

Big River hunts big game as start date nears

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OSCEOLA, Ark. — Big River Steel LLC is on the prowl for orders in what the company sees as a steady-as-she-goes market, a company executive said.

“We want to get in the hot-rolled business by the November-December time frame,” chief commercial officer Mark Bula said in an interview with AMM during a recent visit to the Osceola, Ark.-based steel mill.

“Our sales guys are out in the marketplace now,” he said. “We have some discussions that are pretty far along, and we have some customers who have agreed to take some tons.”

Big River will probably have 5,000 to 10,000 tons of hot band available in its first month of production, Bula said, declining to name potential customers. However, he noted that some potential customers had approached the company for 2017 contract business.

Big River will probably enter the market in a period of relatively flat pricing, Bula said. “I think the upward momentum is out of the market. But I’m not so sure there is any kind of momentum down, so I expect some stability.”

Big River doesn't yet have any purchase orders in hand, Bula also stressed. “The majority of the focus is getting the mill built,” he said. “We’d rather under-promise and over-perform than the opposite.”

Big River already has sales representatives in Pittsburgh, Chicago, Houston and Birmingham, Ala. (amm.com, June 15). The company has also hired two people as it looks to build an automotive team in Detroit.

On the automotive front, Big River will focus on advanced high-strength steels, which it hopes to be producing by the third quarter of 2017, Bula said.

Big River hopes to double in size to some 3 million tons per year, depending on product mix, and to add finishing capability for electrical steels. Each of those projects would cost \$600 million, he estimated.

But the green light for any such expansion hinges on a successful start-up and meeting the earnings goals set by investors. “If we are good stewards of our investors' money ... we’re going to be able to grow this company,” he said, without specifying a time line or investment targets for the expansions.

Big River also continues to look for companies interested in locating on its campus, Bula said. Arkansas Steel Processing LLC aims to start a heavy-gauge slitter on a 20-acre facility at the mill by Sept. 5 (amm.com, Feb. 19).

Three similar sites remain available. Big River envisions one potentially occupied by a company slitting cold-rolled and galvanized material, another for a cut-to-length line and a third for an electrical steel finishing or stamping plant, he said.

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