

With a couple of notable exceptions, the 20 largest ferrous scrap processors in North America handled fewer tons in 2013 than in 2011.

BY DEANNE TOTO



Illustration: Matt Collins

## 20 LARGEST FERROUS SCRAP PROCESSORS

| Company Name  | Company Address      | Website                | Company CEO/COO  | 2013 Ferrous Volume in Gross Tons     | No. of Facilities | No. of Auto Shredders | Deep-Water Port |
|---|----------------------|------------------------|--|---------------------------------------|-------------------|-----------------------|-----------------|
| 1. Sims Metal Management Inc.                             | New York, NY         | simsmm.com             | Galdino Claro  | 7.5 million*                          | 137**             | 18***                 | ✓               |
| 2. The David J. Joseph Co.                                | Cincinnati, OH       | DJJ.com                | Keith B. Grass   | 5 million                             | 69                | 14                    | ✓               |
| 3. Tube City IMS  | Glassport, PA        | tubecityims.com        | Raymond S. Kalouche                                      | 4.55 million*                         | 7                 | 1                     | X               |
| 4. OmniSource Corp.                                       | Fort Wayne, IN       | omnisource.com         | Russell Rinn   | 4.3 million                           | 95                | 11                    | X               |
| 5. Schnitzer Steel Industries – Metals Recycling Business | Portland, OR         | schnitzersteel.com     | Tamara L. Lundgren                                       | 4.3 million                           | 60                | 9                     | ✓               |
| 6. Ferrous Processing & Trading Co.                       | Detroit, MI          | ftscrap.com            | Howard Sherman   | 3.15 million                          | 19                | 5                     | X               |
| 7. Scrap Metal Services LLC                               | Burnham, IL          | scrapmetalservices.com | Rick Gertler, COO; Jeff Gertler, CEO                     | 3 million                             | 11                | 1                     | ✓               |
| 8. Alter Trading Corp.                                    | St. Louis, MO        | altertrading.com       | Robert Goldstein, CEO; Jay Robinovitz, president and COO | 2.5 million                           | 52                | 12                    | X               |
| 9. Triple M Metal Inc.                                    | Brampton, ON, Canada | triplemmetal.com       | Joe Caruso   | 2.28 million*                         | 21                | 3                     | X               |
| 10. Commercial Metals Co.                                 | Irving, TX           | cmc.com                | Joseph Alvarado  | 2.1 million shipped per annual report | 41                | 8                     | X               |
| 11. Gerdau Ameristeel Recycling                           | Whitby, ON, Canada   | gerdauameristeel.com   | Matthew Yeatman, VP of Raw Materials                     | 1.91 million*                         | 25                | 9                     | N/A             |
| 12. American Iron & Metal                                 | Montreal, QC, Canada | scrapmetal.net         | Herbert Black  | 1.8 million                           | 49                | 5                     | ✓               |
| 13. PSC Metals Inc.                                       | Mayfield Heights, OH | pscmetals.com          | Robert Brewer  | 1.64 million*                         | 42                | 10                    | X               |
| 14. European Metal Recycling Ltd.                         | New York, NY         | emrltd.com             | Colin Illes  | 1.44 million*                         | 60                | 6                     | ✓               |
| 15. AMG Resources Corp.                                   | Pittsburgh, PA       | amgresources.com       | Allan M. Goldstein                                       | 1.34 million*                         | 11                | 2                     | X               |
| 16. Azcon Corp.   | Chicago, IL          | azcon.net              | Richard A. Secrist Jr.                                   | 1.2 million                           | 5                 | 1                     | ✓               |
| 17. Cohen Brothers Inc.                                   | Middletown, OH       | cohenusa.com           | Ken Cohen  | 1.1 million                           | 26                | 1                     | X               |
| 18. Upstate Shredding                                     | Owego, NY            | upstateshredding.com   | Adam Weitsman  | 1 million                             | 17                | 2                     | ✓               |
| 19. Behr Iron & Metal Co.                                 | Rockford, IL         | jbehr.com              | William Bremner  | 717,080*                              | 13                | 5                     | X               |
| 20. Newell Recycling of Atlanta Inc.                      | East Point, GA       | newellrecycling.com    | Sharon Newell Shirley                                    | 621,500*                              | 12                | 2                     | X               |

\*estimated; \*\* 52 are jointventures; \*\*\* 7 are joint ventures

Editor's Note: Rankings on Recycling Today's list of the largest ferrous scrap processors in 2013 are based on the volume of ferrous scrap physically handled by processors during that year. This includes scrap taken in at all facilities, whether it is processed further or shipped loose. For exporters, this includes ferrous scrap purchased for export and loaded onto a vessel for shipment, not scrap brokered by traders or brokers employed by the company that is never physically present at a corporate facility. The rankings on this list are based on figures reported by scrap processing companies or on estimates based on previously reported figures. If your company belongs on this list and we overlooked you, please let us know by contacting Managing Editor DeAnne Toto at dtoto@gie.net.



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While North America's ferrous scrap processors undoubtedly have seen tougher years, few of them are going to have fond memories of 2013, which was characterized by lighter generation compared with previous years and inconsistent buying from Turkey, the United States' largest overseas trading partner for ferrous scrap. The decline in the export market coincided with flat domestic steel production in 2013, resulting in slumping scrap prices.

However, not all ferrous scrap processors will remember 2013 negatively. "It was not a bad year, and it was not great either," Don Zulanch of Cohen Bros. Inc., Middletown, Ohio, told *Recycling Today* Editor Brian Taylor in November 2013. Zulanch, who also described 2013 as "much better" than 2012, added, "We sold more, often at better prices, with better margins, so all in all we are OK with 2013 but looking for bigger and better in 2014."

Cohen Bros., which processed 1.1 million tons of ferrous scrap in 2013, ranked No. 17 on *Recycling Today's* most recent list of the largest ferrous scrap processors in North America. Compared with the figure reported for 2011, the company processed roughly 12 percent less ferrous scrap in 2013; yet, the year was still an improvement from 2012, according to Zulanch.

#### LESS IS STILL MORE

Sims Metal Management, with headquarters in New York and Sydney, retained its place as No. 1 on the list, having processed an estimated 7.5 million tons of ferrous scrap in 2013.

In excess of 6.8 million tons separate the largest scrap processor from the company in the 20th spot, Newell Recycling of Atlanta, which processed an estimated 621,500 tons of ferrous scrap for the year.

Sims saw sales revenue of \$7.2 billion in 2013, a decline of 20 percent compared with its 2012 fiscal year. The company attributes the decline to lower average ferrous and nonferrous scrap prices and lower sales volumes, which, according to Sims' annual report, declined 12 percent compared with 2012.

Looking forward, Sims' near-term expansion projects include developing a New England metals recycling footprint that includes a greenfield yard, shredder and export facility in Rhode Island, which is



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scheduled to be completed in the first half of 2014, according to the company.

Sims saw quite a few changes in 2013. The company divested a number of non-core or low-return businesses, including its Colorado and Arizona metal recycling assets and a Nashville, Tenn., joint venture.

The company also saw the exit of Daniel Dienst, who served as CEO since Sims merged with Metal Management in 2008. He retired from Sims June 30, 2013, leaving an executive group known as the Global Leadership Team to manage Sims until a replacement was found. That happened in November, when Galdino Claro began his role as CEO and managing director. He has nearly 30 years of executive leadership experience in the metals industry, including serving as Harsco's executive vice president and CEO of metals and minerals.

At the time of his appointment, Claro said, "I am honored to be joining the Sims Metal Management team and look forward to building upon the company's remarkable heritage and global reach. The company has faced several challenging years, but I am excited about the opportunities that lie ahead."

Among the challenges Sims has faced recently include accounting and inventory problems at several recycling facilities in the U.K. as well as a series of write-downs that totaled \$432 million and involved its U.K. and U.S. operations.

#### SHUFFLING THE DECK

Nucor Corp. subsidiary David J. Joseph (DJJ), Cincinnati, saw the tonnage it processed in 2013 remain steady at 5 million tons compared with 2011. As a result, DJJ advanced from No. 4 on *Recycling Today's* 2012 list to No. 2 on our 2014 list, ahead of Tube City, OmniSource and Schnitzer Steel Industries.

Steel Dynamics subsidiary OmniSource, Fort Wayne, Ind., and Schnitzer, Portland, Ore., report having processed 4.3 million tons of ferrous scrap in 2013, declining from 5.9 million tons and 5.3 million tons, respectively, processed in 2011.

For its fiscal year ended Aug. 31, 2013, Schnitzer's revenue declined to \$2.6 billion, its lowest since 2010.

According to the company's 2013 annual report, "Fiscal 2013 was another challenging year for the global metals recycling industry. Export demand softened, resulting in a significant drop in ferrous and non-ferrous export volumes and in prices. The lower price environment, together with still weak U.S. GDP numbers, continued to adversely impact the supply of raw materials in the domestic market. This affected performance in both our Metals Recycling and Auto Parts Businesses."

Schnitzer's Steel Manufacturing Business, however, delivered its best financial and operating results since 2008, the company says.

Despite the challenging environment, Schnitzer continued to invest in its operations. "Our capital expenditures of \$90 million in fiscal 2013 included the completion of our new shredder facility in western Canada and the upgrade of our nonferrous extraction and separation technology associated with our shredder in Puerto Rico," according to the company's annual report.

Debuting at No. 7 on the list in 2014 is Scrap Metal Services (SMS), Burnham, Ill., which reports processing 3 million tons of ferrous scrap in 2013. The company, which was founded in 2005, claims to have grown rapidly through diversification in scrap processing; steel mill services; intermodal truck, container and railcar dismantling; ship and oil rig recycling; and trailer leasing operations.

The company's subsidiary All Star Metals LLC, a ship and oil rig dismantling and recycling facility and licensed environmental remediation contractor, has made news recently, having been selected to recycle

the U.S. Navy's first supercarrier, the former USS Forrestal.

While Upstate Shredding has grown from processing 850,000 tons in 2011 to 1 million tons in 2013, the company retains its place as No. 18 on *Recycling Today's* list. Upstate Shredding owes its growth in tonnage in part to its growing footprint, having acquired or launched a number of operations in recent years, including opening a location at the Port of Albany in New York in the last year as well as acquiring a number of locations in New York and Pennsylvania, such as Reamer Recycling, Ithaca, N.Y., Genessee Scrap & Shredding, Rochester, N.Y., and the former Ferromet yard in New Castle, Pa.

#### BRIGHTER PROSPECTS

Despite the growth in tons processed by the likes of Upstate and Ferrous Processing & Trading, Detroit, which processed 350,000 more tons in 2013, most of the companies on our list processed less fer-

rous scrap in 2013 than in 2011.

U.S. recyclers generally shipped less ferrous scrap in 2013, particularly to consuming mills in Turkey, which imported 18 percent less of the raw material from the U.S. in 2013 relative to 2012, according to figures from the Turkish Iron and Steel Producers' Association (TCUD). Overall Turkish imports of ferrous scrap declined by a more modest 12 percent for the year.

Despite declining scrap demand from Turkey in 2013, world crude steel output increased by 3.5 percent for the year, according to World Steel Association (Worldsteel), Brussels. Much of the growth occurred in Asia and the Middle East, while crude steel production in all other regions decreased in 2013 compared with 2012.

According to Worldsteel, China's steel production increased by 7.5 percent in 2013. The country's steel producers primarily use basic oxygen furnaces, which are a less scrap-intensive form of production than electric arc furnaces.

While the outlook for the Chinese steel industry looks somewhat dimmer in 2014, Europe seems to be glowing with the hope of increased production. According to a survey of 15 steel analysts conducted by the *Financial Times*, London, "A 2.4 percent year-on-year increase in output in Europe, following six years of decline, will partly offset a slowdown in China as the world's biggest steel producer moves from an investment to a services-driven economy."

More hope for steel production in 2014 comes from Lakshmi N. Mittal, Arcelor-Mittal Chairman and CEO, who says his company is "cautiously optimistic about the outlook for 2014."

Many scrap recyclers are hoping this will lead to better markets for ferrous scrap in 2014. **rt**

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