

Mineral Industry Surveys

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IRON ORE IN NOVEMBER 2008

U.S. mine production of iron ore in November 2008, on a daily average basis, was 10% less than that for the prior month, and was 8% less than that of November 2007, according to the U.S. Geological Survey (USGS). Average daily production, at 131,000 metric tons (t), was 15,300 t less than that of October 2008.

Average daily shipments in November 2008, at 130,000 t, were 26,300 t less than those of the prior month, and 30,700 t less than those of November 2007. Mine stocks at the end of November 2008 were 26,000 t greater than stocks held on October 31, a slight increase. U.S. net exports of iron ore in October 2008 were 116,000 t, with exports 12% greater than imports.

Price.—With planned near-term reductions in steel plant production estimated at 20% of the 2007 production levels, analysts were anticipating a decrease in iron ore price of as much as 40% in the 2009-10 contract year beginning April 1. In an effort to avoid a huge decrease in prices, major iron ore producers were reducing production. Companhia Vale do Rio Doce (Rio de Janeiro, Brazil) began by mothballing 30 million metric tons (Mt) or 10% of its iron ore annual production capacity and agreed not to pursue a 12% price increase to the current contract agreement (Bowen, 2008; Marais, 2008; Matthews, 2008).

World Production.—Rio Tinto plc (United Kingdom) announced a 10% reduction in iron ore shipments from its Australian operations for 2008, and BHP Billiton Ltd. (Australia) announced a reduction in pellet production from its Samarco joint venture in Brazil. Samarco planned to shut down two of its three pellet plants from the end of November through mid-January 2009, reducing annual production capacity from 21.6 Mt to about 7.6 Mt (BHP Billiton Ltd., 2008; Rio Tinto plc, 2008).

World Development.—Mount Gibson Iron Ltd. (Australia)

term iron ore contracts. Two other buyers agreed to purchase this material, but at a much reduced price. As part of the uptake agreements, APAC Resources Ltd. (a financial company based in Hong Kong) and Shougang Concord International Enterprises Co. Ltd. (China) will become part owners of Mount Gibson with a holding of between 29% and 41%, depending on the final placement of the rights issue the two companies are underwriting (Kelly, 2008).

China continued to report new project developments in advance of the coming iron ore price negotiations. The chairman of the Metallurgical Mines Association of China reported 17 projects, each with an annual production capacity of greater than 2 Mt, were planned during the next 2 to 3 years. The additional combined annual production capacity for these new projects would be greater than 120 Mt of iron ore (Skillings Mining Review, 2008).

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reported that three Chinese customers had defaulted on long-

TABLE 1
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE^{1, 2}
(Exclusive of ore containing 5% or more of manganese)

(Thousand metric tons)

Period	Production		Shipments	
	Monthly	Year to date	Monthly	Year to date
2007:				
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
August	4,840	36,600	6,100	36,200
September	4,310	40,900	5,500	41,700
October	4,540	45,400	4,860	46,500
November	3,940	49,400	3,910	50,400

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

²Excludes byproduct ores.

TABLE 2
U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN NOVEMBER^{1, 2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2008	2007	2008	2007	2008	2007
Michigan	744	789	966	1,070	2,320	3,090
Minnesota	3,190	3,490	2,950	3,760	3,510	4,020
Total	3,940	4,280	3,910	4,830	5,830	7,110

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

²Excludes byproduct ore.

³Includes rail and vessel.

⁴Includes 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^{1,2}

(Thousand dry metric tons)

Period	Newfoundland and Labrador	Quebec	British Columbia	Total
2007:				
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	9	2,970
July	1,820	1,370	8	3,200
August	2,270	1,200	9	3,470
September	1,310	1,050	9 ^r	2,370
October	1,760	984	8	2,750

^rRevised.

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

²Includes 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
FURNACE¹

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
	Monthly	Year to date	Basic oxygen furnace ²		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2007:						
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
July	3,090	21,800	3,460	24,800	5,060	34,600
August	3,290	25,100	3,680	28,500	4,990	39,600
September	2,900	28,000	3,290	31,800	4,560	44,200
October	2,770	30,800	2,330	34,100	3,990	48,200

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

²Raw 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^{1,2}

(Thousand metric tons)

Country of destination and type of product	2007	2008				
		1st quarter	2nd quarter	3rd quarter	September	October
Algeria	570	--	28	52	1	--
Belgium	--	57	161	(3)	--	(3)
Canada	7,340	1,460	2,290	3,160	892	979
China	1,130	24 ^r	8 ^r	5	2	--
Colombia	7	1	3	2	1	1
Czech Republic	--	--	83	--	--	--
France	--	--	--	54	--	--
Germany	--	1 ^r	79	(3)	--	--
Japan	7	--	--	--	--	--
Malaysia	--	24	1 ^r	--	--	--
Mexico	148	67 ^r	100 ^r	93	34	37
Peru	5	--	--	--	--	--
Poland	--	--	--	103	--	(3)
Romania	87	--	76	52	--	--
Serbia	--	--	--	51	51	--
Slovakia	--	--	50	--	--	27
Spain	--	(3) ^r	77	25	25	--
Sweden	2	1	--	2	--	1
Other	8	2 ^r	6 ^r	4	2 ^r	1
Total	9,310	1,630	2,960	3,610	1,010	1,050
Pellets	9,170	1,570	2,910	3,490	936	1,000
Concentrates	51	21	39	23	1	2
Briquettes	1	-- ^r	--	--	--	(3)
Sinter	22	16 ^r	3 ^r	1	(3)	--
Direct shipping ores - coarse	6	2 ^r	5 ^r	14	9	25
Direct shipping ores - fines	51	28 ^r	9 ^r	78	60	18
Roasted pyrites	11	--	(3) ^r	(3)	(3)	(3)
Total	9,310	1,630	2,960	3,610	1,010	1,050

^rRevised. -- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

Source: U.S. Census Bureau.

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

Country of origin and type of product	2008					2007
	October		Year to date			January-October
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Bosnia and Herzegovina	--	--	23	1,570	68.43	--
Brazil	387	31,600	2,380	195,000	81.93	2,640
Canada	540	67,800	5,030	545,000	108.45	4,480
Chile	--	--	173	12,400	71.53	279
China	--	--	14	266	19.00	--
Finland	--	--	6	233	38.83	8
Greenland	--	--	--	--	--	(4)
India	--	--	--	--	--	(4)
Italy	--	--	1	43	43.00	--
Japan	--	--	(4)	7	793.89	--
Mexico	--	--	25	1,650	66.00	34
Netherlands	--	--	1	22	22.00	--
Norway	--	--	--	--	--	8
Peru	--	--	39	2,120	54.44	108
Russia	--	--	66	8,010	121.38	--
Spain	(4)	37	1	82	82.00	--
Sweden	4	66	50	2,010	40.26	94
Switzerland	--	--	70	5,410	77.29	--
United Kingdom	--	--	--	--	--	(4)
Venezuela	--	--	68	4,210	61.85	34
Total	931	99,500	7,940	778,000	97.97	7,680
Concentrates	109	8,800	1,070	74,200	69.14	1,050
Coarse ores	--	--	37	1,800	48.62	119
Fine ores	337	26,600	1,620	119,000	73.46	1,510
Pellets	485	64,100	5,200	583,000	112.01	4,980
Briquettes	(4)	37	1	67	67.00	--
Other agglomerates	--	--	--	--	--	15
Roasted pyrites	--	--	12	537	44.75	11
Total	931	99,500	7,940	778,000	97.97	7,680

-- Zero.

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

²Includes agglomerates.

³Customs value. Excludes international freight and insurance charges.

⁴Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 7
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN OCTOBER 2008^{1,2}
(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	82	--	306	--	--	--	387
Canada	27	--	27	485	--	--	540
Spain	--	--	--	--	(3)	--	(3)
Sweden	--	--	4	--	--	--	4
Total	109	--	337	485	(3)	--	931

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY¹

Country of origin	2008					2007
	October		Year to date			January-October
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Bosnia and Herzegovina	--	--	23	1,570	68.43	--
Brazil	--	--	596	63,200	106.11	1,140
Canada	485	64,100	4,500	513,000	114.05	3,760
Mexico	--	--	--	--	--	19
Peru	--	--	18	736	40.89	9
Sweden	--	--	--	--	--	24
Venezuela	--	--	68	4,210	61.85	34
Total	485	64,100	5,200	583,000	112.01	4,980

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to

²Customs 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 ^{1,2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	October	January-October	
	2008	2008	2007
Baltimore, MD (13)	419	3,250	2,470
Buffalo, NY (09)	--	1	--
Charleston, SC (16)	4	24	3
Chicago, IL (39)	187	1,010	1,030
Cleveland, OH (41)	313	2,610	2,540
Detroit, MI (38)	--	(3)	(3)
Houston-Galveston, TX (53)	--	31	65
Mobile, AL (19)	--	50	33
New Orleans, LA (20)	--	946	1,470
New York City, NY (10)	--	1	--
Nogales, AZ (26)	--	--	15
Norfolk, VA (14)	6	10	--
Ogdensburg, NY (07)	1	10	--
Philadelphia, PA (11)	--	6	8
Port Arthur, TX (21)	--	--	24
Providence, RI (05)	--	--	8
Savannah, GA (17)	--	--	(3)
Tampa, FL (18)	--	--	13
Total	931	7,940	7,680

-- Zero.

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

²Includes agglomerates.

³Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 10
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,
BY CUSTOMS DISTRICT ¹

(Thousand metric tons)

Customs district (code no.)	October	January-October	
	2008	2008	2007
Baltimore, MD (13)	147	1,720	1,020
Chicago, IL (39)	25	199	309
Cleveland, OH (41)	313	2,580	2,490
Detroit, MI (38)	--	--	(2)
Houston - Galveston, TX (53)	--	30	65
Mobile, AL (19)	--	18	--
New Orleans, LA (20)	--	658	1,070
Port Arthur, TX (21)	--	--	24
Total	485	5,200	4,980

-- Zero.

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

²Less than ½ unit.

Source: U.S. Census Bureau.