US COAL PRODUCTION

The chart shows the million tons of coal produced in the US from 2010 to 2014. The production was highest in 2011, with a significant decrease in 2013. The estimate for 2014 is slightly higher than 2013.
US COAL DEMAND
DOMESTIC PRICES – CSX 12500 <1
Most PRB producers have cited poor rail performance as a contributing factor to lower than anticipated revenue:

- ACI estimates 4-5 million tons lost in 1H
- BTU estimates 1-2 million tons lost in Q2
- ANR reduced 2014 PRB shipment guidance by 3 million tons.
- Since Q1, CLD has reduced 2014 top-end guidance from 92 million to 86 million tons.
- BTU estimates collectively 15M tons lost in first half due to poor shipments and coal conservation.

Several customers cite inability to get coal delivered as a reason they haven’t purchased additional volumes this year.

Recent drop in 2014 prices reflects this.