

State of the Iron Mining Industry

KELSEY JOHNSON, PRESIDENT, IRON MINING ASSOCIATION



imagine

Iron Mining Association of MN

Mission Statement: Promote an iron ore industry that will provide long-term growth and prosperity for all stakeholders through profitability in a competitive, global market.

- ❑ 130 years of Iron Mining
 - ❑ 25 years Iron Mining Association (IMA)
 - ❑ Prior
 - ❑ Lake Superior Industrial Bureau
 - ❑ American Iron Ore Association



Who makes up the IMA?

Represent 8 iron mines and 200 supplier members who provide goods and services to the mines

- ☐ ArcelorMittal Minorca Mine
- ☐ Cleveland Cliffs Inc.
 - ☐ Hibbing Taconite (also owned by ArcelorMittal and US Steel)
 - ☐ Northshore Mining
 - ☐ United Taconite
- ☐ Steel Dynamics: Mining Resources and Mesabi Nugget
- ☐ US Steel: Minntac and Keetac

Promote our industry

Statewide using traditional and non-traditional media:

- ❑ #imagineLiFewithoutiron
- ❑ @imagineLiFEwithoutiron
- ❑ #MnMined

- ❑ @Minnesotalron
- ❑ @IMA_MN





Lobby on behalf of the members at the State Capitol during legislative session,
guided by a number of member driven committees



Connect our members

☐ Committees

- ☐ Environment
- ☐ Membership
- ☐ Safety-Health
- ☐ Government Relations
- ☐ Public Relations
- ☐ Education/Workforce Development

☐ Weekly e-newsletter

☐ Social media

☐ Networking events:

- ☐ Annual golf outing
- ☐ Funspiel
- ☐ Annual Dinner

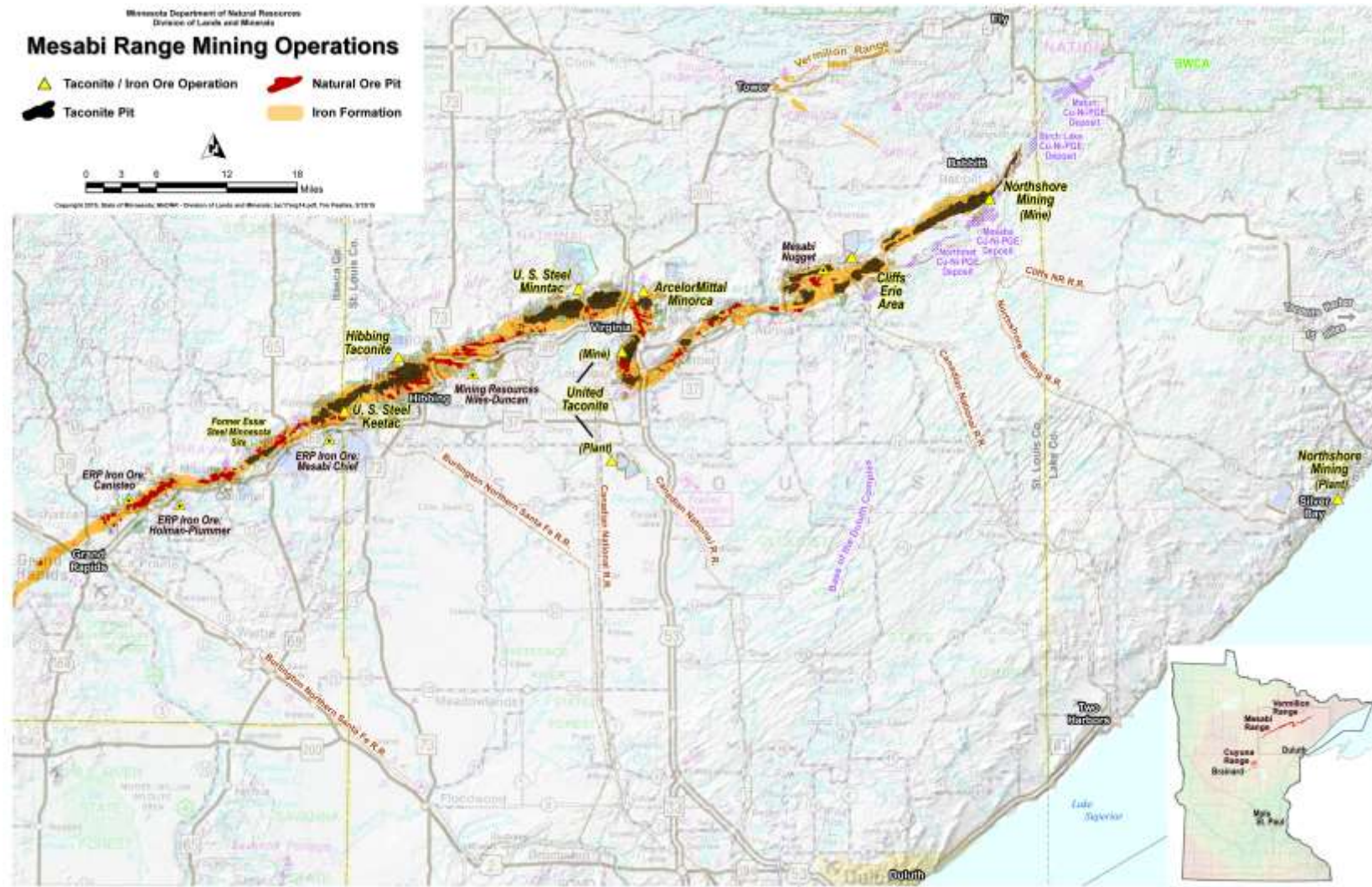


History of Iron Mining in MN

- 1845 Iron ore discovered in the Lake Superior region
- 1884 First shipment of iron from MN
- 1941 Production tax created
- 1941-45 NE MN shipped 411 million tons of ore
- 1956 Two taconite mining and processing facilities open
- 1974 Minnesota annual taconite production peaks at 65 million tons
- 1987 Flux pellets are introduced
- 2010 High grade iron nuggets are commercially produced.
- 2018 DR grade pellet commercially produced



Existing Minnesota Iron Mining Operations



Iron Mining's Economic Impact

- ❑ \$3 billion
 - ❑ 15,000
 - ❑ 1.8 jobs
 - ❑ Largest contributor to the region's economy
 - ❑ 30% of the Gross Regional Product (GRP) in 2010
 - ❑ Tourism industry - 11% of the GRP



Minnesota Iron's National Impact

- ❑ 40 - 45 million tons of iron ore
 - ❑ 85%
 - ❑ Top 5
 - ❑ 2% of global



Minnesota Iron's National Impact

- ❑ Nation's iron and steel industry combined support
 - ❑ \$1.1 trillion
 - ❑ 10.9 million jobs
 - ❑ 16% of GDP
 - ❑ \$23,800/ton
 - ❑ 48 "Lakers"
 - ❑ 70,000 tons



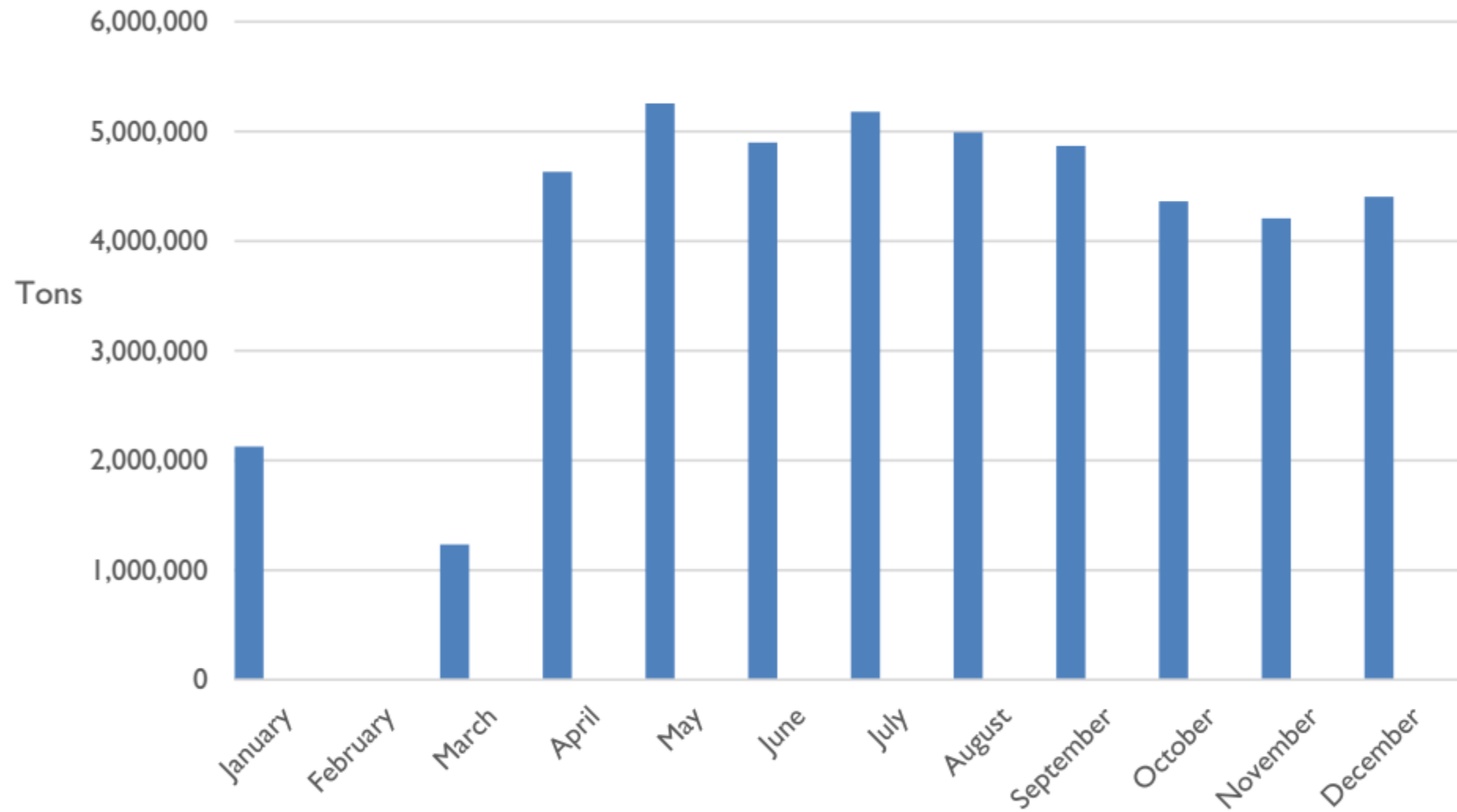
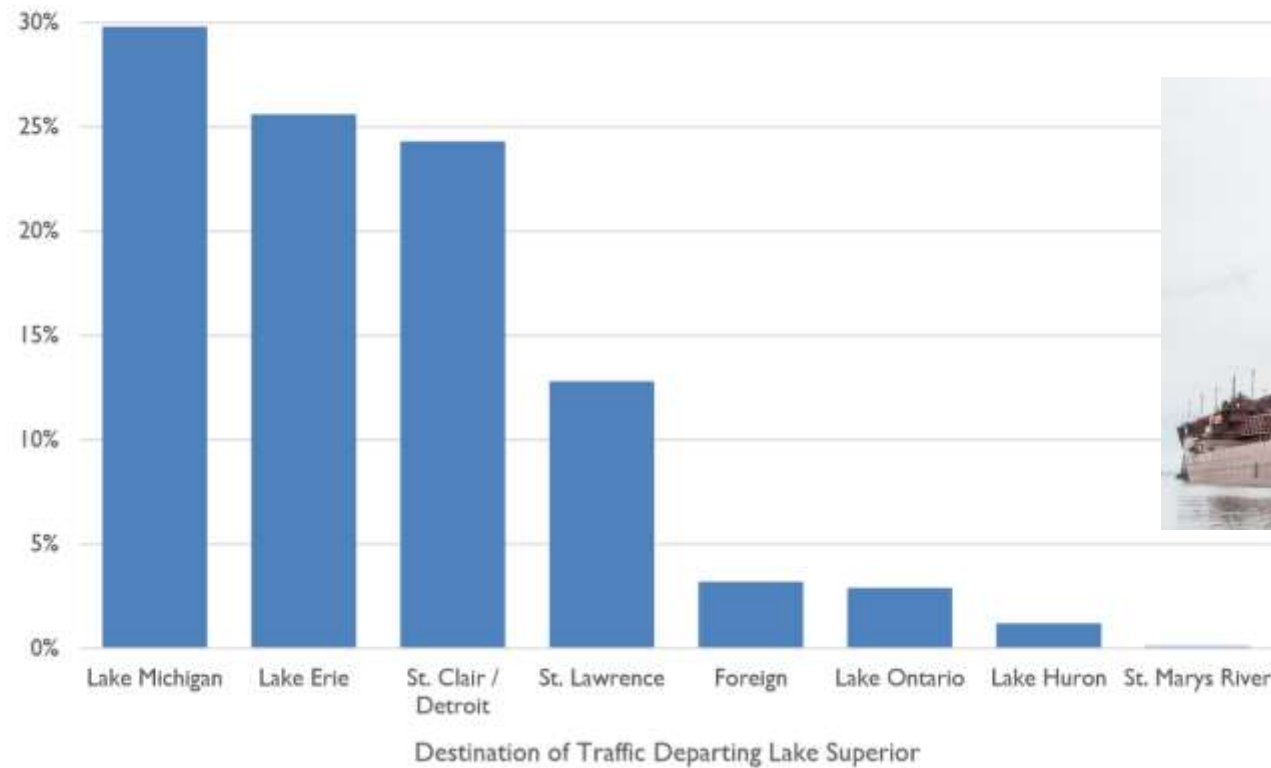


FIGURE 18—AVERAGE MONTHLY SHIPMENT OF IRON ORE OUT OF LAKE SUPERIOR, 2010-2013¹¹⁹

Iron Mining's Reach from Lake Superior



Taxes Paid

Recent taxes based on production levels, iron mining paid

- ❑ \$152 million in state and local taxes
 - ❑ \$48 million supported local schools in the region
 - ❑ University of Minnesota received nearly \$16.3 million
 - ❑ Remainder was funneled to local communities where mining takes place through IRRRB
- ❑ Royalties
 - ❑ \$58 million in royalties paid to the school trust lands
 - ❑ Current School Trust Fund balance \$1.3 billion – 90% of the balance is from mineral royalties
 - ❑ Every student in Minnesota receives \$34/year toward education

2014 Taxes and Distribution

Tax	amount (millions)	% of total
Production	\$101.2	70.8%
Occupation	15.8	11.1%
Sales & use	24.6	17.2%
Other	1.3	0.9%
Total	\$142.9	

Distribution	Amounts^(a)
Cities and townships	\$14,911,750
School districts	21,426,698
Counties	14,502,580
Property tax relief and misc.	13,783,501
IRRRB	45,081,882
Range Association of Municipalities and Schools	142,382
Hockey Hall of Fame	79,216
Total	\$109,928,009^(b)
(a) Amounts are as calculated by the Office of the Legislative Auditor, based on data from the Minnesota Department of Revenue.	
(b) Includes state aid from the general fund in the amount of \$8,713,708.	

Industry Concerns

☐ **Nationally –**

- ☐ Foreign steel dumping
- ☐ Foreign competition

☐ **State –**

- ☐ Energy costs
- ☐ Taxes
- ☐ Wild Rice



Questions???

taconite.org
MinnesotalIron.org

Contact – Kelsey Johnson
info@taconite.org
218.722.7724