



May. 2024 In this Issue...

- ▶ North American Steelmakers ...
- ▶ DAC Rivals Carbon Capture A...
- ▶ U.S. Rice and Pasta Project...
- ▶ Join Industrial Info for an...



Who We Are



Join our social networks!



Published By **Industrial Info Resources**



## North American Steelmakers Relate Ups, Downs of First Quarter

In the space of less than a week, three big U.S. steel producers reported their quarterly earnings in late April.

[Continue reading →](#)



## DAC Rivals Carbon Capture Among 'Greening' U.S. Companies

The direct air capture (DAC) of carbon dioxide (CO2) is becoming one of the most crowded lanes in the race for greener energy, with companies ranging from Exxon Mobil Corporation(NYSE:XOM) (Spring, Texas) to Facebook par [...]

[Continue reading →](#)



## U.S. Rice and Pasta Projects Reach Boiling Point

Like the water in which they're cooked, activity in the rice and pasta sectors of the U.S. is heating up. Industrial Info is tracking hundreds of millions of dollars worth of U.S. projects involving the production of the [...]

[Continue reading →](#)



## Join Industrial Info for an In-Person North American Spending Outlook

Industrial Info is pleased to be presenting our popular in-person Mid-Year North American Market Outlook event at the Sugar Land Marriott Hotel near IIR's world headquarters on June 12.

[Continue reading →](#)



May 2024 In this Issue...

- ▶ North American Steelmakers ...
- ▶ DAC Rivals Carbon Capture A...
- ▶ U.S. Rice and Pasta Project...
- ▶ Join Industrial Info for an...



Who We Are



Join our social networks!



Published By **Industrial Info Resources**

## North American Steelmakers Relate Ups, Downs of First Quarter

In the space of less than a week, three big U.S. steel producers reported their quarterly earnings in late April. These included **Cleveland-Cliffs** (NYSE:CLF) (Cleveland, Ohio), **Nucor Corporation** (NYSE:NUE) (Charlotte, North Carolina) and **Steel Dynamics Incorporated** (NASDAQ:STLD) (Fort Wayne, Indiana). Typically, quarterly earnings reports and the subsequent earnings conference calls with investment analysts give corporate leaders a chance to give updates on various projects, and this time was no exception.

### Cleveland-Cliffs

"Clearly, this was an eventful quarter for us," remarked Laurence Goncalves, the chief executive officer of Cleveland-Cliffs, during the company's first-quarter 2024 earnings conference call.

Among other things, Cleveland-Cliffs executives discussed the company's selection by the U.S. Department of Energy (DOE) for award negotiations for two decarbonization projects in Ohio and Pennsylvania.

The Middletown Steel Works in Ohio would receive a \$500 federal award to replace a blast furnace process with a state-of-the-art, hydrogen-ready **direct reduced iron (DRI)-electric melter furnace** structure to produce iron, resulting in lower carbon emissions. The total project cost has been pegged at \$1.3 billion and would result in \$450 million in annual cost savings, according to Cleveland-Cliffs. Subscribers to Industrial Info's Global Market Intelligence (GMI) Metals & Minerals Project and Plant databases can [click here](#) for the project report and [click here](#) for the plant profile. For related information, see March 26, 2024, article - [U.S. Backs \\$6 Billion in Decarbonization at Metal, Chemical Plants](#).

The Butler Steel Works in Pennsylvania would receive a \$75 million award from the DOE to replace two existing natural gas-fired slab rehear furnaces with **four electrified induction slab rehear furnaces**, also resulting in lower carbon emissions. The total project cost would be \$100 million and result in annual cost savings of \$80 million. Subscribers can [click here](#) for the project report and [click here](#) for the plant profile.

Both projects are expected to be completed in 2029.

"So this is really game-changing, in terms of the technology to produce steel, in particular to produce automotive-grade steel," Goncalves said. "But it's a combination of a lot of things that, one, we have full knowledge and full operational capability, and second, we are operationally proven in terms of how to use all these things."

The company reported a net loss of \$53 million for the just-ended quarter, compared with a net loss of \$43 million for the same three months in 2023. Revenues for the first three months of this year reached nearly \$5.2 billion, compared with nearly \$5.3 billion in first-quarter 2023. Revenues were buoyed by U.S. automotive production, according to the company, which cited projections that North American light vehicle production in 2024 is expected to be the highest level since 2019.

Included in this year's first-quarter results were charges and losses totaling \$202 million related to the indefinite idling of the Weirton tinplate facility in West Virginia. The facility shut its doors after the International Trade Commission (ITC) ruled against the implementation of anti-dumping and countervailing duties on imported tin mill products from Canada, China, Germany and South Korea. The idling of the facility, which impacted 900 employees, became effective in April. During the conference call, Goncalves voiced the possibility of co-investing in a new plant in Weirton, "using our workforce there to produce transformers."

Also during the quarter, Cleveland-Cliffs applauded the DOE's final transformer efficiency rule that will provide for the continued use of Grain-Oriented Electrical Steel (GOES) in the steelmaker's current distribution transformer markets.

"The final rule ensures Cliffs' ability to continue producing highly-efficient GOES in the United States," Goncalves said in a press release. "Once this rule is enacted, we expect to actually see an increase in demand for our GOES, opening the possibility of future investments and expansion of our plants in Butler, Pennsylvania, and Zanesville, Ohio."

Industrial Info is tracking 32 active Cleveland-Cliffs projects, worth \$2.56 billion. GMI subscribers can [click here](#) for a list of detailed project reports.

### Nucor

Nucor is planning to spend \$3.5 billion this year as it focuses on a number of high-profile growth projects. The largest chunk of this year's capex (\$1.2 billion) is earmarked for a grassroot **steel sheet mill in Apple Grove, West Virginia**. The 3 million-ton-per-year mill will produce hot-rolled sheet products and feature a tandem cold mill, annealing capabilities and two galvanizing lines. The galvanizing lines will include an advanced high-end automotive line and a construction-grade line.

The facility is expected to be completed in early 2026 and is planned to produce about 1.1 million tons per year of galvanized steel, 800,000 tons per year of cold-rolled coil, 750,000 tons per year of hot-rolled coil and 350,000 tons per year of pickled and oiled steel sheet. GMI subscribers can [click here](#) for the project report and [click here](#) for the related plant profile.

Nucor reported consolidated net earnings of \$844.8 million and net sales of \$8.14 billion for the just-ended quarter, compared with earnings of \$1.14 billion and sales of \$8.71 billion in first-quarter 2023. The company cited lower average selling prices, partially offset by increased volumes.

One topic of discussion during its earnings conference call was Nucor's \$115 million acquisition of Southwest Data Products Incorporated (SWDP) (San Bernardino, California), a manufacturer and installer of data center infrastructure.

Topalian said: "In conjunction with this transaction, we're launching a new business unit, Nucor Data Systems to better serve the data center market. Southwest Data Products gives Nucor expanded capabilities in airflow containment structures, which help data centers run more efficiently by separating cold air from the heat generated by racks of server equipment."

He continued: "The rise of artificial intelligence and the growing reliance on cloud computing are driving strong demand for the next-generation data centers, and this market is expected to grow at double-digit annual rates through the end of this decade."

Industrial Info is tracking 59 active Nucor projects, worth \$6.76 billion. Subscribers can [click here](#) for a list of detailed project reports.

### Steel Dynamics

Steel Dynamics reported first-quarter net income of \$584 million on net sales of \$4.7 billion. This compares with year-earlier net income of \$637 million and net sales of nearly \$4.9 billion.

Chief Executive Officer Mark Millett said: "Underlying steel demand was steady in the quarter. However, we experienced some steel order volatility early in the quarter as customer inventories remain incredibly low and scrap prices declined month over month in the quarter."

The automotive, non-residential construction, energy and industrial sectors led demand during the quarter, according to a company earnings press release.

Looking forward, Millett said, "We believe North American steel consumption will increase in 2024, and that demand for lower-carbon emission, U.S.-produced steel products, coupled with lower imports, will support steel pricing."

He also voiced optimism that the "continued onshoring of manufacturing businesses, combined with the expectation of significant fixed asset investment to be derived from public funding related to the U.S. Infrastructure, Inflation Reduction Act, and Department of Energy programs, will competitively position the domestic steel industry."

Steel Dynamics has started commissioning and operating four new value-added **flat-rolled steel coating lines**, Millett continued. "The teams have produced prime quality galvanized and painted products on the first two lines in record times. We expect to begin benefitting from the additional 1.1 million tons of value-added steel products beginning in the second quarter of this year and fully in 2025." GMI database subscribers can [click here](#) for related project reports and [here](#) for the related plant profiles.

Millett also touched on Steel Dynamics' **\$1.9 billion Columbus Aluminum Flat Rolled Mill in Mississippi**, construction of which began in second-quarter 2023, with commissioning expected in mid-2025. It will produce 650,000 tons of finished products annually to serve the sustainable beverage packaging, automotive and common-alloy industrial sectors. To support the mill, Steel Dynamics also is establishing two **grassroot aluminum recycling plants**, one in Mexico and the other in Arizona, to supply aluminum slab.

Subscribers can learn more by viewing the project reports on the [rolling mill](#), [Arizona recycling plant](#) and [Mexico recycling plant](#).

"We plan to begin operating the aluminum flat rolled mill mid-2025," Millett said. He added that "a significant number of our flat-rolled steel customers are also consumers and processors of aluminum flat rolled products."

Industrial Info is tracking 20 active capital Steel Dynamics projects, worth \$2.83 billion. Subscribers can [click here](#) for a list of detailed project reports.

Subscribers can [click here](#) for a list of project reports mentioned in this article and [click here](#) for the related plant profiles.



May. 2024 In this Issue...

- ▶ North American Steelmakers ...
- ▶ DAC Rivals Carbon Capture A...
- ▶ U.S. Rice and Pasta Project...
- ▶ Join Industrial Info for an...



Who We Are



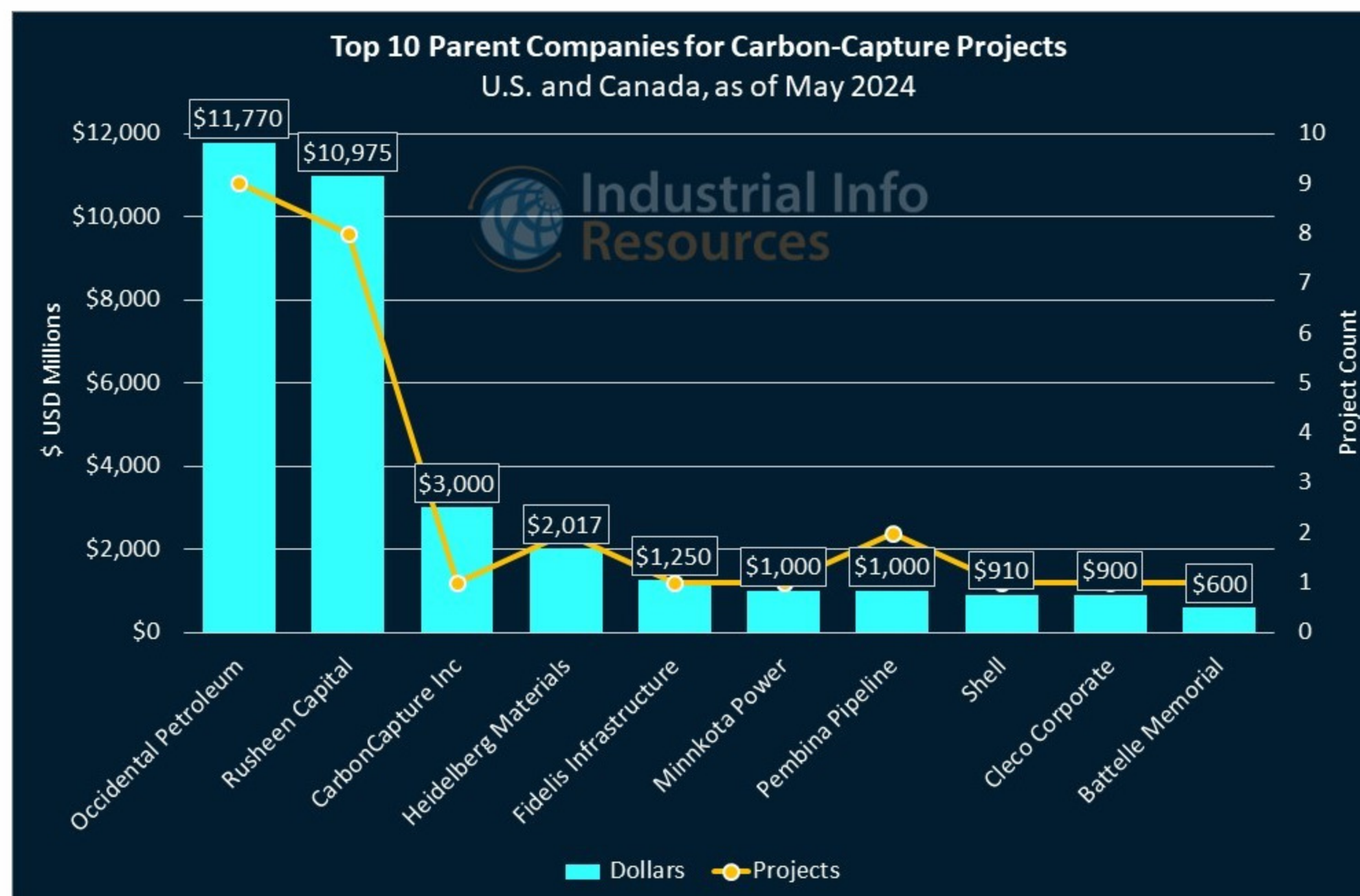
Join our social networks!



Published By **Industrial Info Resources**

## DAC Rivals Carbon Capture Among 'Greening' U.S. Companies

The direct air capture (DAC) of carbon dioxide (CO<sub>2</sub>) is becoming one of the most crowded lanes in the race for greener energy, with companies ranging from Exxon Mobil Corporation (NYSE:XOM) (Spring, Texas) to Facebook parent Meta Platforms Incorporated (NASDAQ:META) (Menlo Park, California) offering their own approaches to the technology. That's not to say the more commonplace carbon-capture method is receding, though. Industrial Info is tracking more than \$40 billion worth of DAC and carbon-capture projects across the U.S. and Canada.



The International Energy Agency (IEA) defines DAC as technology that extracts CO<sub>2</sub> "directly from the atmosphere at any location, unlike carbon capture, which is generally carried out at the point of emissions." The CO<sub>2</sub> can be permanently stored in deep geological formations or used for a variety of applications, according to the IEA.

**Occidental Petroleum Corporation (NYSE:OXY)** (Houston, Texas) leads among North American companies in the DAC field, with a series of ambitious projects focused on Texas. 1PointFive, a joint venture formed with **BlackRock (NYSE:BLK)** (New York, New York), is preparing to begin construction this summer on the **\$600 million first phase of the South Texas DAC hub on the King Ranch in Kleberg County, Texas.**

The first phase of the King Ranch project is designed to capture 1 million tons of CO<sub>2</sub> each year, but the joint venture believes a series of subsequent phases could result in up to 30 million metric tons of carbon removed and stored per year. Subscribers to Industrial Info's Global Market Intelligence (GMI) Oil & Gas Production Project and Plant databases can learn more from a detailed [project report](#) and [plant profile](#).

"We're excited also about our joint venture with BlackRock, which we believe demonstrates the DAC is becoming an investable asset for world-class financial institutions," said Vicki Hollub, the chief executive officer of Occidental, in a recent quarterly earnings-related conference call. "In addition, our team signed on several more flagship CO<sub>2</sub> removal credit customers" in the fourth quarter of 2023, she added.

In conjunction with **Rusheen Capital Management LLC** (Santa Monica, California), a private equity firm focused on low-carbon technology, 1PointFive is developing the **\$125 million first unit of the Stratos Shoe Bar Ranch DAC Complex near Penwell, Texas**, which is designed to capture 500,000 metric tons per year of CO<sub>2</sub>, which would be repurposed in Occidental's enhanced oil recovery (EOR) efforts in the Permian Basin; a **\$100 million second unit**, concurrently under construction, would double the CO<sub>2</sub> captured. Subscribers can learn more through detailed reports on [Unit 1](#) and [Unit 2](#), a detailed [plant profile](#), and Industrial Info's November 10, 2023, article - [Occidental Has High Hopes for Direct Air Capture of Carbon Emissions](#).

Among the oil and gas titans upping their investments in carbon-capture technology is ExxonMobil, which is preparing to begin construction on **\$200 million in equipment additions at its Shute Creek Natural Gas Treatment Complex near Kemmerer, Wyoming**, which would allow the complex to capture roughly 600,000 metric tons of CO<sub>2</sub> each year, which will be sent to ExxonMobil's CO<sub>2</sub> sales facility in Sweetwater County, Wyoming. Subscribers can learn more from a detailed [project report](#) and [plant profile](#).

In a recent earnings call, ExxonMobil's Chief Executive Officer Darren Woods stressed the company was in the early phases of its carbon-capture development: "There's a question of how we can better capture CO<sub>2</sub> by using advances in the existing technology. We think we've come up with an opportunity to potentially do that, but it's early days like all these technological developments. And so, we built a pilot plant, and we'll see and test out some of these new capabilities and test the cost effectiveness of capture." For more information on ExxonMobil's **carbon-capture pilot plant in Rotterdam, The Netherlands**, see Industrial Info's [project report](#).

Many players in the Metals & Minerals Industry are following their counterparts in the Oil & Gas Industry by adopting DAC and carbon-capture technology, particularly in the steel-manufacturing sector, which is among the heaviest CO<sub>2</sub> emitters. **United States Steel Corporation (U.S. Steel) (NYSE:X)** (Pittsburgh, Pennsylvania) aims to capture and mineralize up to 50,000 metric tons per year of CO<sub>2</sub> through a **\$150 million carbon-capture unit addition** and a **\$3.46 million DAC and utilization unit addition at its Steel Works complex in Gary, Indiana**, both of which are set to begin construction this summer. Subscribers can learn more from detailed project reports on the [carbon-capture unit](#) and [DAC unit](#), and a detailed [plant profile](#).

Subscribers to Industrial Info's GMI Project and Plant databases can [click here](#) for a full list of detailed reports for projects mentioned in this article, and [click here](#) for a full list of related plant profiles.

Subscribers can [click here](#) for a full list of reports for active and planned U.S. and Canadian carbon-capture projects.

In addition to projects dedicated to the capture and recovery of CO<sub>2</sub>, Industrial Info is tracking more than \$3 billion worth of projects across the U.S. and Canada that are dedicated to the storage and sequestration of CO<sub>2</sub>. Many of these projects are being planned in conjunction with carbon-capture projects, such as those mentioned above. Subscribers can [click here](#) for a list of detailed project reports and [click here](#) for a list of related plant profiles.



May. 2024 In this Issue...

- ▶ North American Steelmakers ...
- ▶ DAC Rivals Carbon Capture A...
- ▶ U.S. Rice and Pasta Project...
- ▶ Join Industrial Info for an...



Who We Are



Join our social networks!



Published By Industrial Info Resources

## U.S. Rice and Pasta Projects Reach Boiling Point

Like the water in which they're cooked, activity in the rice and pasta sectors of the U.S. is heating up. Industrial Info is tracking hundreds of millions of dollars worth of U.S. projects involving the production of these kitchen staples. The projects vary in size and type and cover a broad array of market regions.

### Rice

Anybody who's ever been in a rush to get some food on the table knows that cooking rice in the traditional method can take upwards of 20 minutes. [Riviana Foods Incorporated](#) (Houston, Texas) is hoping to eliminate some of the pain of waiting with the expansion of its ready-to-serve rice product lines from its plant in Memphis, Tennessee.

A first phase of the project was just wrapped up in April. This entailed renovating approximately 20,000 square feet of the plant to double its production capacity of Minute brand ready-to-serve rice cups. While traditionalists and gourmands may disagree with the concept, Riviana's ready-to-serve segment was its fastest-growing business segment in 2023, with an increase of almost 19% in volume, according to the company.

The Memphis expansion doesn't end with the renovation, however. Earlier this year at the plant, Riviana launched construction of a 65,000-square-foot building addition that will introduce new production capacity for its ready-to-serve pouches of Tilda, Carolina and Mahatma brands of rice. General contractor [Rose Construction Incorporated](#) (Covington, Tennessee) is expected to wrap up the project early next year, with production of the new product lines expected to begin in the first quarter. Subscribers to Industrial Info's Global Market Intelligence (GMI) Food & Beverage Project Database can [click here](#) for more details on the project.

Riviana also is considering expansion of its wild rice mill in Clearbrook, Minnesota. The plant currently mills 8 million tons per year of wild rice. An expansion that could start next year would add new square footage and milling equipment to bring production to more than 10 million tons per year. Subscribers can learn more by viewing the [project report](#).

Arkansas produces more rice than any other U.S. state, with its 2023 rice production more than double of that of second-ranked California. With rice such an important part of the state's agricultural sector, it makes sense to capitalize on the latest technologies used in the rice-growing process. To this end, the University of Arkansas is constructing a rice research facility on 600 acres near Harrisburg, about 115 miles northeast of Little Rock and 55 miles from Memphis. The 27,000-square-foot facility will include labs, offices and storage space and is expected to be completed later this year. Subscribers can learn more by viewing the [project report](#).

### Pasta

In 2017, [Pasta Montana](#) (Great Falls, Montana) expanded its pasta plant in Great Falls with a new line that boosted production from 55 million to 80 million pounds of pasta annually. The company is now ready to expand again, adding a new "short goods" production line. Short goods pastas include smaller, chunkier pasta shapes such as penne. Construction is expected to both begin and end this year. Subscribers can [click here](#) to learn more about the project.

[Pasta Piccinini](#) (Pasadena, California) is moving all operations from its California home to Newton, Tennessee, where the company has purchased a former plastics-recycling plant that it will renovate to food-grade standards for pasta production. The renovation is expected to begin soon and wrap up later this year. Subscribers can learn more by viewing the [project report](#).

While perhaps not on every gourmand's mind, instant ramen noodles also feature in the country's pasta buildout. One of the largest of U.S. pasta projects is a grassroot plant for the producer of such low-price staples as Top Ramen and Cup Noodles. [Nissin Foods Holdings](#) (Tokyo, Japan) last year selected a site in Piedmont, South Carolina, for a new plant. The renovations of the existing 641,000-square-foot building are underway and expected to be completed next summer. The plant joins other U.S. Nissin locations in California and Pennsylvania and is intended to increase the range of the company's premium products such as Cup Noodles Stir Fry and Hot & Spicy Fire Wok. Subscribers can [click here](#) to learn more details.

Subscribers to Industrial Info's GMI Food & Beverage Database can [click here](#) to view reports for all of the projects discussed in this article and [click here](#) for the related plant profiles.



**May. 2024** In this Issue...

- ▶ North American Steelmakers ...
- ▶ DAC Rivals Carbon Capture A...
- ▶ U.S. Rice and Pasta Project...
- ▶ Join Industrial Info for an...



Who We Are



Join our social networks!



Published By **Industrial Info Resources**

## Join Industrial Info for an In-Person North American Spending Outlook

Industrial Info is pleased to be presenting our popular in-person Mid-Year North American Market Outlook event at the Sugar Land Marriott Hotel near IIR's world headquarters on June 12. Check-in and registration start at 3 p.m., and the presentations begin at 4 p.m.

As we approach the mid-year mark of 2024, challenges like geopolitical tensions and the upcoming election may affect economic stability and the execution of certain projects. Legislation such as the Infrastructure Investment and Jobs Act and the Inflation Reduction Act of 2022 are providing incentives for electric vehicle adoption and renewable energy development, as well as for clean hydrogen production, distribution and storage. Simultaneously, the CHIPS and Science Act is driving the expansion of the semiconductor manufacturing industry that will stabilize the U.S. supply chain.

The manufacturing sector stands out as a critical industry impacting the overall industrial construction market, doubling in size over the last two years and focusing on sectors like automotive, electric vehicle parts production, semiconductors, data centers and distribution facilities. In this mid-year outlook presentation, join IIR's group of industry experts as they discuss the progress made this year and how trends are playing out for the next 12 to 24 months.

Presentation subjects will include:

- A global market outlook
- Petroleum Refining and Alternative Fuels
- Midstream gas processing and LNG markets
- Chemical Processing
- Electric Power
- North America spending forecast

Earlier in the afternoon, IIR will present interactive training workshops to facilitate a better understanding of our products. After the outlook presentations, a networking event with complimentary food and beverages will be held, allowing you to mingle with your peers and ask further questions of our industry experts.

We hope that you are able to join us in Sugar Land on June 12! Spaces go quickly, so reserve your place early. To learn more and RSVP, [click here](#).

