



SFSA CASTEEL REPORTER

Steel Founders' Society of America

a monthly publication
serving SFSA steel casting industry Members

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Casteel Commentary Highlights:

I was asked a second time this week, where the next generation of foundrymen will come from. It is not clear that we have a way of developing the generalists that will be needed to provide leadership for the next generation. We must face this generational challenge of training the new foundrymen for the future.

Safety Meeting

The next Safety Committee meeting will be held on Wednesday March 7 in Birmingham, AL. Members will present on their current experiences with their safety programs, and Sheri Snow of ACIPCO will make a presentation on Experiences with ACIPCO's Wellness program. An open planning session will be held for the Safety Conference, and a tour of ACIPCO's facilities will be given. Meeting and hotel information has been emailed to members. Contact Malcolm Blair for more information.

Question for SFSA Members

Please send me (Monroe@sfsa.org) your response to our last survey questions:

What is the cost of your maintenance and repair for labor per ton of good castings shipped?

What is the cost of your maintenance and repair for materials per ton of good castings shipped?

Men Available

A1218 has experience with grey ductile iron metallurgy, solidification and gating design, and quality and process control, and will be graduating in May with a BS in Industrial

Technologies Management – Manufacturing Technology Management.

Spring Management Meeting

We will be having the SFSA National Spring Management meeting April 13th at the SpringHill Suites at O'Hare. The meeting will run from 9:30 a.m. to 12:30 p.m. The program will include Bernie Lashinsky on the economic outlook for the industry and then a full report on the recent SFSA trip to China: R. Monroe will talk about trade issues and M. Blair will cover the steel foundries visited. We have a room block for \$120 a night. Details will be sent out separately but you will want to mark the date.

Performance Benchmarking

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Innovation

Sawing off risers, what a great idea. Much of our industry continues to remove risers using flame cut off, arc air removal of pads and grinding. One idea, that several foundries have adopted from the smallest to largest castings, is sawing off the risers and

gates. Minimal fixtures will often allow the saw cut to be the only operation needed. Less metal is lost. Much less labor and material handling is required. Saws can be mechanically assisted to improve efficiency. Every plant should be finding some risers to remove with a saw and figuring out how to expand this type of removal.

Specification Note

Potential users of steel castings are often concerned with quality and performance. This often leads them to over specify magnetic particle and radiography to gain some assurance that the cast parts will be safe. Many of these same companies use fabrications that they manufacture to perform critical functions. One useful way to communicate the appropriate level of inspection is for the foundry to agree to inspect the casting in critical areas to the same standards used for their fabrications. The technical performance issues are

similar and many fabrication operations have minimal inspection requirements.

Market News

SFSA Trend cards for November show stabilization of demand. The level of incoming orders is not yet falling but is also no longer growing by double digits. Lead times are less as well. We see the same slowdown even more pronounced in steel shipments and iron and steel casting orders and shipments. Orders for capital goods remain strong. High prices for oil and copper indicate that capital equipment orders should remain strong and a significant downturn for steel castings is unlikely. It is likely that the first half of 2007 will see some softening as the combined effect of historically high commodity prices and higher interest rates apply the brakes to the economy. Other market information is available here in the SteelGuru document available on the Casteel Reporter web page.

Casteel Commentary

What is a foundryman? When I started in the steel casting industry there was a term for a foundryman that had risen through the ranks through force of personality, a “bull of the woods”? This was a foundryman that had worked throughout the plant, knew how to make castings, was quick to adjust to avoid defects, was opinionated, often wrong, and fully qualified to oversee production. Many of those who were foundrymen were not “bull of the woods” but strove to understand the process from an engineering or scientific standpoint.

Foundrymen started in the plant and rose through the ranks by applying themselves and learning the industry. They took courses, joined AFS and attended meetings; they joined SFSA committees and participated in conferences and foundry tours. They made friends across the industry and had a network of contacts that were an invaluable resource to their operation.

Many companies had programs to develop foundrymen. They would take young engineers or supervisors and move them deliberately through a number of positions in different departments to develop their skills and knowledge. Senior staff would travel with them to meetings and collaborate with them to mentor their skills. They would be given responsibilities to develop their leadership and decision making skills.

So, I was asked more than once by a member, where will the next generation of foundrymen come from? I do not know. Some plants have been recruiting young engineers in important positions. We have seen an influx of young metallurgists, manufacturing engineers, foundry engineers running solidification software. We have not seen the development or efforts to identify the next generation of foundrymen.

It is not clear to me how we will accomplish this. As our generation ages, we must find a way to replace ourselves with young people capable of running the foundry. What is your company’s plan to “grow” some new foundrymen?

Raymond

STEEL FOUNDERS' SOCIETY OF AMERICA

MEETINGS CALENDAR

2007

March 7	Safety Committee Meeting, Birmingham, AL
April 13	Spring Management Meeting, Chicago, IL
August 18/22	SFSA Annual Report, Alyeska Resort, AK
December 12/15	National Technical & Operating Conference, The Drake Hotel, Chicago, IL

**STEEL FOUNDERS' SOCIETY OF AMERICA
BUSINESS REPORT**

SFSA Trend Cards (%-12 mos. Ago)	3 Mo Avg	Nov	Oct
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Carbon & Low Alloy

Shipments	-2.9	-5.0	1.8
Bookings	1.7	-10.9	11.5
Backlog (wks)	12.0	10.5	13.4

High Alloy

Shipments	11.0	12.8	23.0
Bookings	-4.8	35.7	-10.6
Backlog (wks)	12.0	11.0	12.0

**Department of Commerce
Census Data**

Iron & Steel Foundries (million \$)

Shipments	1,614	1,613	1,598
New Orders	1,572	1,600	1,511
Inventories	2,251	2,299	2,259

Nondefense Capital Goods (billion \$)

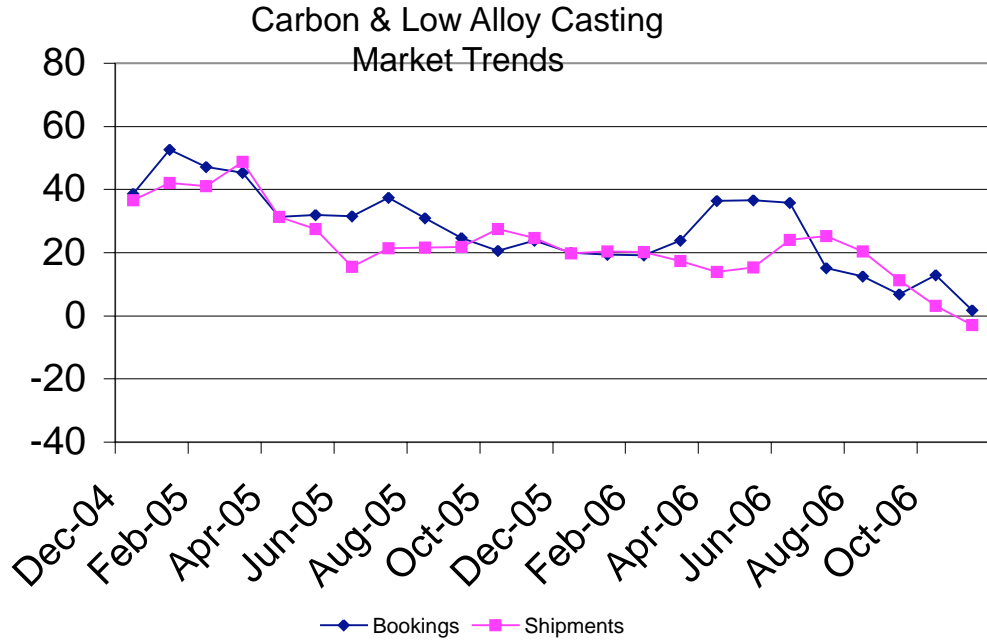
Shipments	67.2	67.5	66.3
New Orders	78.0	74.0	73.2
Inventories	113.5	114.0	113.6

**Nondefense Capital Goods
less Aircraft (billion \$)**

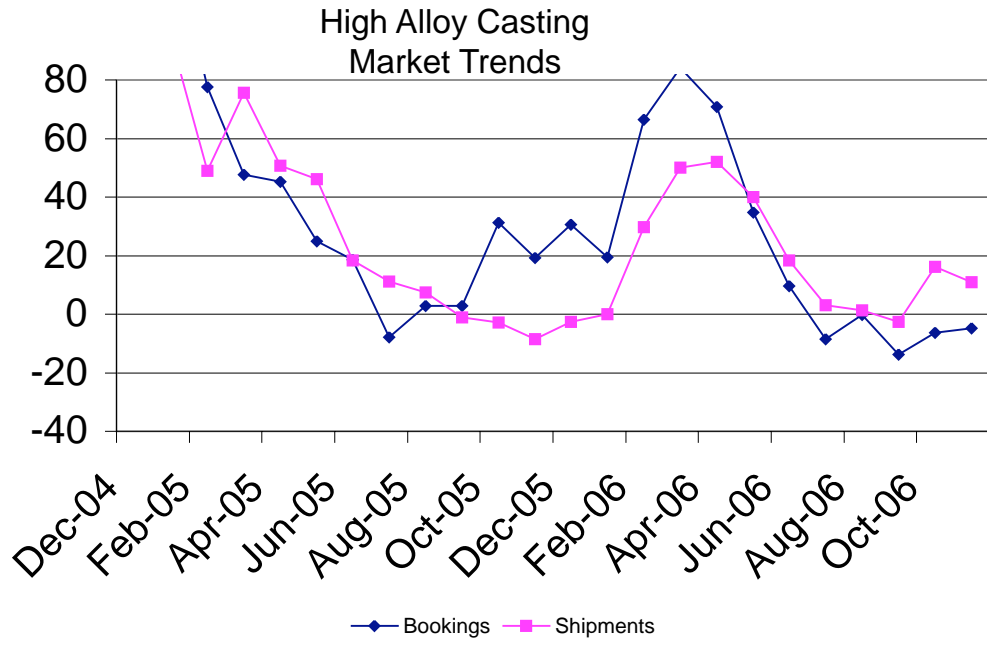
Shipments	61.7	62.3	60.9
New Orders	64.4	63.3	63.4
Inventories	95.2	95.6	95.2
Inventory/Orders	1.48	1.51	1.50
Inventory/Shipments	1.54	1.54	1.56
Orders/Shipments	1.04	1.02	1.04

American Iron and Steel Institute

Raw Steel Shipments (million net tons)	8.6	8.0	8.7
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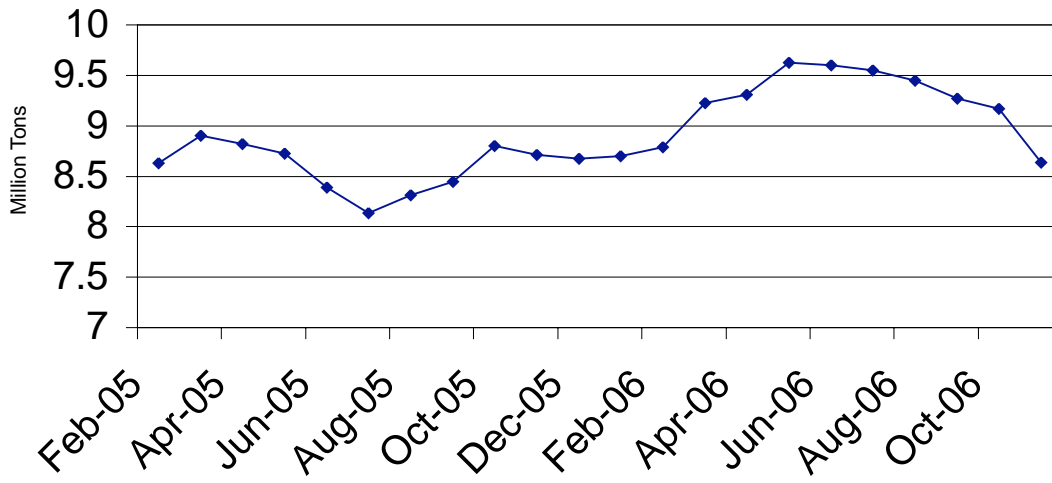
SFSA Postcards



SFSA Postcards

Raw Steel Shipments

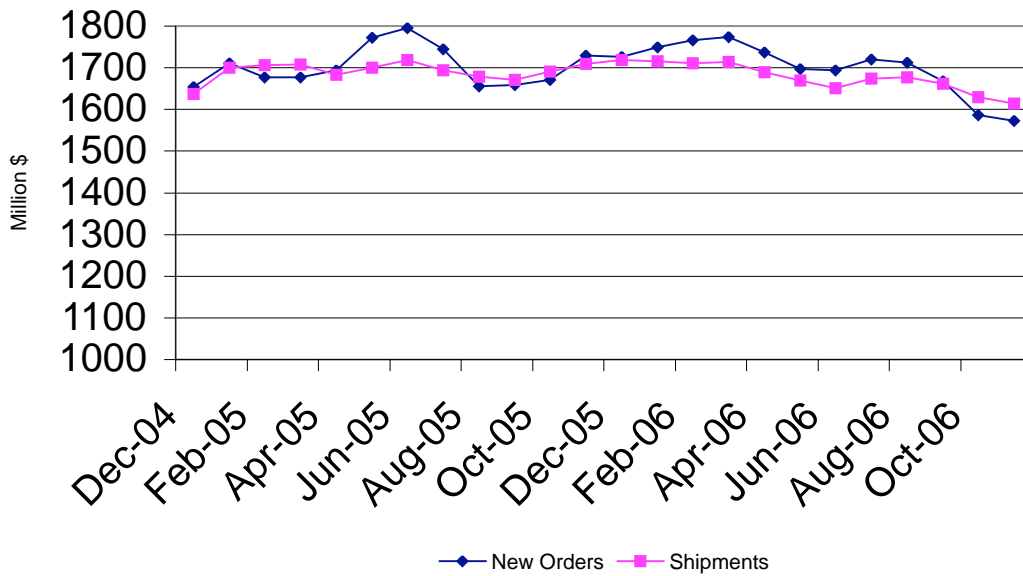
3 month average



AISI Data

Iron and Steel Castings

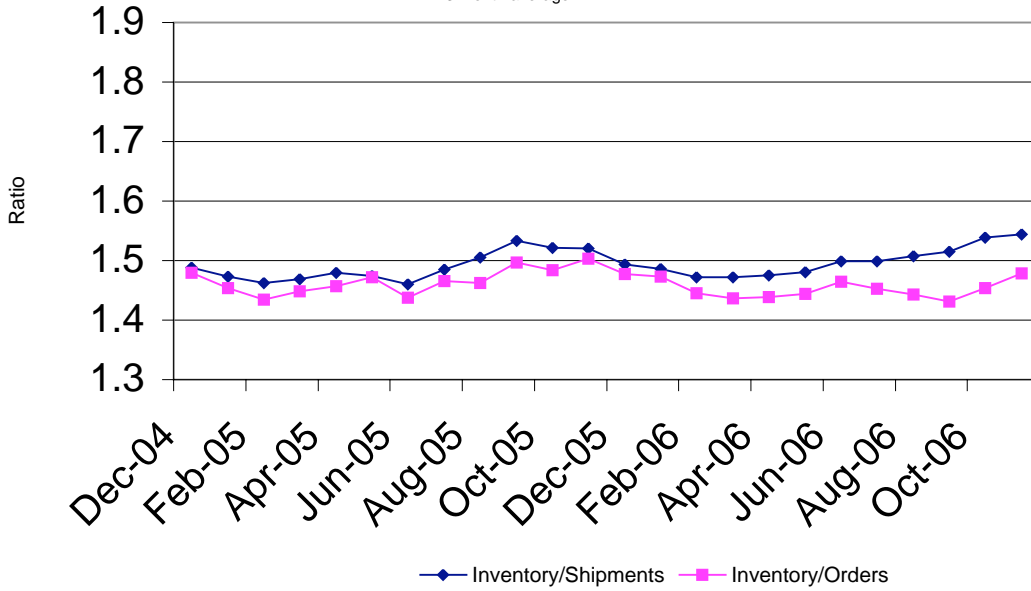
3 month average



SFSA

Nondefense Capital Goods less Aircraft

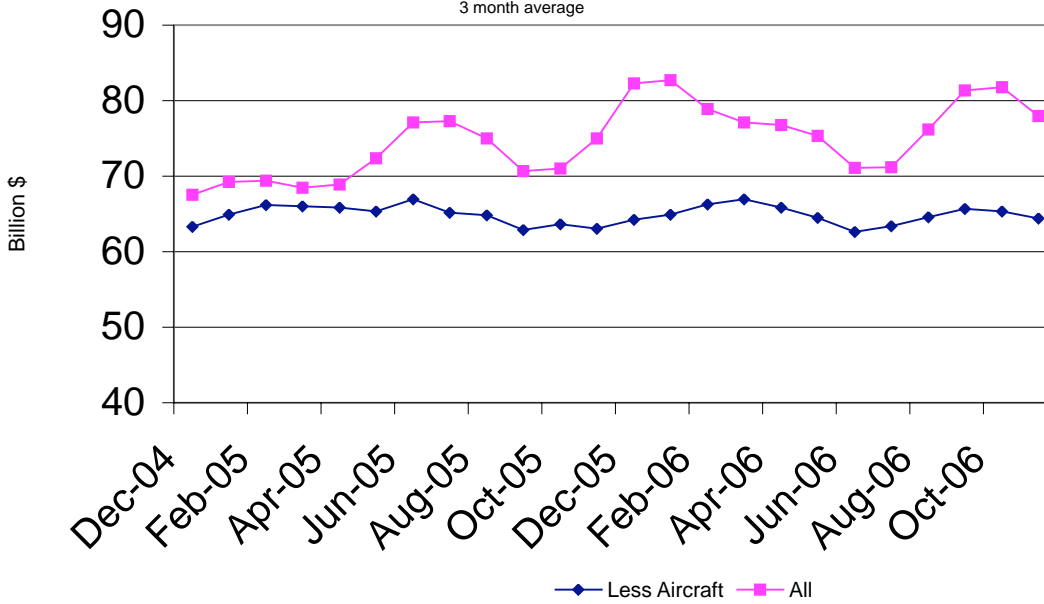
3 month average



Department of Commerce

Nondefense Capital Goods New Orders

3 month average



Department of Commerce