

# Mineral Industry Surveys

**For information, contact:**

Christopher A. Tuck, Iron Ore Commodity Specialist  
 National Minerals Information Center  
 U.S. Geological Survey  
 989 National Center  
 Reston, VA 20192  
 Telephone: (703) 648-4912, Fax: (703) 648-7757  
 Email: ctuck@usgs.gov

Michelle B. Blackwell (Data)  
 Telephone: (703) 648-7943  
 Fax: (703) 648-7975  
 Email: mblackwell@usgs.gov

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

## IRON ORE IN OCTOBER 2015

U.S. mine production and shipments of iron ore in October 2015 were 3.40 million metric tons (Mt) and 3.79 Mt, respectively (fig. 1, table 1). Average daily production of iron ore was 110,000 metric tons (t), slightly less than that of September 2015 and 33% less than that of October 2014. Average daily shipments of iron ore were 122,000 t, 7% less than those of September and 34% less than those in October 2014. Mine stocks at the end of October 2015 were 5% less than those held in September and 7% greater than those held in October 2014. As of October 2015, four iron ore mines and one direct-reduced iron (DRI) facility were either shut down or idled, resulting in reduced production and shipments.

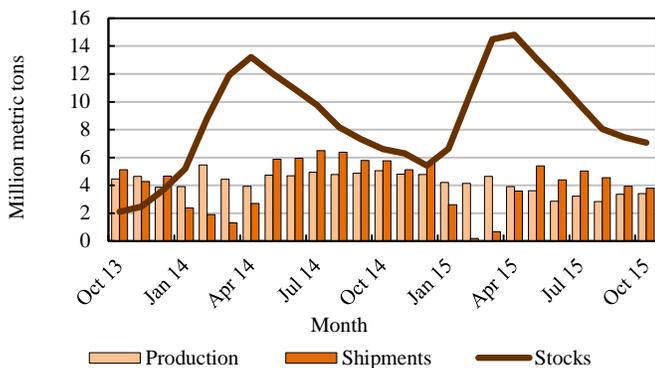


Figure 1. Monthly domestic production, shipments, and stocks of iron ore from October 2013–October 2015. Source: U.S. Geological Survey

Monthly iron ore data are reported as gross weight unless otherwise noted and do not include iron metallics such as pig iron, direct-reduced iron, hot-briquetted iron, or iron nuggets. Data for iron metallics can be found in the Iron Ore chapter in the USGS Minerals Yearbook, Volume I, Metals and Minerals.

U.S. exports of iron ore were 395,000 t in October 2015, 31% less than those in September and about one-third those in October 2014. U.S. imports of iron ore were 507,000 t in October 2015, 25% less than those in September 2015 and slightly less than those in October 2014 (fig. 2).

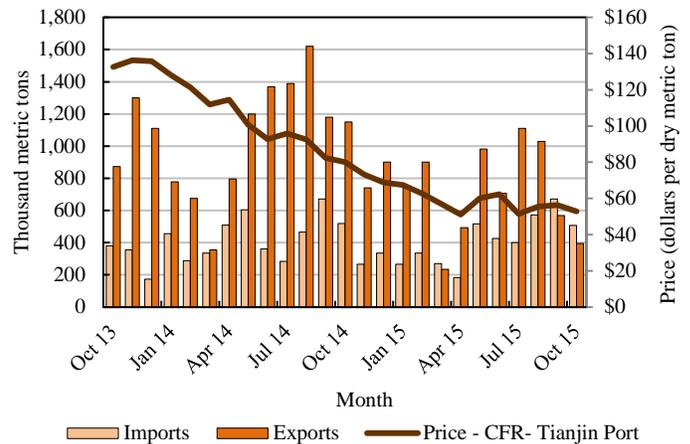


Figure 2. Monthly domestic imports and exports of iron ore and spot prices for iron ore import fines, 62% iron content CFR, at Tianjin Port, from October 2013–October 2015. Source: U.S. Census Bureau and Index Mundi, undated.

### Industry News

Cliffs Natural Resources Inc. terminated its pellet sale and purchase agreement with Essar Steel Algoma Inc., however, Cliffs considered a just-in-time iron ore supply arrangement with Essar Algoma (Cliffs Natural Resources Inc., 2015b).

In the first 9 months of 2015, production at Cliffs’ U.S. mines was 15.2 Mt, 8% less than during the same period in 2014. In the third quarter of 2015, U.S. iron ore pellet sales were 5.7 Mt, 18% less than during the same period in 2014 owing to lower U.S. steel mill demand. During the third quarter of 2015, the cash production cost per ton for Cliffs’ U.S. operations was \$48.99, 16% less than during the same period in 2014 owing to lower employment costs, reduced maintenance and repair costs, and lower energy rates (Cliffs Natural Resources Inc., 2015a).

U.S. Steel Corp.’s transition plan with U.S. Steel Canada, as part of the latter’s restructuring under Canada’s Companies’ Creditors Arrangement Act, was approved by the Ontario Superior Court of Justice. The agreement’s approval was

integral to separating the two companies (U.S. Steel Corp., 2015).

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## References Cited

- Cliffs Natural Resources Inc., 2015a, Cliffs Natural Resources Inc. reports third-quarter 2015 results: Cleveland, OH, Cliffs Natural Resources Inc. press release, October 29. (Accessed December 11, 2015, at <http://ir.cliffsnaturalresources.com/English/investors/news-releases/news-releases-details/2015/Cliffs-Natural-Resources-Inc-Reports-Third-Quarter-2015-Results/default.aspx>.)
- Cliffs Natural Resources Inc., 2015b, Cliffs Natural Resources Inc. terminates pellet supply agreement with Essar Algoma: Cleveland, OH, Cliffs Natural Resources Inc. press release, October 6. (Accessed December 11, 2015, at <http://ir.cliffsnaturalresources.com/English/investors/news-releases/news-releases-details/2015/Cliffs-Natural-Resources-Inc-Terminates-Pellet-Supply-Agreement-with-Essar-Algoma/default.aspx>.)
- U.S. Steel Corp., 2015, U.S. Steel and USSC reach critical agreement on operations: Pittsburgh, PA, U.S. Steel Corp. press release, October 9. (Accessed December 11, 2015, at <http://uss.mediaroom.com/index.php?s=32722&item=137061>.)

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

(Thousand metric tons)

Period	Production		Shipments <sup>3</sup>		Stocks
	Monthly	Year to date	Monthly	Year to date	End of Month
2014:					
October	5,050	44,700	5,770	43,400	6,600
November	4,810	49,500	5,130	48,500	6,290
December	4,770	54,300	5,630	54,100	5,430
2015:					
January	4,210	4,210	2,610	2,610	6,640
February	4,130	8,340	194	2,810	10,600
March	4,640	13,000	670	3,480	14,500 <sup>r</sup>
April	3,910	16,900	3,600	7,080	14,800 <sup>r</sup>
May	3,620	20,500	5,400	12,500	13,100 <sup>r</sup>
June	2,870	23,400	4,400	16,900	11,500 <sup>r</sup>
July <sup>r</sup>	3,220	26,600	5,020	21,900	9,740
August	2,840	29,400 <sup>r</sup>	4,540 <sup>r</sup>	26,400 <sup>r</sup>	8,040 <sup>r</sup>
September	3,360	32,800 <sup>r</sup>	3,940	30,400 <sup>r</sup>	7,460 <sup>r</sup>
October	3,400	36,200	3,790	34,200	7,070

<sup>r</sup>Revised.

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

<sup>2</sup>Excludes byproduct ores and iron metallics.

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

TABLE 2  
U.S. PRODUCTION OF PIG IRON AND RAW STEEL, 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		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2014:						
October	2,690	27,000	2,340	24,900	4,700	46,300
November	2,740	29,800	2,400	27,300	4,480	50,800
December	2,860	32,600	2,490	29,700	4,350	55,200
2015:						
January	2,760	2,760	2,380	2,380	4,500	4,500
February	2,310	5,070	1,980	4,370	3,870	8,370
March	2,390	7,460	1,990	6,360	4,050	12,400
April	2,330	9,790	1,990	8,340	4,080	16,500
May	2,530	12,300	2,180	10,500	4,310	20,800
June	2,670	15,000	2,340	12,900	4,180	25,000
July	2,830	17,800	2,460	15,300	4,200	29,200
August	2,690	20,500	2,330	17,600	4,240	33,400
September	2,390	22,900	2,090	19,700	4,170	37,600
October	2,270	25,200	1,990	21,700	4,270	41,900

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

Source: American Iron and Steel Institute.

TABLE 3  
U.S. EXPORTS OF IRON ORE, BY COUNTRY AND TYPE<sup>1,2</sup>  
(Exclusive of ore containing 20% or more manganese)

Country and type of product	2014			2015		
	January–October	October		January–October	January–October	
	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)
Canada	7,230	385	28,400	5,510	482,000	87.48
Mexico	1,440	10	1,190	503	36,100	71.70
Other	1,810	(4)	11	417	17,200	41.17
Total	10,500	395	29,600	6,430	535,000	83.24
Concentrates	1,440	11	1,360	98	11,900	120.99
Fine ores	95	(4)	6	16	1,800	112.80
Pellets	8,180	383	28,200	5,860	495,000	84.47
Other	763	1	31	454	26,400	58.17
Total	10,500	395	29,600	6,430	535,000	83.24

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

<sup>2</sup>All countries with less than 5,000 metric tons of exports per month included in "Other."

<sup>3</sup>Free alongside ship (FAS) value.

<sup>4</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 4  
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	2014			2015		
	January–October	October		January–October	January–October	
	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	1,600	307	22,300	1,940	155,000	79.84
Canada	2,470	163	20,800	1,580	203,000	128.68
South Africa	18	12	930	59	6,720	113.90
Venezuela	91	25	1,490	25	1,490	386.15
Other	316	--	--	268	20,100	74.93
Total	4,490	507	45,500	3,870	386,000	99.85
Concentrates	506	111	4,660	697	34,500	49.43
Fine ores	--	--	--	--	--	--
Pellets	3,600	395	40,800	2,960	338,000	114.29
Other	393	(4)	95	216	14,100	65.48
Total	4,490	507	45,500	3,870	386,000	99.85

-- Zero.

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

<sup>2</sup>All countries with less than 5,000 metric tons of imports per month included in "Other."

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

<sup>4</sup>Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5  
 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.)	Pellets			Total, all products		
	January–October		October	January–October		October
	2014	2015	2015	2014	2015	2015
Chicago, IL (39)	110	13	13	647	649	125
Cleveland, OH (41)	728	858	120	728	858	120
New Orleans, LA (20)	2,280	1,720	261	2,620	1,950	261
Other	475	360	(3)	503	419	1
Total	3,600	2,960	395	4,490	3,870	507

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

<sup>2</sup>Customs Districts with less than 5,000 metric tons of imports per month included in "Other."

<sup>3</sup>Less than ½ unit.

Source: U.S. Census Bureau.