



# ROOM AT THE TOP

Despite significant changes in the metals recycling business, the list of the largest nonferrous scrap processors remains fairly stable from three years ago.

BY DAN SANDOVAL

**T**he 2013 edition of the 20 Largest Nonferrous Scrap Processors List is a reflection of the changing dynamics in the scrap metal business. In years past, scrap metal companies grew through acquisitions, which rapidly boosted the volume of nonferrous scrap they handled.

However, the trend toward large-scale consolidation has slowed. Whether an after-effect of the recession that hit in late

2008 or the fairly slow recovery, many of the dominant scrap metal recyclers have been less willing to take on significant debt to acquire additional capacity.

#### LARGER SCALE

One of the few large acquisitions in North America in the past year was the purchase of Milwaukee-based Miller Compressing

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## 20 LARGEST NONFERROUS SCRAP PROCESSORS

Company	CEO or President	Website	Al	Cu	Zorba	No. of Facilities
Sims Metal Management Ltd.	Daniel Dienst	www.sims-group.com	1	4	1	80+*
David J. Joseph Co.	Keith Grass	www.djj.com	2	6	3	83
OmniSource Corp.	Russell Rinn	www.omnisource.com	3	2	2	69
Alter Trading Corp.	Robert Goldstein	www.altertrading.com	4	3	5	43
Commercial Metals Co.	Joseph Alvarado	www.cmc.com	5	5	4	42
Schnitzer Steel Industries Inc.	Tamara Lundgren	www.schnitzersteel.com	6	7	6	58
American Iron & Metal	Herbert Black	www.scrapmetal.net	7	8	10	48
Alpert & Alpert	Alan Alpert	www.alpertandalpert.com	8	12	n/a	3
EMR North America	Colin Iles	www.emrltd.com	9	10	8	52
PSC Metals Inc.	Robert B. Brewer	www.pscmetals.com	10	9	7	47
Shapiro Metals	Bruce Shapiro	www.shapirometals.com	11	18	n/a	8
Cohen Brothers Inc.	Ken Cohen	www.cohenbrothersinc.com	12	16	17	21
SLC Recycling/Ferrous Processing & Trading	Howard Sherman	www.fpt.com	13	11	9	14
Universal Scrap Metals Inc.	Barry Riback	www.universalscrap.com	14	13	13	8
Metalico Inc.	Carlos E. Aguero	www.metalico.com	15	14	16	31
Behr Iron & Steel Corp.	William J. Bremner	www.jbehr.com	16	15	15	13
Prime Materials Recovery Inc.	Bernard C. Schilberg	www.pmrinc.com	17	1	n/a	6
Newell Recycling of Atlanta	Sharon Newell Shirley	www.newellrecycling.com	18	17	11	12
Liberty Iron & Metal Holdings LLC	Marc Olgin	www.libertyiron.com	19	20	14	11
Upstate Shredding/Ben Weitsman	Adam Weitsman	www.upstateshredding.com	20	19	12	13

### A CAVEAT OR TWO

Compiling a list of the 20 largest nonferrous scrap processors is an imprecise science. While we make every effort to accurately rank scrap processing companies by the pounds of the various nonferrous metals they handle, a fair amount of guesswork is part of the process.

Publicly traded companies may be required to report the total volume of material they handle, but the many privately owned companies that make up this list are under no obligation to report tonnage figures. A number of companies chose not to provide this information to us when we contacted them for their 2012 figures.

Even among the publicly traded companies, many companies do not break out their nonferrous metals by individual commodity, which requires some educated guesswork on the behalf of the "Recycling Today" editorial staff.

In addition to the judgment of the editorial staff, in an effort to ensure our accuracy, we have contacted a number of industry sources who have insight into this sector.

If you feel your company should be included on the list or would like to dispute your ranking, please send a note to "Recycling Today" Senior Editor Dan Sandoval at dsandoval@gie.net.

\*Includes SA Recycling joint venture locations



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**ALTHOUGH ACQUISITIONS HAVEN'T BEEN AS SIGNIFICANT OVER THE PAST THREE YEARS, THAT DOESN'T MEAN THAT LARGER SCRAP METAL RECYCLING FIRMS HAVEN'T GROWN THE NUMBER OF OPERATIONS THEY MANAGE.**

by Alter Trading, headquartered in St. Louis. The combination of the two, both of which appeared in our 2010 20 Largest Nonferrous Scrap Processors List, has boosted Alter's position on this year's list. Along with increasing the volume of non-ferrous metals the company handles, the merger boosted the number of scrap yards Alter operates to more than 40.

Although acquisitions haven't been as significant throughout the past three years, that doesn't mean that larger scrap

metal recyclers haven't grown the number of operations they manage. According to our 2010 list of the largest nonferrous scrap metal processors, OmniSource operated 42 yards. The company now has more than 80 scrap yards under its control. While OmniSource continues to strengthen its coverage in the Midwest, it also has recognized opportunities in the South. The company presently has roughly two dozen scrap metal processing facilities in the Southeast.

CMC Recycling also has grown its operations. The company, which reported 48 scrap metal facilities in 2010, now says it operates more than 60 recycling facilities, primarily in the South and Southwest United States. CMC also has added to its shredder capacity, which provides the company with more zorba.

Other companies also have expanded their number of operations, which ultimately helps to boost the volume of non-ferrous scrap they handle.

**BENEFITS OF SCALE**

The largest nonferrous scrap processors continue to be publicly traded companies, such as OmniSource, a part of Steel Dynamics Inc.; Sims Metal Management, a stand-alone scrap recycling company; David J. Joseph, a part of Nucor; Commercial Metals; and Schnitzer Steel.

Of these publicly traded companies, four of them also operate steel mills. And, perhaps more uniquely, SDI, through a joint venture with Spain's LaFarga Group, recently opened a secondary copper smelter in Indiana.

Companies such as DJJ, OmniSource and Schnitzer have larger footprints than their private competitors, so they are able to process greater amounts of material.

However, Sims Metal Management, still one of the largest processors of non-ferrous scrap in the world, has been closing down its inefficient operations and selling off some of its assets as it seeks more control over its operations.



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Many of the largest scrap metal companies operate a greater number of auto shredders, which means they handle more zorba. However, while updating and amassing information for this list, several sources have nitpicked the inclusion of zorba, which is recovered from auto shredder fluff. Several companies say they classify the material with ferrous, while still others say they do not consider the material a nonferrous metal and do not track its volume levels.

**PRIVATE ADVANTAGES**

While privately owned companies may lack much of the capital required to open dozens of locations throughout the country, they do have their advantages. Alter Trading, for example, has grown its locations in the upper Midwest through a combination of steady expansion and strategic acquisitions (the company's purchase

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**ZORBA'S GROWTH**

Ostensibly, companies installed auto shredders to boost the amount of ferrous scrap they had access to. These shredder operators also are installing far more sophisticated downstream separation and sorting systems, which allow companies to recover more nonferrous metals (zorba) from their auto shredder residue (ASR). The Institute of Scrap Recycling Industries Inc. (ISRI), Washington, D.C., defines zorba as a fragmented nonferrous mixed metal scrap from auto shredders. Zorba consists of a combination of nonferrous metals, such as aluminum, copper, lead, magnesium, stainless steel, nickel, tin and zinc, in elemental or alloyed form.

The growth in zorba as a nonferrous metal, however, has skewed the profile of the large nonferrous operations. In the past, companies that focused on nonferrous were content to handle less material by volume, though price spreads were more lucrative. However, that situation has since changed. Along with copper, brass, aluminum and other nonferrous metals, zorba is entering the market in much larger amounts.

Despite the ups and downs in the metals recycling industry throughout the past five years, the number of auto shredders operating in North America has soared to roughly 350. As a result of the increase in the number of auto shredders in operation in North America, scrap processors have experienced significant margin compression because of the intensified competition for material to feed their auto shredders.



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