

Mineral Industry Surveys

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SILVER IN FEBRUARY 2004

U.S. mines produced 95,000 kilograms (kg) of silver in February 2004, according to the U.S. Geological Survey. Compared with that of January, production of silver was down 7%.

Rochester General Hospital, Rochester, NY, and Eastman Kodak Company will work together to transform the hospital's medical imaging capabilities from film-based products and paper-based radiology workflow to digital imaging and information system technologies. Once the hospital's transformation is complete, it will serve as a showcase where other healthcare providers can experience digital imaging technology in a real-life clinical setting. Kodak also announced that the company was ending the sale of 35 mm cameras in North America and Western Europe. The company, however, will continue to sell silver-based film for existing users of 35 mm cameras in the regions. These events are further signals that demand for silver-based film is likely to decrease significantly as consumers switch to digital imaging technology. Nevertheless, most current users of digital cameras still prefer to process their photographs onto photographic paper rather than printing them with a color printer. The likely decrease in silver consumption resulting from lower demand for silver-based film will be somewhat offset by a decrease in scrap supplies (Eastman Kodak Company, 2003, 2004).

The price of silver continued the rise that began in January 2004 and traded at \$6.78 per troy ounce (ounce) on February 17, the highest level since February 1998. The weakened U.S. dollar has played a major role in boosting the price of all metals. The Euro has appreciated from \$1.20 in the first week of

December 2003 to \$1.258 on February 4, 2004, and the Japanese yen was up from ¥110 per U.S. dollar to ¥107 (CRU Precious Metals Monitor, 2004; Ryan's Notes, 2004).

Higher silver prices encouraged Idaho-based Sterling Mining Company to step up its efforts to reopen the shuttered Sunshine silver mine. Sterling is continuing to lease properties around Sunshine and has added additional management and operations personnel. The company, which took a 15-year lease option on the Sunshine property, expects to place the mine back into production soon in order to benefit from higher silver prices. The Sunshine Mine historically produced about 500 metric tons (t) of silver per year. When the mine was closed in November 2001, the former owner (Sunshine Precious Metals, Inc.) reported more than 5,000 t of silver reserves. At the time of closing, silver prices were in a long downward trend, falling below \$4.00 per ounce (Sterling Mining Company, 2004).

References Cited

- CRU Precious Metals Monitor, 2004, Silver - soaring into the \$6s: CRU Precious Metals Monitor, January, p. 5.
- Eastman Kodak Company, 2003, Rochester General Hospital will transform to latest digital medical imaging technology with support from Kodak: Rochester, NY, Eastman Kodak Company news release, December 11, 3 p.
- Eastman Kodak Company, 2004, Kodak to accelerate 35 mm consumer film effort in emerging markets: Rochester, NY, Eastman Kodak Company news release, January 13, 2 p.
- Ryan's Notes, 2004, Exchange rates: Ryan's Notes, v. 10, no. 6, p. 10.
- Sterling Mining Company, 2004, Sterling advances surface exploration at the Sunshine mine: Kellogg, ID, Sterling Mining Company press release, March 3, 1 p.

TABLE 1
MINE PRODUCTION OF RECOVERABLE SILVER
IN THE UNITED STATES, BY STATE¹

(Kilograms)

	Nevada	Other States ²	Total
2003: ^P			
February	19,600	75,300	94,800
March	25,800	83,400	109,000
April	21,500	71,500	93,000
May	27,700	78,400	106,000
June	26,600	79,000	106,000
July	28,900	69,600	98,500
August	28,800	68,100	96,900
September	32,200	73,700	106,000
October	27,700 ^r	77,600	105,000 ^r
November	30,600	75,300 ^r	106,000 ^r
December	34,300	81,100 ^r	115,000 ^r
January-December	328,000 ^r	914,000 ^r	1,240,000
2004:			
January	30,800	71,600 ^r	102,000 ^r
February	28,600	66,400	95,000
January-February	59,400	138,000	197,000

^PPreliminary. ^rRevised.

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

²Includes Alaska, Arizona, California, Colorado, Idaho, Missouri, Montana, Utah, and Washington.

TABLE 2
SILVER PRICES

(Dollars per troy ounce)

<u>Engelhard Industries:</u>	
2003:	
Low/date	4.39 March 24
High/date	5.98 December 31
Average	4.91
2004:	
January:	
Low/date	6.23/5, 21, 29
High/date	6.68/12
Average	6.37
February:	
Low/date	6.05/2
High/date	6.78/17
Average	6.48
Year to date:	
Low/date	6.05 February 2
High/date	6.78 February 17
Average	6.43
<u>Handy and Harman:</u>	
2003, Average	4.91
2004:	
January	6.37
February	6.48
Year to date	6.42
<u>London Final:¹</u>	
2003, Average	4.88
2004:	
January	6.33
February	6.44
Year to date	6.39

¹Reported as "London Spot/US Equiv."

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Bullion		Doré		Ores and concentrates ²		Ash and residues		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2003:										
November	257,000	\$41,600	25,000	\$6,970	--	--	6,490	\$896	288,000	\$49,400
December	362,000	62,900	30,000	9,800	329	\$280	13,600	1,760	406,000	74,700
Year	4,000,000	630,000	233,000	72,200	2,540	1,590	92,600	10,700 ^r	4,330,000	714,000 ^r
2004:										
January:										
Canada ³	61,200	12,000	249	40	--	--	5,130	677	66,600	12,700
Chile	10,000	1,780	--	--	--	--	--	--	10,000	1,780
El Salvador	35	8	--	--	--	--	--	--	35	8
Japan	--	--	--	--	--	--	440	62	440	62
Mexico ³	181,000	35,100	22,100	8,260	--	--	--	--	203,000	43,300
Peru	40,600	7,540	--	--	--	--	--	--	40,600	7,540
Taiwan	--	--	--	--	--	--	962	187	962	187
Total	292,000	56,400	22,300	8,300	--	--	6,530	926	321,000	65,600

^rRevised. -- Zero.

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

²Includes silver content of base metal ores and concentrates.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 4
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (gross weight)		Waste and scrap (gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2003:										
November	14,800	\$2,460	3,220	\$677	--	--	35,000	\$5,460	32,300	\$8,000
December	5,990	964	1,880	395	25	\$7	23,600	6,090	31,800	11,900
Year	281,000	42,200	20,800	4,160	661	96	355,000	52,600 ^r	886,000	107,000
2004:										
January:										
Brazil	--	--	--	--	--	--	7,180	1,060	43	85
Canada ³	766	153	91	16	--	--	988	138	7,270	1,740
China ³	--	--	35	4	--	--	--	--	2,190	158
Costa Rica	--	--	--	--	--	--	--	--	3,690	634
France ³	--	--	1,490	386	--	--	--	--	--	--
Germany	374	103	160	36	--	--	803	199	236	357
India ³	205	45	--	--	--	--	950	207	--	--
Italy ³	19	9	--	--	--	--	629	101	62	285
Japan ³	32	7	1,000	241	--	--	1,030	403	7	114
Korea, Republic of ³	--	--	--	--	--	--	1,640	164	--	--
Mexico	8,630	1,500	--	--	--	--	--	--	3,970	1,760
Poland	--	--	--	--	--	--	382	75	--	--
Switzerland	--	--	239	47	--	--	--	--	16	120
Taiwan	--	--	--	--	--	--	41	6	--	--
United Kingdom ³	--	--	--	--	--	--	3	10	970	219
Venezuela	--	--	--	--	--	--	--	--	370	3,530
Other ³	3	2	(4)	3	--	--	(4)	5	150	453
Total	10,000	1,820	3,020	732	--	--	13,600	2,360	19,000	9,460

^rRevised. -- Zero.

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

²Containing 99.5% or more by weight of silver.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

⁴Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF SILVER¹

Period and country	Bullion		Doré		Ores and concentrates ²		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2003:								
November	208	\$36	1,450	\$253	71	\$53	1,730	\$342
December	744	143	1,650	309	39	17	2,430	469
Year	135,000	20,700	19,800	3,200	57,900	16,300 ^r	212,000	40,300 ^r
2004:								
January:								
Canada	397	68	43	8	--	--	440	76
China ³	41	10	--	--	--	--	41	10
Hong Kong	53	10	--	--	--	--	53	10
Norway	--	--	233	49	--	--	233	49
Switzerland	--	--	2,660	519	--	--	2,660	519
Total	492	88	2,940	576	--	--	3,430	664

^rRevised. -- Zero.

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

²Includes silver content of base metal ores and concentrates.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 6
U.S. EXPORTS OF SILVER¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (gross weight)		Waste and scrap (gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2003:										
November	846	\$181	45,800	\$7,890	9,880	\$1,160	22,000	\$3,810	124,000	\$27,800
December	2,270	502	43,500	7,450	4,890	615	21,700	3,770	131,000	34,300
Year	26,000	5,470	473,000	81,500	69,200	9,120	344,000	59,400	2,020,000	410,000
2004:										
January:										
Belgium	52	10	347	59	--	--	60	10	13,900	4,470
Canada ³	1,230	246	1,780	300	3,440	436	5,210	855	60,100	10,400
China	22	4	289	49	--	--	57	11	17,400	2,370
Dominican Republic	306	67	--	--	--	--	84	14	--	--
France ³	--	--	1,420	260	--	--	717	134	--	--
Germany ³	36	8	7,390	1,290	--	--	164	36	39,100	4,650
Hong Kong	--	--	1,980	337	--	--	446	76	35	3
Italy	--	--	30	6	--	--	103	18	22,100	5,440
Japan	--	--	9,690	1,670	--	--	--	--	262	2,670
Jordan	--	--	--	--	--	--	206	35	--	--
Korea, Republic of	12	3	5,980	1,020	79	12	143	24	4,410	663
Lebanon	--	--	121	23	--	--	--	--	--	--
Mexico ³	805	178	--	--	491	92	977	223	--	--
Netherlands	--	--	1,340	227	--	--	1,970	335	--	--
Saudi Arabia	--	--	--	--	--	--	--	--	14,300	1,430
Singapore	--	--	1,030	172	--	--	991	172	--	--
Spain ³	--	--	--	--	--	--	1,090	187	--	--
Sweden ³	--	--	1,600	272	--	--	36	9	4,000	697
Switzerland	--	--	16	3	--	--	26	4	--	--
Taiwan ³	--	--	5,170	885	--	--	624	109	1,220	158
Thailand	2,220	399	--	--	--	--	--	--	--	--
United Kingdom	--	--	3,290	566	--	--	2,470	420	7,320	1,350
Other ³	118	26	56	10	--	--	223	41	153	22
Total	4,800	941	41,500	7,140	4,010	541	15,600	2,710	184,000	34,300

-- Zero.

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

²Containing 99.5% or more by weight of silver.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.