TALC AND PYROPHYLLITE

(Data in thousand metric tons unless noted)

Domestic Production and Use: The total estimated crude ore value of 2007 domestic talc production was $26 million. There were 12 talc-producing mines in 7 States in 2007. Companies in Montana, New York, Texas, and Vermont accounted for most of the domestic production. Domestically produced ground talc was used in ceramics, 33%; paint, 20%; paper, 16%; roofing, 8%; plastics, 5%; rubber, 3%; cosmetics, 1%; and other, 14%. Two companies in North Carolina mined pyrophyllite. Production of pyrophyllite decreased from that of 2006. Consumption was, in decreasing order by tonnage, in refractory products, ceramics, and paint.

Salient Statistics—United States:[1]	2003	2004	2005	2006	2007[e]
Production, mine	840	833	856	895	839
Sold by producers	845	854	826	900	823
Imports for consumption	237	226	237	314	210
Exports	192	202	198	179	220
Shipments from Government stockpile excesses	—	([2])	—	—	—
Consumption, apparent	885	857	895	1,030	829
Price, average, processed, dollars per ton	89	88	86	90	108
Employment, mine and mill	460	404	440	435	430
Net import reliance[3] as a percentage of apparent consumption	5	3	4	13	E

Recycling: Insignificant.

Import Sources (2003-06): China, 48%; Canada, 35%; Japan, 4%; France, 3%; and other, 10%.

Tariff: Item	Number	Normal Trade Relations 12-31-07
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). Other: 14% (Domestic and foreign).

Government Stockpile:

Stockpile Status—9-30-07[4]
(Metric tons)

Material	Uncommitted inventory	Committed inventory	Authorized for disposal	Disposal plan FY 2007	Disposals FY 2007
Talc, block and lump	867	—	867	[5]907	—
Talc, ground	1,050	—	1,050	—	—

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Events, Trends, and Issues: Production and sales of talc declined 6% and 9%, respectively, from those of 2006. A slow housing market resulted in sales losses by a Vermont talc producer. Smaller losses were seen because of consolidation of the talc industry in Texas. U.S. exports of talc increased 23% and U.S. imports decreased by 33% compared with those of 2006. The lower value of the U.S. dollar relative to other currencies was a major cause of these large trade changes. Additionally, imports were unusually high in 2006. A significant portion of the additional talc imported probably was stockpiled and entered commerce in 2007, thereby reducing imports in 2007. Canada remained the major destination for U.S. talc exports, accounting for 44% of the tonnage. Mexico was another significant importer of U.S. talc, accounting for 11% of the tonnage. In 2007, Canada and China supplied approximately 85% of the imported talc. Apparent consumption decreased by 20% in 2007. The large quantity of imports may have skewed the apparent consumption calculation in 2006. With 2006 imports adjusted to account for likely stockpiling, the actual change in apparent consumption in 2007 probably was 8% to 10%. The average value of processed talc increased to $110 per ton from $90 per ton in 2006. This is an artifact of more accurate reporting by a major producer in 2007 rather than a drastic change in talc pricing. In addition, some talc values reported by companies for 2003 to 2006 on the USGS annual canvass may not have included energy surcharges that were instituted during the past 5 years by the producers. Talc values probably increased 4% to 6% per year since 2003.

The talc industry in Texas has been consolidating for the past 2 years. In 2007, the leading Texas talc producer became the sole operator in Texas after it purchased the assets of its last remaining competitor in October. The company had purchased the assets of another producer in 2006.

A major U.S. talc producer in Montana announced that it had achieved a 26% reduction in greenhouse gas emissions at one of its mills through an increase in operating efficiency and equipment upgrades. Decreases of 26% and 15% also were achieved in natural gas and water use, respectively.

A European investment firm purchased a major talc producer with mines in Finland and plants in Finland and the Netherlands. The talc producer was reported to be the second leading producer of talc in the world and the leading supplier of talc to the European paper industry. It also markets talc to the adhesive, plastics, rubber, sealants, and various other industries.

World Mine Production, Reserves, and Reserve Base: World production of talc has been between 8 and 9 million tons since 2002, averaging about 8.6 million tons. Production was estimated to be 8.1 million tons in 2007 compared with 8.9 million tons in 2006. Updated information indicates that production in China and the Republic of Korea in 2006 may be significantly less than that shown in the table below. Production in other major producing countries appears to be relatively unchanged.

	Mine production		Reserves[6]	Reserve base[6]
	2006	2007[e]		
United States[1]	895	839	140,000	540,000
Brazil	608	610	180,000	250,000
China	3,000	2,500	Large	Large
Finland	550	560	Large	Large
India	646	650	4,000	9,000
Japan	375	375	100,000	160,000
Korea, Republic of	1,010	750	14,000	18,000
Other countries	1,840	1,800	Large	Large
World total (rounded)	8,920	8,100	Large	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.

[e]Estimated. E Net exporter. — Zero.
[1]Excludes pyrophyllite.
[2]Less than ½ unit.
[3]Defined as imports – exports + adjustments for Government and industry stock changes.
[4]See Appendix B for definitions.
[5]Includes lump and block talc and ground talc.
[6]See Appendix C for definitions.