

# Mineral Industry Surveys

**For information, contact:**

John D. Jorgenson, Iron Ore Commodity Specialist  
U.S. Geological Survey  
989 National Center  
Reston, VA 20192  
Telephone: (703) 648-4912, Fax: (703) 648-7757  
E-mail: [jjorgenson@usgs.gov](mailto:jjorgenson@usgs.gov)

Ram C. Khatri (Data)  
Telephone: (703) 648-7996  
Fax: (703) 648-7792  
E-mail: [rkhatri@usgs.gov](mailto:rkhatri@usgs.gov)

**Internet:** <http://minerals.usgs.gov/minerals>

## IRON ORE IN JULY 2008

U.S. mine production of iron ore in July 2008, on a daily average basis, was slightly less than that for the prior month, according to the U.S. Geological Survey (USGS). Average daily production, at 160,000 metric tons (t), was 2,200 t less than that of June 2008.

Average daily shipments in July 2008, at 199,000 t, were 17,000 t more than those of June. Mine stocks at the end of July 2008 were 1.2 million metric tons (Mt) less than stocks held on June 30, a 13% decrease. U.S. net exports of iron ore in June 2008 were 45,000 t, with exports 6% greater than imports.

**Prices.**—In conjunction with the June 2008 establishment of a transportation premium by Australian miners, Credit Suisse and Deutsche Bank created over-the-counter financial instruments that had already assisted in the trade of almost 2 Mt of iron ore. These cash-settled trades were based on reference indices of spot iron ore contracts published by Metal Bulletin and Steel Business Briefing. One steelmaker doubted the ability of a reference index system to handle a variety of iron ore grades, while a trader indicated that such a system would enable hedging of risk and would better reflect market conditions (Metal Bulletin, 2008).

**Domestic Production.**—Cleveland-Cliffs Inc (Cleveland, OH) acquired United Mining Co. Ltd.'s interest in the United Taconite Mine and pelletizing plant near Eveleth, MN. United Mining, a subsidiary of Laiwu Steel Group (China), sold its 30% control in the joint venture to give Cliffs full ownership of the

operation. The purchase price included \$100 million in cash, more than 1.5 million shares of Cliffs' stock, and 1.2 Mt of iron ore pellets during the next 15 months. United Taconite was expected to produce 5.2 Mt of pellets during 2008 from proven reserves reported to be 133 Mt at the end of 2007 (Cleveland-Cliffs Inc, 2008).

**Mergers and Acquisitions.**—Sinosteel Corp. (China) acquired controlling interest of Midwest Corp. Midwest, an Australian iron ore company, produces about 1 million metric tons per year (Mt/yr) of direct shipping ore (DSO) from its Koolanooka Mine. In a joint venture with Sinosteel, Midwest expected to start up its Weld Range Mine in early 2011 and buildup to 15 Mt/yr at full production. Also in joint venture with Sinosteel, Midwest anticipated the development of the Koolanooka magnetite project, which was expected to produce 6 Mt/yr of iron ore (Li, 2008).

### References Cited

- Cleveland-Cliffs Inc, 2008, Cleveland-Cliffs acquires minority partner's interest in United Taconite: Cleveland, OH, Cleveland-Cliffs Inc, July 14, 2 p. (Accessed January 22, 2009, via <http://www.cleveland-cliffs.com>.)  
Li, Hongmei, 2008, Sinosteel wins control of Midwest: Metal Bulletin, no. 9055, July 14, p. 15.  
Metal Bulletin, 2008, July 2008—MB iron ore index: Metal Bulletin supplement, no. 9054, July 7, 8 p.

TABLE 1  
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE<sup>1, 2</sup>  
(Exclusive of ore containing 5% or more of manganese)

(Thousand metric tons)

Period	Production		Shipments	
	Monthly	Year to date	Monthly	Year to date
2007:				
July	4,690	29,800	5,210	26,400
August	4,450	34,200	5,090	31,500
September	4,350	38,600	5,100	36,600
October	4,820	43,400	5,130	41,700
November	4,280	47,700	4,830	46,600
December	4,320	52,000	4,960	51,500
2008:				
January	4,170	4,170	3,730	3,730
February	3,990	8,160	1,090	4,830
March	4,780	12,900	2,190	7,020
April	4,130	17,100	5,220	12,200
May	4,860	21,900	6,230	18,500
June	4,870	26,800	5,450	23,900
July	4,960	31,800	6,160	30,100

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Excludes byproduct ores.

TABLE 2  
U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN JULY<sup>1, 2</sup>

(Thousand metric tons)

State	Production		Shipments <sup>3</sup>		Stocks <sup>4</sup>	
	2008	2007	2008	2007	2008	2007
Michigan	1,160	1,100	1,360	876	3,120	3,120
Minnesota	3,800	3,580	4,800	4,340	5,050	6,230
Total	4,960	4,690	6,160	5,210	8,170	9,340

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

<sup>2</sup>Excludes byproduct ore.

<sup>3</sup>Includes rail and vessel.

<sup>4</sup>Includes usable (marketable) material at mines, concentrators, pelletizing plants, and loading docks. Excludes stocks of crude ore at mine and concentrates at agglomerating complexes.

TABLE 3  
CANADA: SHIPMENTS OF IRON ORE<sup>1,2</sup>

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	British Columbia	Total
2007:				
June	1,650	1,310	7	2,960
July	2,070	1,340	7	3,420
August	2,150	1,150	6	3,310
September	1,410	1,400	6	2,820
October	1,860	1,600	6	3,460
November	2,110	1,470	7	3,590
December	1,180	1,450	5	2,640
Year total	17,900	14,900	75	32,800
2008:				
January	1,210	816	6	2,030
February	1,120	833	4	1,950
March	1,140	855	4	2,000
April	1,680	984	4	2,670
May	2,670	1,330	7	4,010
June	1,580	1,380	8	2,970

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

<sup>2</sup>Includes production from steel plant waste oxides.

Source: Natural Resources Canada.

TABLE 4  
PRODUCTION OF PIG IRON AND RAW STEEL IN THE UNITED STATES, BY TYPE OF  
FURNACE<sup>1</sup>

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
	Monthly	Year to date	Basic oxygen furnace <sup>2</sup>		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2007:						
June	3,120	17,800	3,470	19,900	4,770	28,600
July	3,080	20,800	3,420	23,300	4,860	33,500
August	3,010	23,800	3,370	26,600	4,970	38,400
September	3,010	26,900	3,370	30,000	4,600	43,000
October	3,200	30,100	3,540	33,500	4,940	48,000
November	2,940	33,000	3,280	36,800	4,920	52,900
December	3,160	36,200	3,550	40,400	4,900	57,800
2008:						
January	2,900	2,900	3,550	3,550	5,100	5,100
February	3,110	6,010	3,470	7,020	4,750	9,850
March	3,280	9,290	3,700	10,700	4,900	14,800
April	3,240	12,500	3,560	14,300	4,820	19,600
May	3,210	15,700	3,650	17,900	5,080	24,700
June	3,020	18,800	3,450	21,400	4,930	29,600

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

<sup>2</sup>Raw steel production figures for the basic oxygen process are usually greater than the corresponding pig iron production figures because scrap is routinely melted in the basic oxygen furnace together with the molten pig iron.

Source: American Iron and Steel Institute.

TABLE 5  
U.S. EXPORTS OF IRON ORE, BY COUNTRY OF DESTINATION AND TYPE<sup>1,2</sup>

(Thousand metric tons)

Country of destination and type of product	2007	2008				
		1st quarter	April	May	June	2nd quarter
Algeria	570	--	--	--	28	28
Belgium	--	57	30	131	--	161
Canada	7,340	1,460	702	942	646	2,290
China	1,130	23	7	--	--	7
Colombia	7	1	--	1	2	3
Czech Republic	--	--	--	60	23	83
Germany	--	--	49	30	--	79
Japan	7	--	--	--	--	--
Malaysia	--	24	--	--	--	--
Mexico	148	66	55	45	1	101
Peru	5	--	--	--	--	--
Romania	87	--	--	--	76	76
Slovakia	--	--	--	--	50	50
Spain	--	--	77	--	--	77
Sweden	2	1	--	--	--	--
Other	8	3	1	5	3	9
Total	9,310	1,630	921	1,210	829	2,960
Pellets	9,170	1,570	910	1,180	819	2,910
Concentrates	51	21	10	26	3	39
Briquettes	1	16	--	--	--	--
Sinter	22	(3)	--	--	--	--
Direct shipping ores - coarse	6	3	1	7	6	14
Direct shipping ores - fines	51	28	--	3	(3)	3
Roasted pyrites	11	--	--	--	--	--
Total	9,310	1,630	921	1,210	829	2,960

-- Zero.

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

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 6  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE, BY COUNTRY AND TYPE<sup>1,2</sup>  
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2008					2007
	June		Year to date			January-June Thousand metric tons
	Thousand metric tons	Value <sup>3</sup> (thousand dollars)	Thousand metric tons	Value <sup>3</sup> (thousand dollars)	Value <sup>3</sup> (dollars per ton)	
Brazil	308	25,800	1,250	94,600	75.49	1,380
Canada	448	47,900	2,610	251,000	96.38	2,070
Chile	--	--	129	7,710	59.95	183
China	--	--	(4)	21	59.18	--
Finland	--	--	3	106	39.26	5
Greenland	--	--	--	--	--	(4)
Japan	(4)	7	(4)	7	793.89	--
Mexico	--	--	25	1,650	65.94	28
Netherlands	--	--	1	22	18.00	--
Norway	--	--	--	--	--	8
Peru	1	69	37	2,020	54.98	90
Sweden	3	59	44	1,910	43.43	57
United Kingdom	--	--	--	--	--	(4)
Venezuela	23	1,370	48	2,990	62.62	--
Total	784	75,200	4,150	362,000	87.38	3,820
Concentrates	52	2,880	512	30,400	59.29	394
Coarse ores	(4)	7	37	1,800	48.08	82
Fine ores	313	25,800	806	55,000	68.19	705
Pellets	417	46,400	2,780	275,000	98.72	2,630
Briquettes	--	--	--	--	--	--
Other agglomerates	--	--	--	--	--	9
Roasted pyrites	1	69	6	266	44.71	7
Total	784	75,200	4,150	362,000	87.38	3,820

-- Zero.

<sup>1</sup>Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Customs value. Excludes international freight and insurance charges.

<sup>4</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 7  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN JUNE 2008<sup>1,2</sup>  
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Country of origin	Type of product						Total
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	
Brazil	--	--	308	--	--	--	308
Canada	52	--	2	395	--	--	448
Japan	--	(3)	--	--	--	--	(3)
Peru	--	--	--	--	--	1	1
Sweden	--	--	3	--	--	--	3
Venezuela	--	--	--	23	--	--	23
Total	52	(3)	313	417	--	1	784

-- Zero.

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

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 8  
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY<sup>1</sup>

Country of origin	2008					2007
	June		Year to date			January-June
	Thousand metric tons	Value <sup>2</sup> (thousand dollars)	Thousand metric tons	Value <sup>2</sup> (thousand dollars)	Value <sup>2</sup> (dollars per ton)	Thousand metric tons
Brazil	--	--	385	36,300	94.23	791
Canada	395	45,000	2,330	235,000	100.63	1,780
Mexico	--	--	--	--	--	19
Peru	--	--	18	736	42.03	9
Sweden	--	--	--	--	--	24
Venezuela	23	1,370	48	2,990	62.62	--
Total	417	46,400	2,780	275,000	98.72	2,630

-- Zero.

<sup>1</sup>Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Customs value. Excludes international freight and insurance charges.

Source: U.S. Census Bureau.

TABLE 9  
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE,  
BY CUSTOMS DISTRICT<sup>1,2</sup>  
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	June	January-June	
	2008	2008	2007
Baltimore, MD (13)	302	1,880	1,210
Charleston, SC (16)	4	6	2
Chicago, IL (39)	79	345	320
Cleveland, OH (41)	374	1,180	1,160
Detroit, MI(38)	--	--	(3)
Houston-Galveston, TX (53)	--	30	38
Mobile, AL (19)	--	50	33
New Orleans, LA (20)	23	646	1,020
New York City, NY (10)	(3)	1	--
Nogales, AZ (26)	--	--	9
Ogdensburg, NY (07)	2	2	--
Philadelphia, PA (11)	--	3	5
Port Arthur, TX (21)	--	--	24
Providence, RI (05)	--	--	8
Savannah, GA (17)	--	--	(3)
Total	784	4,150	3,820

-- Zero.

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

<sup>2</sup>Includes agglomerates.

<sup>3</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 10  
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,  
BY CUSTOMS DISTRICT<sup>1</sup>

(Thousand metric tons)

Customs district (code no.)	June	January-June	
	2008	2008	2007
Baltimore, MD (13)	21	1,030	540
Chicago, IL (39)	--	123	136
Cleveland, OH (41)	373	1,180	1,140
Detroit, MI (38)	--	--	(2)
Houston-Galveston, TX (53)	--	30	38
Mobile, AL (19)	--	18	--
New Orleans, LA (20)	23	403	754
Port Arthur, TX (21)	--	--	24
Total	417	2,780	2,630

-- Zero.

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

<sup>2</sup>Less than ½ unit.

Source: U.S. Census Bureau.