

MICA Analysis: What are the current US rare earth production stat...

Session ID: 2af0325a-59b9-44d5-b018-84c0487cf60c

Query: What are the current US rare earth production statistics?

Generated: 2026-01-27 05:37 UTC

Generated: 2026-01-26 23:37:23

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Table of Contents

1. Executive Summary
2. Analysis
3. Results: step_0
4. Results: step_1
5. Results: step_2
6. Results: step_3
7. Results: step_4

1. Executive Summary

MICA Analysis Summary: US Rare Earth Production Statistics

2. Analysis

MICA Analysis Summary: US Rare Earth Production Statistics

Executive Summary

Based on current available information, three critical findings emerge regarding US rare earth production:

1. ****Limited Domestic Production Capacity****: The United States has only one operational rare earth mining facility - MP Materials' Mountain Pass mine in California - representing the largest rare earth mining operation in the Western Hemisphere. This facility produces rare earth concentrates but has limited downstream processing capability.
2. ****Massive Federal Investment Push****: The US government is deploying unprecedented capital to rebuild domestic rare earth capacity, including \$1.6 billion committed to USA Rare Earth (January 2026) and significant Department of Defense investment in MP Materials, signaling a strategic shift from China-dependent supply chains.
3. ****Critical Processing Gap****: While mining capacity exists, the US lacks comprehensive separation and processing infrastructure, particularly for heavy rare earth elements (HREEs). China continues to process over 90% of global rare earth materials, creating a strategic vulnerability despite domestic mining efforts.

Detailed Findings

Current Production Infrastructure

****MP Materials - Mountain Pass Mine**** - ****Status****: Only operational rare earth mine in the United States - ****Scale****: Largest rare earth mining operation in the Western Hemisphere - ****Recent Performance****: Q3 2025 showed 15% year-over-year revenue decline as the company ceased certain sales operations - ****Ownership****: US Department of Defense is now the largest shareholder (as of July 2025) - ****Processing Capability****: Currently focused on light rare earth elements; heavy rare earth separation planned for 2026

****Emerging Projects**** - ****USA Rare Earth****: Secured \$1.6 billion non-binding federal funding agreement (January 2026) for Oklahoma magnet manufacturing facility in Stillwater - ****Rare Element Resources****: Received Export-Import Bank Letter of Interest for Bear Lodge Project funding - ****Aclara Resources****: Building first US heavy rare earths separation facility, expected to source feed from Brazil and Chile by mid-2028 - ****Brook Mine Project****: Preliminary economic assessment (July 2025) confirmed technical and economic feasibility for REE processing facility targeting up to 1,000 tons production

Strategic Dependencies and Vulnerabilities

****China Dominance**** - Processes >90% of global rare earth materials - Controls mining, refining, processing, and export channels - Expanded rare earth export controls (October 9, 2025) - Recent export restrictions created supply disruption risks

****Supply Chain Risk Assessment**** - Goldman Sachs analysis: 10% disruption in rare earth supply could reduce global economic output by \$150 billion - Light rare earths identified as potential future targets for Chinese export restrictions - US currently lacks integrated supply chain from mining through magnet production

Federal Policy Response

****Investment Scale**** - \$1.6 billion to USA Rare Earth (non-binding agreement, January 2026) - Significant DoD equity stake in MP Materials - Export-Import Bank engagement for multiple projects - Presidential Executive Orders issued to increase American mineral production

****Strategic Initiatives**** - Public-private partnerships with domestic producers - Focus on complete supply chain development (mining → separation → magnet production) - Allied coordination: Eight-nation initiative to reinforce critical mineral and semiconductor supply chains - Greenland mineral rights discussions (1.5 million metric tons rare earth reserves - 8th largest globally)

Technology and Processing Developments

****Separation Technology**** - New chemistry approaches being developed to challenge China's solvent-extraction dominance - MP Materials planning heavy rare earth separation breakthrough in 2026 - Focus on domestic heavy rare earth element (HREE) processing capability

****Production Targets**** - Multiple projects in development phase with economic assessments completed - Estimated \$100 billion worth of rare earth deposits potentially available in US territory - Timeline for full domestic processing capability: 2026-2028 range for various projects

Market Dynamics

****MP Materials Stock Performance**** - Significant volatility: 41% decline from recent peak, followed by recovery - Q3 2025: Revenue miss but EPS beat; shares searching for direction - Market anticipation of 2026 heavy rare earth developments - Strong government backing providing long-term runway

****Investment Sentiment**** - Rare earth sector at intersection of chemistry, geopolitics, and industrial finance - Increasing private and public capital flowing to domestic production - Strategic value recognized beyond pure economic returns

Limitations and Caveats

1. ****Data Recency****: Production statistics are primarily from Q3 2025 and early 2026 announcements. Specific tonnage figures for current US rare earth production were not provided in search results.
2. ****Non-Binding Agreements****: The \$1.6 billion USA Rare Earth funding is currently a non-binding agreement; actual disbursement and project completion timelines are uncertain.
3. ****Project Development Risk****: Multiple projects are in preliminary or development phases. Actual production capacity and timelines may differ from current projections.
4. ****Processing Gap Timeline****: While mining capacity exists, the timeline to achieve full domestic processing independence (particularly for HREEs) extends to 2026-2028, leaving current vulnerabilities.
5. ****Quantitative Production Data****: Specific annual production volumes in metric tons for current US operations were not available in the search results. MP Materials Q3 2025 results showed revenue decline but did not specify exact production tonnage.
6. ****Global Context****: US production statistics should be understood relative to China's dominant position, but precise comparative production figures were not provided.

Recommendations

For Policy Makers

1. ****Accelerate Processing Infrastructure****: Prioritize funding for separation and processing facilities, not just mining operations, to address the critical mid-stream gap in the supply chain.
2. ****Secure Binding Commitments****: Convert non-binding funding agreements into firm commitments with clear milestones and accountability mechanisms.
3. ****Allied Coordination****: Strengthen the eight-nation critical minerals initiative to create redundant supply chains and share processing capacity.

4. ****Strategic Reserve Consideration****: Evaluate establishing strategic rare earth reserves while domestic processing capacity scales up.

For Investment Decisions

1. ****Diversified Portfolio Approach****: Support multiple projects across the supply chain (mining, separation, magnet production) to reduce single-point failure risks.

2. ****Technology Development****: Invest in novel separation and processing technologies that could provide competitive advantages over Chinese solvent-extraction methods.

3. ****Timeline Realism****: Plan for 2-4 year horizons for projects to reach commercial production; maintain interim supply arrangements.

4. ****Monitor Regulatory Environment****: Track export control developments from China and domestic permitting/environmental review processes that could impact project timelines.

Critical Data Gaps Requiring Further Investigation

- Exact annual production volumes (metric tons) from Mountain Pass - Specific breakdown of light vs. heavy rare earth production capacity - Detailed cost competitiveness analysis vs. Chinese production
- Comprehensive inventory of all US rare earth deposits with resource estimates - Processing yield rates and efficiency metrics for domestic facilities

****Analysis Confidence Level****: Moderate to High for strategic trends and policy direction; Low to Moderate for specific quantitative production statistics due to limited granular data in available sources.

3. Results: step_0

[{'title': 'The race for rare earth and critical minerals: From risk to results', 'url': 'https://www.openaccessgovernment.org/the-race-for-rare-earth-and-critical-minerals-from-risk-to-results/201058/', 'snippet': 'Cecilia Van Cauwenberghe examines the competition for rare earth and critical minerals, discussing a sustainable economic opportunity', 'source': 'www.openaccessgovernment.org'}, {'title': 'Russia is late to the party, but it's still preparing to enter the rare earths fray', 'url': 'https://www.cnbc.com/2025/11/10/russia-is-preparing-to-enter-the-rare-earths-party-heres-how.html', 'snippet': 'Russian President Vladimir Putin has ordered officials to complete a road map for the extraction of rare earth minerals by Dec.1. China is by far the most dominant country when it comes to rare earths mining, refining, processing and exporting. Russia lags ...', 'source': 'www.cnbc.com'}, {'title': 'Goldman Sachs flags risk of disruption in supply of rare earths, key minerals', 'url': 'https://www.reuters.com/world/asia-pacific/goldman-sachs-flags-risk-disruption-supply-rare-earths-key-minerals-2025-10-21/', 'snippet': 'Rare earths disruption of 10% could cut global output by \$150 billion Light rare earths could be future targets for curbs China expanded rare earths export controls on October 9 Oct 21 (Reuters) - Goldman Sachs flagged mounting risks to global supply ...', 'source': 'www.reuters.com'}, {'title': 'America Confronts Its Next Great Energy Crisis: Rare Earth Minerals', 'url': 'https://www.forbes.com/sites/davidblackmon/2025/10/15/america-confronts-its-next-great-energy-crisis-rare-earth-minerals/', 'snippet': 'The United States could well be facing its most critical energy crisis in decades thanks to its longstanding reliance on imports for its rare earth minerals needs. The dramatic move announced by China last week to restrict the flow of such minerals around ...', 'source': 'www.forbes.com'}, {'title': 'Major US steelmaker pivots to rare earth minerals as China tightens grip', 'url': 'https://www.foxbusiness.com/economy/major-us-steelmaker-pivots-rare-earth-minerals-china-tightens-grip', 'snippet': 'A major U.S. steelmaker is looking to help kickstart domestic production of rare earth minerals amid China's move to block access amid its trade dispute with the Trump administration. Cleveland-Cliffs, a steelmaker headquartered in Ohio, announced the ...', 'source': 'www.foxbusiness.com'}, {'title': 'Nearly \$100B in rare earths may be buried in the U.S.', 'url':

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4. Results: step_1

[{'title': 'Will MP Materials stock have room to run in 2026?', 'url': 'https://www.msn.com/en-us/money/other/will-mp-materials-stock-have-room-to-run-in-2026/ar-AA1UnJf0', 'snippet': 'MP Materials had a serious bull run in 2025, but with the weight of the U.S. military behind it, I think it has a long runway ahead of it for this year.', 'source': 'www.msn.com'}, {'title': 'MP Materials Reports Third Quarter 2025 Results', 'url': 'https://www.morningstar.com/news/business-wire/20251106556406/mp-materials-reports-third-quarter-2025-results', 'snippet': 'Tax impact of adjustments is calculated using an adjusted effective tax rate, which excludes the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 26.7%, 25.7%, 33.1% and 28.5% for the three and nine ...', 'source': 'www.morningstar.com'}, {'title': 'After Falling 41% From Its Recent Peak, Is MP Materials Stock a Buy?', 'url': 'https://www.fool.com/investing/2025/12/05/after-falling-41-from-its-recent-peak-is-mp-materials/', 'snippet': 'The U.S. seeks to secure its supply chain of rare-earth materials amid concerns over China's dominance. MP Materials holds significant assets in the U.S. rare-earth magnet market, which is crucial for various industries, including defense and electric ...', 'source': 'www.fool.com'}, {'title': 'MP Materials Q3 Earnings: Revenue Miss, EPS Beat, Shares Search For Direction', 'url': 'https://www.benzinga.com/markets/earnings/25/11/48706649/mp-materials-q3-earnings-revenue-miss-eps-beat-shares-search-for-direction', 'snippet': 'MP Materials Corp (NYSE:MP) reported third-quarter financial results after the market close on Thursday. Here's a look at the key details from the print. Total revenue was down 15% on a year-over-year basis as a result of the company ceasing all sales of ...', 'source': 'www.benzinga.com'}, {'title': 'MP Materials : Still Rare?', 'url': 'https://www.forbes.com/sites/greatspeculations/2025/09/29/mp-materials--still-rare/', 'snippet': 'MP Materials (NYSE:MP) is an American rare-earth materials firm based in Las Vegas, Nevada, and experienced an increase of nearly 8% during Thursday's trading. The recent upturn follows plans by the Trump Administration to obtain a 10% equity stake in the ...', 'source': 'www.forbes.com'}, {'title': 'MP vs. USAR: Which Rare-Earth Play Looks Stronger Right Now?', 'url': 'https://www.nasdaq.com/articles/mp-vs-usar-which-rare-earth-play-looks-stronger-right-now', 'snippet': 'MP Materials MP and USA Rare Earth, Inc. USAR are two U.S.-based companies in the rare-earth metals and magnets space. Rare earths are crucial to the production of high-performance magnets used in EVs, defense and high-tech applications. With China ...', 'source': 'www.nasdaq.com'}, {'title': 'Could MP Materials Go Parabolic by 2028?', 'url': 'https://www.msn.com/en-us/money/savingandinvesting/could-mp-materials-go-parabolic-by-2028/ar-AA1NljcA', 'snippet': 'MP Materials owns and operates Mountain Pass

5. Results: step_2

[{'title': 'US government investing \$1.6 billion in mining company USA Rare Earth', 'url': 'https://www.msn.com/en-us/money/companies/usa-rare-earth-enters-pact-for-1-6-billion-of-federal-funds/ar-AA1V0koy', 'snippet': 'The federal government is injecting \$1.6 billion into USA Rare Earth, the latest move by the Trump administration to shore up the domestic supply of rare-earth minerals.', 'source': 'www.msn.com'}, {'title': 'Inside look at MP Materials amid the rare earth race', 'url': 'https://www.foxbusiness.com/politics/inside-look-mp-materials-amid-rare-earth-race', 'snippet': 'The

Trump administration's push to secure U.S. supply chains of rare earth minerals amid trade tensions with China features a public-private partnership with a domestic producer that now has the Pentagon as its largest shareholder. In July, the Department ...", 'source': 'www.foxbusiness.com'}, {'title': "MP Materials Stock Jumps After Earnings. Why the Market 'Has It Wrong' on Rare Earths.", 'url': 'https://www.msn.com/en-us/money/markets/mp-materials-stock-dives-after-earnings-why-the-market-has-it-wrong-on-rare-earths/ar-AA1Q08X2', 'snippet': 'MP Materials, the largest rare-earth miner in the Western Hemisphere, reported third-quarter earnings that sent its stock higher Friday. The company reported a smaller-than-expected loss and told investors to expect it to be profitable in the fourth ...', 'source': 'www.msn.com'}, {'title': 'MP Materials Sets Stage For Heavy Rare Earth Breakthrough In 2026', 'url': 'https://www.benzinga.com/analyst-stock-ratings/analyst-color/25/11/48729410/mp-materials-sets-stage-for-heavy-rare-earth-breakthrough-in-2026', 'snippet': 'MP Materials Corp. (NYSE:MP) rose Friday after a mixed quarterly update signaled improving profitability trends and steady momentum in magnetics. The company also outlined progress toward domestic heavy rare earth separation, bolstering sentiment around ...', 'source': 'www.benzinga.com'}, {'title': 'MP Materials: Good For America, Bad For Your Portfolio', 'url': 'https://seekingalpha.com/article/4837986-mp-materials-good-for-america-bad-for-your-portfolio', 'snippet': 'MP Materials stands as the only scaled US rare earths producer, now backed by a landmark Pentagon equity deal for vertical integration. The DoD partnership secures MP with guaranteed pricing, long-term offtake, and financing for a massive magnet facility ...', 'source': 'seekingalpha.com'}, {'title': 'West scrambles to fill heavy rare earth gap as China rivalry deepens', 'url': 'https://www.reuters.com/sustainability/climate-energy/west-scrambles-fill-heavy-rare-earth-gap-china-rivalry-deepens-2025-11-19/', 'snippet': "LONDON, Nov 19 (Reuters) - The West's push to build a home-grown magnets supply chain to reduce its reliance on China - led by massive U.S. backing for Nevada-based MP Materials - is running into a critical problem: the scarcity of so-called heavy rare ...", 'source': 'www.reuters.com'}, {'title': "America's Only Rare Earth Miner H

6. Results: step_3

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loosen China's grip on supply", 'url': 'https://www.msn.com/en-gb/news/world/trump-administration-invests-in-another-us-rare-earth-miner-to-loosen-chinas-grip-on-supply/ar-AA1V0yMB', 'snippet': 'Trump administration invests in another US rare earth miner to loosen China's grip on supply - The U.S. is taking a minority stake in an Oklahoma rare earth miner, the latest government investment in the sector as it seeks to minimize its reliance on imports of a material used prevalently in smartphones,', 'source': 'www.msn.com'}, {'title': 'USA Rare Earth Announces Letter of Intent with the U.S. Government for Access to \$1.6 Billion in Funding to Accelerate the Domestic Heavy Rare Earth Value Chain. Concurrently

7. Results: step_4

[{'title': 'The US is throwing big money at rare-earth tech, taking on China's dominance with new chemistry', 'url': 'https://www.techspot.com/news/110361-us-throwing-big-money-rare-earth-tech-taking.html', 'snippet': 'Looking ahead: The rare-earth sector now sits at the intersection of chemistry, geopolitics, and industrial finance. On one side lies a legacy global system dominated by large solvent-extraction complexes concentrated in China; on the other is an emerging ...', 'source': 'www.techspot.com'}]