700
Soft lead	W	W	W	W
Drosses and residues	W	W	W	W
Other ²	799 ^r	7,230	6,600	1,430
Total	30,100 ^r	127,000	122,000	35,100
Percent change from preceding month	XX	+8.6	+7.1	+16.6

^rRevised. W Withheld to avoid disclosing company proprietary data; included with "Other." XX Not applicable

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

²Includes 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 AUGUST 2007¹

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	52,600	--	--
Remelt lead	W	--	--
Antimonial lead	12,700	(2)	(2)
Other ³	35,700	(2)	(2)
Total lead-base	101,000	139	315

W Withheld to avoid disclosing company proprietary data; included in "Other."
-- Zero.

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

²Withheld to avoid disclosing company proprietary data; included in "Total."

³Includes cable lead, lead-base babbitt, solder, type metals, and other products.

TABLE 5
CONSUMPTION OF LEAD IN THE UNITED STATES¹

(Metric tons, lead content)

Use	2006		2007		January- August
	Year	January- August	July	August	
Metal products:					
Ammunition, shot and bullets	65,300	51,700	6,000	6,340	52,800
Brass and bronze, billet and ingots	2,620	3,220	409	429	2,740
Cable covering, power and communication and calking lead, building construction	W	5,460	338	427	4,820
Casting metals	29,900	13,000	2,490	2,490	19,900
Sheet lead, pipes, traps and other extruded products	8,560	19,900	695	748	6,510
Solder	7,140	5,430	569	569	4,550
Storage batteries, including oxides	1,400,000	849,000	113,000	116,000	901,000
Terne metal, type metal, and other metal products ²	24,700	1,190	1,390	1,390	11,100
Total metal products	1,530,000	949,000	125,000	128,000	1,000,000
Other oxides and miscellaneous	28,500	30,300	2,330	2,340	18,700
Total reported	1,560,000	979,000	128,000	130,000	1,020,000
Undistributed ^c	--	30,300	3,680	3,910	30,700
Grand total	1,560,000	1,010,000	131,000	134,000	1,050,000

^cEstimated. W Withheld to avoid disclosing company proprietary data; included in "Metal products: Terne metal, type metal, and other metal products." -- Zero.

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

²Includes lead consumed in foil, collapsible tubes, annealing, plating, galvanizing, and fishing weights.

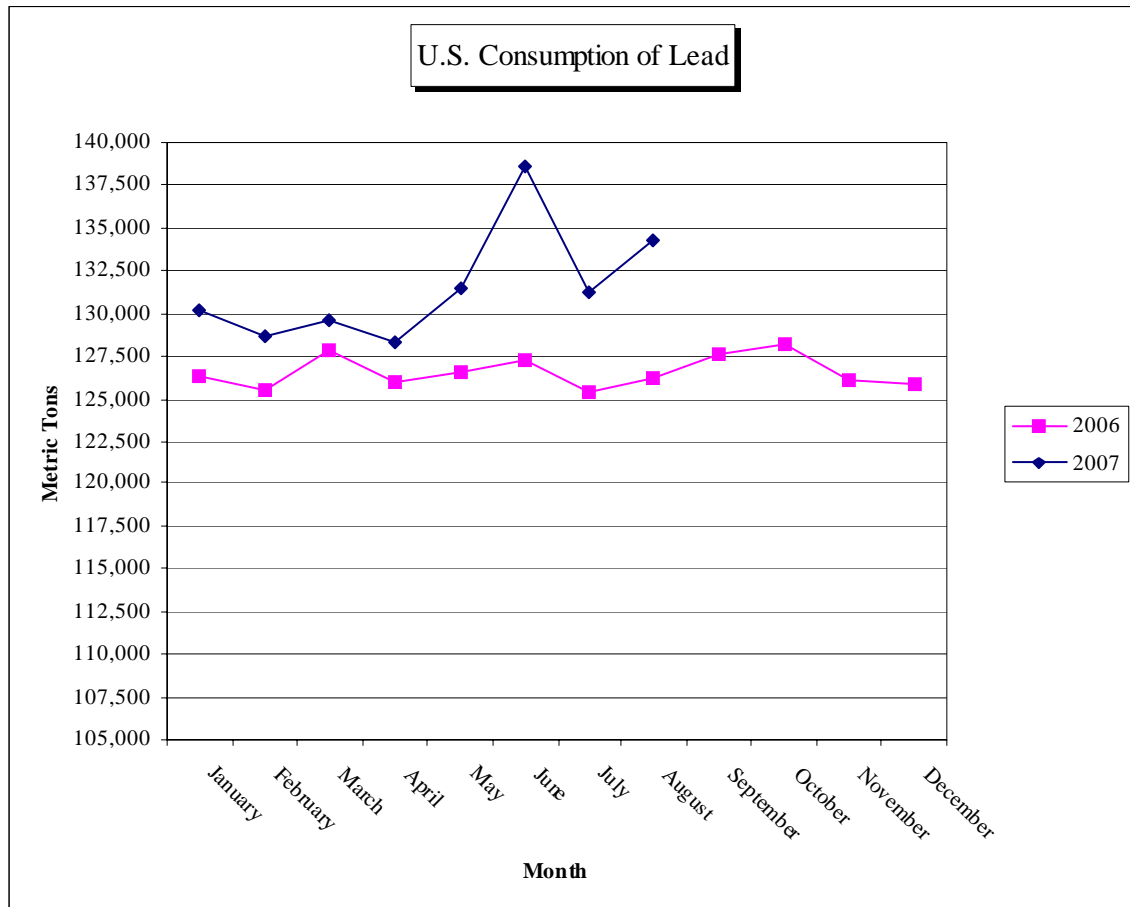


TABLE 6
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS, AND CONSUMPTION OF LEAD¹

(Metric tons, lead content)

Type of material	Stocks	Net receipts	Consumption	Stocks
	July 31, 2007			August 31, 2007
Soft lead	38,100 ^r	74,100	74,800	37,400
Antimonial lead	10,300 ^r	26,200	26,500	9,970
Lead alloys	W	W	W	W
Copper-base scrap	W	W	W	W
Total	54,300 ^r	130,000	130,000	54,100

^rRevised. W Withheld to avoid disclosing company proprietary data; included in "Total."

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

TABLE 7
U.S. EXPORTS OF LEAD, BY CLASS¹

(Metric tons)

	2006		July	August	January-August
	August	Year			
Lead content:					
Ore and concentrates	60,100	298,000	56,900	41,500	178,000
Bullion	2	197	--	17	106
Materials excluding scrap	6,600	68,500	2,950	4,520	32,600
TEL/TML preparations, based on lead compounds	1,410	9,520	6	32	2,530
Total	68,200	376,000	59,900	46,100	214,000
Gross weight: Scrap	20,900	121,000	9,360	11,300	70,300

-- Zero.

¹Data are rounded to no 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 ORIGIN¹

(Metric tons, lead content)

Country of origin	General imports					Imports for consumption				
	2006		2007			2006		2007		
	Year	January-August	July	August	August	Year	January-August	July	August	August
Base bullion:										
Canada	449	400	--	--	--	449	400	--	--	--
Other	90	--	79	276	1,080	90	--	79	276	1,080
Total	539	400	79	276	1,080	539	400	79	276	1,080
Pigs and bars:										
Australia	9,230	9,230	--	--	--	9,230	9,230	--	--	--
Canada	222,000	146,000	18,500	16,100	136,000	222,000	146,000	18,500	16,100	136,000
Mexico	15,800	10,800	3,530	2,000	19,300	15,800	10,800	3,530	2,000	19,300
Peru	34,600	22,400	1,780	3,240	11,600	34,600	22,400	1,780	3,240	11,600
Other	49,800	45,800	110	100	500	49,800	45,800	110	100	500
Total	331,000	234,000	23,900	21,400	167,000	331,000	234,000	23,900	21,400	167,000
Grand total	332,000	234,000	23,900	21,700	168,000	332,000	234,000	23,900	21,700	168,000

-- Zero.

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

Source: U.S. Census Bureau.