



# PSR The Paper Stock Report

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## The Market: Recovered paper prices, demand, continue to drop

By Ken McEntee

Following a 13 drop in national average mill buying prices in early April, prices for many grades continue to weaken as the month goes on, according to traders.

"The only grade with steady movement is No. 9 (overissue) news, but the movement isn't reflected in better prices," according to a broker in Chicago.

In many areas, mills that consume old corrugated containers (OCC) had too much inventory to store on site, and mills groups with their own recycling plants reportedly were moving excess OCC to those plants. Other mills continued to sell off material if they could.

The weak export market is only adding to the problem.

Sources said America Chung Nam (ACN) was canceling orders from some of its contracted suppliers as overseas demand remained dry.

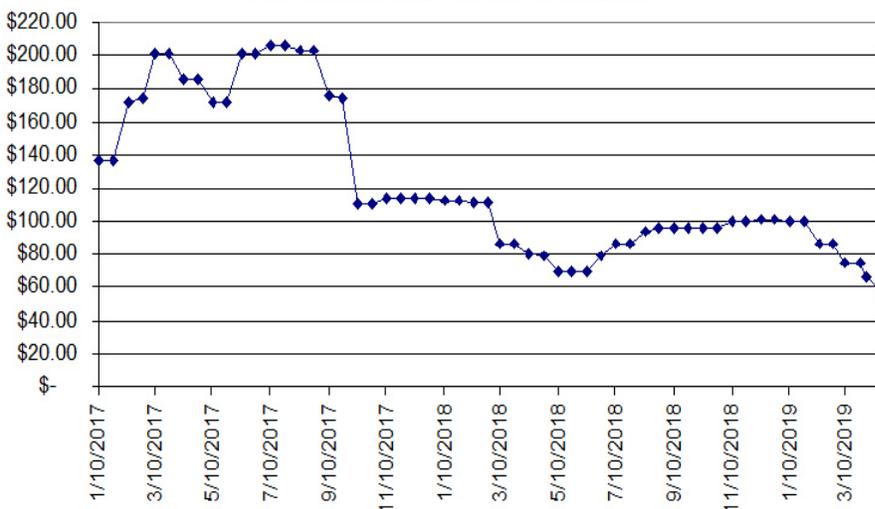
The consensus among sources who dared to speculate is that further price reductions are coming in May.

In the Northeast U.S., traders reported some mills sales at \$50 or lower, while an Ohio recycler said spot buys on OCC were going as low as \$25 per ton. Higher prices

(See Drop, page 4)

### OCC Prices

Average national mill buying prices, FOB seller's dock, \$/ton, based on surveys of buyers and sellers by The Paper Stock Report



## Sonoco projects OCC decline in May

By Ken McEntee

The dive in old corrugated container (OCC) prices is likely to continue in May, said Robert Tiede, president and CEO of Sonoco Products Co. Speaking during the company's first quarter 2019 earnings conference call, Tiede said he isn't sure prices have hit bottom.

"I won't be surprised if we see a further decline as we head into May," he said, tempering his opinion by saying, "Every time somebody asks me about OCC, I'm wrong."

After a further downturn in May, Tiede projected that prices would begin creeping back upwards in July, with some tightness in supply seen into Oc-

tober.

Tiede said he expects OCC prices to fall into the \$50-\$60 per ton range during the rest of the year, with some fluctuations over the next three quarters. That compares to an average price of \$75 per ton during the first quarter. That average of \$75 per ton, however, is a quotation from the Official Board Mar-

(See Sonoco, page 4)

### Highlights

- Current recovered paper prices
- Waste Management to acquire Advanced Disposal for \$4.9 billion
- Harvey pushes driver safety law

## Recovered Scrap Paper Prices: Dealer/Processor Prices

These prices reflect the estimated value of recovered scrap paper accepted by or sold to paper stock dealers and/or recycling centers unless otherwise indicated. Prices are listed in dollars per short ton for loose (not baled) material in small quantities, unless otherwise noted. Negative values indicate a charge to accept the materials. Estimated prices are based on surveys of buyers and sellers and are not binding. Prices for grades marked "at generator's dock" indicate the estimated value for material picked up by a dealer from the place where material is generated. Prices for grades marked "at dealer's scale" indicate the estimated value of material brought to the dealer's plant or recycling center.

Grade	N.Y.	NewEng BOS	SEast ATL	PITTS/ CLEV	MWest CHIC	SWest Tex	L.A.	NWest SEAT
Mixed paper, at generator's dock:	-60/0	-60/0	-50/0	-55/0	-55/0	-50/0	-60/0	-60/0
Mixed office paper, generator's dock:	50/95	50/95	80/110	80/120	80/120	80/120	65/100	55/105
White ledger, at generator's dock:	120/160	120/160	120/150	120/150	120/150	120/150	110/155	110/170
Old newspaper, delivered to dealer:	-25/20	-25/20	-15/20	-15/20	-15/20	-15/20	-5/20	-10/20
Old corrugated containers (OCC), delivered to dealer:	-5/15	-5/15	-5/15	-15/10	-15/10	-5/20	-5/20	-10/20
OCC supermarket-sized bales generator's site	20/40	20/40	20/50	15/40	15/40	20/50	25/65	10/50
Old magazines, delivered to dealer:	0/40	0/40	0/40	0/40	0/40	0/50	0/50	0/50

## Recovered Scrap Paper Prices: Mill Buying Prices

These figures are average prices paid by paper and board mills for the grades listed. Prices are listed in dollars per short ton, baled, FOB seller's dock (exclusive of freight), packed to PS-2017 specifications. Numbers in parenthesis are PS-2018 grade definition numbers.

Post-consumer grades:	Northeast	Southeast	Midwest	Southwest	LA	Northwest	Natl Avg	Last Issue	Last Year
Mixed paper (54)	0/5	0/15	0/10	0/15	N/A	0/5	4.17	4.17	2.50
Sorted residential papers & news (56)	10/35	20/40	20/35	20/40	10/20	10/35	24.58	24.58	22.92
Sorted clean news (58)	100/120	100/120	100/120	100/120	110/120	90/120	109.17	109.17	98.33
Old corrugated containers (OCC) (11)	50/80	50/70	40/65	55/75	40/60	50/70	58.75	67.08	78.75
Sorted office paper (37)	180/190	190/200	180/200	190/200	185/190	185/190	190.00	192.50	180.83
White ledger, post-consumer (40)	280/300	280/290	280/300	290/300	260/290	260/290	285.00	291.67	258.33
Old magazines (10)	80/100	90/120	90/100	90/120	110/120	100/120	103.33	110.00	127.50
Industrial / Commercial grades	Northeast	Southeast	Midwest	Southwest	LA	Northwest	Natl Avg	Natl Avg	Last Year
Boxboard cuttings (4)	45/55	40/50	40/50	45/55	50/60	40/50	48.33	48.33	93.75
New double-lined kraft cuts (DLK) (13)	80/100	80/110	70/90	80/110	80/100	80/110	91.67	91.67	110.83
White news blanks (24)	260/290	260/290	260/290	260/290	260/290	260/290	275.00	275.00	270.00
Coated soft white shavings (28)	350/370	350/370	350/370	350/370	360/380	350/380	363.33	389.17	263.33
Hard white shavings (30)	470/500	470/500	470/500	470/500	470/500	470/500	485.00	494.17	422.50
Manifold white ledger (41)	280/300	280/290	280/300	290/300	260/290	260/290	285.00	291.67	258.33
Coated book stock (43)	175/185	180/190	180/200	180/190	180/190	180/190	185.00	190.00	180.83
Coated groundwood sections (44)	120/130	110/120	110/120	110/120	120/130	110/120	118.33	128.33	137.50
Unprinted bleached sulfate (SBS) (47)	400/410	400/410	400/410	400/410	400/410	400/410	405.00	440.00	422.50
<b>Weighted average national price</b>							<b>86.39</b>	<b>89.52</b>	<b>103.27</b>

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### Join the survey...

The Paper Stock Report surveys scrap paper traders twice a month to obtain current, unbiased market prices.

Fill in the anonymous survey online at

<http://paperstockreport.com/market-survey/> or email [ken@paperstockreport.com](mailto:ken@paperstockreport.com).

It'll take less than a minute.

**Weigh in...**

Use the survey form to submit your observations about current scrap paper markets.



**Mergers/Acquisitions**

# Waste Management to acquire Advanced Disposal for \$4.9 billion

Waste Management Inc. has agreed to acquire Advanced Disposal Services Inc. for \$4.9 billion, including \$1.9 billion of Advanced Disposal's debt. The acquisition involves the purchase, through a Waste Management subsidiary, of all outstanding shares of Advanced Disposal for \$33.15 per share in cash.

The per share price represents a pre-

mium of 22.1 percent to Advanced Disposal's closing share price as of April 12, 2019, the last trading day prior to the announcement.

Waste Management said the acquisition grows its footprint and allows it to deliver to Advanced Disposal customers unparalleled access to differentiated, sustainable waste management and recycling services.

With 2018 revenues of \$1.56 billion and about 6,000 employees, Advanced Disposal serves more than 3 million residential, commercial and industrial customers, including more than 800 municipalities primarily in 16 states in the eastern half of the U.S.

Advanced Disposal's solid waste network includes 94 collection operations, 73 transfer stations, 41 landfills and 22

**Effective this month,**

*The Paper Stock Report* will now publish recovered paper prices on the 1st and 15th days of the month.

Previously we published on the 10th and 25th. Learn more and try a free **online trial subscription** at:

**paperstockreport.com**

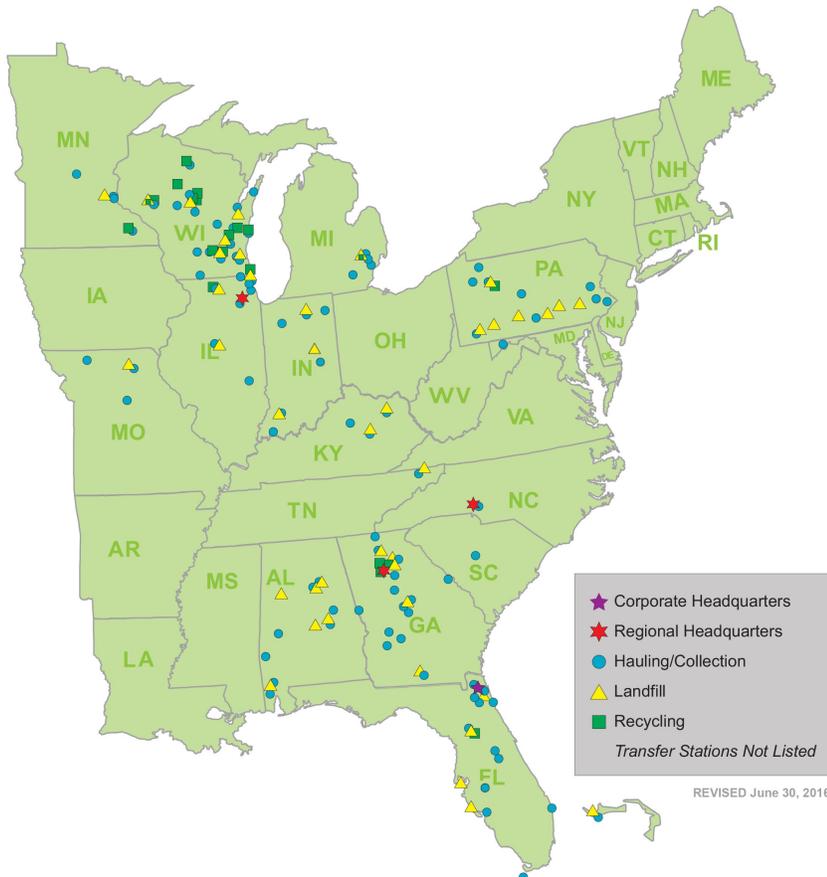
owned or operated recycling facilities.

"At Waste Management, we focus on creating value for all stakeholders, delivering on our commitments to employees, customers, community partners, shareholders and the environment," said Jim Fish, Waste Management's president and CEO. "The acquisition of Advanced Disposal extends these commitments by adding complementary assets and operations as well as a team with a shared focus on safety, outstanding service and operational excellence. With this acquisition, we will grow our asset footprint to serve more customers and communities and generate significant growth and value creation opportunities for Waste Management's shareholders and our combined company's employee base. Waste Management's disciplined capital allocation and balance sheet strength position us well to execute upon this unique opportunity to expand our scale and capabilities to serve an even broader customer base and realize the strategic and financial benefits the acquisition of Advanced Disposal creates."

Waste Management said the acquisition advances its growth strategy and aligns with its financial goals, including growth in earnings per share, margins and cash flow. Specifically, Waste Management expects the addition of Advanced Disposal to:

- Expand waste management's footprint and customer base. This acquisition brings a high-quality, complementary asset network and customer base under Waste Management's proven management team, who has a track record of operational excellence and a demonstrated ability to grow the margins and cash flows of the assets Waste

(See Waste Management, page 4)



## Mergers/Acquisitions

### Waste Management

From page 3

Management has acquired.

- Create significant synergies and grow Waste Management's earnings and cash flows. Waste Management expects the transaction to generate more than \$100 million in annual cost and capital expenditure synergies. The Advanced Disposal acquisition will be immediately accretive to Waste Management's adjusted earnings per share and cash flow, with near-term benefits expected from core operating performance and SG&A cost savings. Incremental benefits from operating and capital efficiencies and network optimization will drive long-term margin expansion and improved free cash flow conversion.

- Support Waste Management's capital allocation priorities. Waste Management's strong balance sheet and significant free cash flow generation position it well to fund the acquisition. In 2019, Waste Management's free cash flow will be directed to dividend payments, acquisitions and share repurchases sufficient to offset dilution from stock-based compensation plans. The Advanced Disposal acquisition will enhance Waste Management's cash flow growth and support its commitment to grow shareholder returns. Waste Management currently expects to achieve targeted leverage and return to normal run-rate share repurchases within one year of the acquisition's close.

- Continue a commitment to outstanding customer service and sustainable waste solutions. The acquisition will join two teams of dedicated employees who are passionate about helping to manage the environmental needs of customers and communities with outstanding service and a commitment to safety. Waste Management expects to continue making investments in employees, technology, and capital equipment to further grow the business, and ensure superior, reliable customer service and generate strong returns.

The transaction, which was unanimously approved by the boards of directors of both companies, is expected to close by the first quarter of 2020, subject to the satisfaction of customary closing conditions, including regulatory approvals and approval by a majority of the holders of Advanced Disposal's outstanding common shares.

## The Market

### Drop

From page 1

Export prices out of New York were reported around \$75 delivered to the port. On the West Coast, OCC export orders were reported around \$80 per ton delivered to L.A. ports, and around \$68 delivered to Seattle on April 15.

"Of the recycling plants I've visited, the ones that belong to mills groups are really full of OCC," said a West Coast broker. "The independent plants weren't as full."

According to a broker in Chicago, "There is a lot of material backed up. Overwhelmed mills are offering us a lot their own commercial OCC for export."

But export is also reported as slow, leading to reports from several sources that ACN was holding off on buying.

"We were told yesterday that ACN isn't taking anymore material," one broker said. "But that should be taken with

a grain of salt because they're more likely to cut off brokers before anybody else."

Containerboard mill downtime continues to add up across the country. Some is being explained as planned maintenance downtime, while some is due to slow orders.

OCC exports to India have reportedly slowed.

"They were making containerboard to ship into China, but that isn't going well," one exporter said. "So Indian mills have high OCC inventories built up."

White office and printer grades also continued to weaken. Prices for sorted office paper (No. 37) and white ledger (No. 40/41) adjusted a few dollars downward since the beginning of the month.

Reported prices for pulp subs, meanwhile, varied widely among traders.

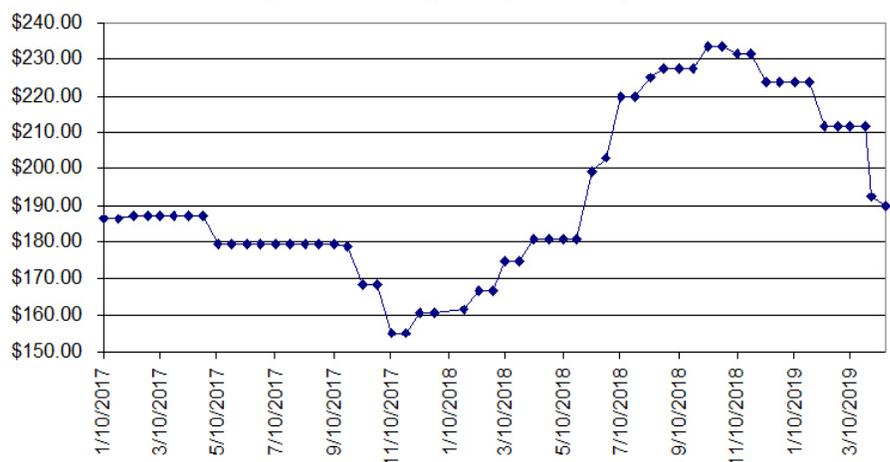
## Sonoco

From page 1

ket (OMB) index and doesn't represent true transacted prices in most cases. Actual OCC prices during the first quarter averaged closer to \$90 per ton in the Southeast U.S. Assuming Tiede's projected reduction of \$15 to \$25 per ton, actual average transacted OCC prices might be projected in the range of \$65-\$75 per ton during the balance of the year.

### Sorted Office Paper Prices

U.S. National Mill Buying Price, FOB Seller's Dock, \$/ton based on surveys of buyers and sellers by The Paper Stock Report



Responding to a question, Tiede said he doesn't think the reduced OCC prices would discourage collection of the material.

"The reason I don't believe it's going to discourage collection is that China still has a problem and they need to get their fiber through some other methodology," he said. "So we're seeing Chinese investment in old mills and they're looking to convert those to create pulpable material that they can ship back in (to China) and work through the environmental issues of us sending OCC over. So I don't think that collection will be curtailed."

Tiede said the overall Asian economy has generally offset a slower than expected Chinese economy during the first quarter, adding that the first quarter is always a challenge in China due to Lunar New Year.

"On the consumer side in that part of the world, we did see the growth start to come back again after Chinese New Year, but the volume is not as robust as it was last year," Tiede said.

Overall, reported Julie Albrecht, vice president and CFO, Sonoco had a solid first quarter to start the year.

Sales were almost \$1.4 billion during the quarter, up \$48 million over the prior year due primarily to the impact of the company's Conitex and Highland packaging acquisitions. Gross profit was \$270 million, \$19 million above the prior year due to positive price costs and the impact of these recent acquisitions, Albrecht said.

Consumer Packaging volume was down \$14 million, or 2.5 percent. Growth in rigid paper containers, especially in Europe, was more than offset by lower volume in rigid plastics, which was negatively impacted by a weak fresh fruit harvest due to adverse weather on both the east and west coasts.

Volume in Paper and Industrial Converted Products was down almost \$18 million or 3.8 percent due to weak tube and core volumes in most global regions and lower paperboard and corrugated medium demand in the U.S. and Canada.

Selling prices were higher year-over-

year by \$27 million, driven by price increases both to cover higher material and non-material costs, as well as, other efforts to better realize the value of our products and services that we provide to our customers.

Albrecht noted that average first quarter OCC prices were down \$32 per ton compared to a year earlier.

"Although some of our second quarter customer contracts have reset at this lower level for OCC, we have been successful in implementing price adjustments on non-contract business," she said.

Tiede noted that because Sonoco has a recycling division, lower OCC prices help the company on the manufacturing side, with an opposite impact on sales of recycled fiber. Even with low prices for OCC and other recyclables, there is a cost in collecting paper.

"We're in (recycling) to collect the best fiber possible to drive the best product we can offer to our machines," he said. "And I look at it from how we go about collecting. I think one of the things that we probably haven't talked about is the de-risking of curbside pickup or at the municipality where we had a lot of the risk, and as we're now looking at things differently, we're pushing some of that risk back to the municipalities, so that's having a positive impact for us."

Notable points from the conference call:

- **Tiede:** Mexico's economy is looking worse than projected. "We were entering the year thinking that GDP of Mexico was going to be somewhere in the 3.2 percent range. I think the latest look is now in 1.3 to 1.4 percent range. We've clearly seen that on the converting side side of our business. Our paper system is still full."

- **Tiede:** "If I moved down to Brazil, we're seeing the same sort of thing. The economy there has gotten a little more sluggish, maybe a little more pessimistic than initially anticipated. Their latest forecast is in the 1.3 percent range and we've seen those market dynamics sort of play out both in the consumer and the industrial side."

- **Tiede:** Global softness during the

quarter was seen more so in the industrial sector than in the consumer sector. "In consumer, you've got the display and you've got protective solutions that I view as the consumer base. Specifically (the weakness) is more on the converting side than it is on the paper side."

- Asked about Sonoco's cost to collect and process OCC, Roger Schrum, vice president, corporate affairs, said, "We've always kind of used a framework within collection and trucking. Somewhere less than \$100 a ton, but probably less than that now. Clearly OCC is well below that collection and costs framework. And that's why we're seeing a lot of different changes in behaviors with regards to our work with our customers in municipalities in which we collect, where we're having to have a different discussion about those options."

## Safety

### Harvey lobbies Congress on 'move-over' laws

**B**en Harvey, president of E.L. Harvey & Sons, Westborough, Mass., and chairman of the National Waste & Recycling Association (NWRA), submitted written testimony for the record on behalf of the association before the House Transportation & Infrastructure Committee's Highways and Transit Subcommittee for its hearing on "Every Life Counts: Improving the Safety of our Nation's Roadways."

Harvey called attention to the fact that the Bureau of Labor Statistics (BLS) named the waste and recycling collector as the fifth most dangerous occupation and that in 2017 "Waste and Recycling" had 33 fatalities, of which 23 were transportation related.

Harvey urged Congress to use federal infrastructure legislation or surface transportation appropriations as a vehicle to enact incentives for states to adopt "Move Over" laws that include

(See Move over, page 6)

## Safety

### Move over

From page 5

waste and recycling collection workers similar to the incentives it uses to encourage states to set and keep their legal drinking age at 21 years old.

"This is an opportunity for Congress to make a real difference in improving safety with minimal effort and no additional cost," he wrote.

"Move Over laws carry an important message - take your time and slow down around waste and recycling collection trucks," said Darrell Smith, president and CEO of NWRA. "NWRA member companies have been diligent in providing advanced safety training for drivers and those who hop-off the trucks to make collections. However, distracted drivers operating near a collection truck are a major hazard for waste collection workers."

He said NWRA has been at the forefront of efforts to expand state "Move Over" laws to include waste and recycling vehicles.

Harvey's letter follows:

*Good morning, Chairman Holmes Norton, Ranking Member Davis, and Members of the Committee. My name is Benjamin Harvey and I am the President of E. L. Harvey & Sons Inc. located in Westborough, Mass. E. L. Harvey & Sons is a full-service waste and recycling firm that provides services for commercial and industrial corporations and municipalities throughout eastern Massachusetts, New Hampshire, Rhode Island, and Maine.*

*My company is a member of the National Waste & Recycling Association, also known as NWRA, which I am representing before the committee today in my capacity as the association's chairman. NWRA is the voice in the nation's capital for the private-sector waste and recycling industry that is essential to maintaining the quality of American life.*

*The delivery of waste and recycling*



*services impacts all residential, commercial, and industrial properties on a daily basis. Apart from the U.S. Postal Service, the waste and recycling industry is one of the few, if not the only other, that travels on every roadway in the country at least once each week. Association members operate in all 50 states and the District of Columbia and can be found in most, if not all, U.S. congressional districts.*

*Waste and recycling facilities number nearly 18,000 scattered throughout the U.S., mirroring population centers. Our nearly 700 members are a mix of publicly-traded and privately-owned local, regional, and Fortune 500 national and international companies. The industry directly employs about 420,000 people as of early 2018 with a total payroll of more than \$21 billion. It is estimated that the private sector waste and recycling industry accounts for over one million jobs and generates nearly a quarter of a trillion dollars in U.S. GDP.*

*Tens of thousands of these hard-working men and women in the waste and recycling industry become vulnerable road users everyday as part of their job.*

*The Bureau of Labor Statistics (BLS) has named the waste and recycling collector as the fifth most dangerous occupation (2018). In 2017, "Waste and Recycling" had 33 fatalities, of which 23 were transportation related.<sup>2</sup> Safety is the number one value for the waste and recycling industry.*

*The goal each day is for every worker and driver to go home safely at the end of their shifts, without a crash, injury or fatality. Our work is focused on making collection, processing, and disposal operations less dangerous by encour-*

*aging safety training as well as providing assistance in complying with regulations and company safety rules and policies.*

*Despite these industry efforts, distracted driving by motorists with whom we share the road puts waste and recycling drivers and workers at risk every day.*

*Many of the transportation related fatalities were caused by inattentive or distracted drivers who failed to yield to waste and recycling collection vehicles. Most of the time, the danger is the same as that experienced by police officers, fire fighters, and tow truck drivers who are stopped along the side of the road.*

*The private sector of the waste and recycling industry has a commercial motor vehicle (CMV) fleet of more than 100,000 collection trucks and an even greater number of CMV Drivers. These trucks are primarily Heavy-Duty Vehicles as defined by the Federal Highway Administration. <https://www.bls.gov/iif/oshwc/foi/cfch0016.pdf> (FHWA) with a GVWR of more than 26,000 pounds. The industry's fleet includes, but is not limited to, waste and recycling collection trucks, roll-off trucks, post collection tractor trailers, container delivery, and grapple trucks. The waste (garbage, trash, solid waste) and recycling (paper, plastic, aluminum, metal, compost) collection trucks that service nearly every American household and business are the most recognized part of the industry's fleet.*

*Although waste and recycling collection trucks are virtually identical in most respects, they are significantly different in the means by which the material is emptied into the cargo area (e.g. rear-, front-, automated side-load, etc.).*

*According to FHWA's 2016 Freight Quick Facts Report, "Waste/Scrap" is the tenth largest commodity by tonnage shipped in the U.S. The industry's truck operations moved 92 percent of the 652.9 million tons transported by all modes in 2015. Assuming that two-thirds of the industry's trucks are in use on any given workday, that means ap-*

proximately 70,000 workers are exposed to dangerous driving situations, such as distracted driving, each work-day.

According to the National Highway Traffic Safety Administration (NHTSA), distracted driving is “any activity that diverts attention from driving, including talking or texting on your phone, eating and drinking, talking to people in your vehicle, fiddling with the stereo, entertainment or navigation system—anything that takes your attention away from the task of safe driving.”

It is estimated that during daylight hours approximately 481,000 drivers are using handheld cell phones while driving, creating significant potential for injury or death.

NHTSA reports that 3,450 people were killed by distracted drivers in 2016 and 562 of these fatalities were not occupants of a vehicle but rather pedestrians, bicyclists, and others including waste and recycling industry employees. In 2015, distracted drivers were responsible for 391,000 injuries in motor vehicle crashes. Teens were the largest age group reported as distracted at the time of fatal crashes.

Driving requires the full attention of motorists.

Texting in particular poses a danger since sending or reading a text takes one’s eyes off the road for an average of 4.6 seconds. Traveling at 55 MPH while texting is the equivalent of driving the length of a football field with your eyes closed.

NHTSA is engaged in several efforts to educate Americans about the dangers of distracted driving including public service announcements, social media campaigns, “Distracted Driving Awareness Month” every April, and partnerships with state and local police departments to enforce laws against distracted driving. These law enforcement officials are also undertaking the difficult task of enhanced enforcement of distracted driving laws. This is complicated by the need to observe the offense before making a traffic stop since, unlike with impaired driving, the pro-

hibited behavior has typically ended once a driver is pulled over.

So far, 23 states have enacted “Move Over” laws that cover waste and recycling workers.

The statutes vary from state to state, but the laws generally require drivers to slow down and yield to collection vehicles, especially when the operator is emptying a cart or walking back to the truck. “Move Over” laws are saving lives by requiring drivers to exercise caution and avoid distractions when they are approaching a collection truck. NWRA has been at the forefront of efforts to expand state “Move Over” laws to include “amber lighted vehicles” such as waste and recycling, tow trucks, and other similar industries. However, these laws are only effective if the motoring public knows about and law enforcement enforces them.

A 2014 incident in central Florida involving an NWRA-member company is a perfect example.

One of their collection workers was injured by a car and the law enforcement officer did not issue a citation to the driver of the vehicle, despite Florida’s recently expanded “Move Over” law. When the company’s safety director asked for the “Move Over” law to be invoked, the officer stated he did not know about the statute, nor did the command staff of that department.

This shows the need to educate both law enforcement and the public about the necessity to move over as well as the consequences of not moving over.

NWRA is confident that this situation is not an isolated event.

NWRA urges Congress to use federal infrastructure legislation or surface transportation appropriations as a vehicle to enact incentives for states to adopt “Move Over” laws that include waste and recycling collection workers similar to the incentives it uses to encourage states to set and keep their legal drinking age at 21 years old. This is an opportunity for Congress to make a real difference in improving safety with minimal effort and no additional cost.

Thank you for your consideration of our position. We look forward to work-

ing with the committee to improve the safety of our nation’s highways. I will be happy to respond to any questions that you may have.

## Statistics

### U.S. containerboard production down heavily in March

U.S. containerboard production decreased 8.6 percent compared to March 2018 and was down 3.9 percent year-to-date, the American Forest & Paper Association (AF&PA) said. Releasing its March 2019 Containerboard Monthly Report, AF&PA said the average daily production compared to February 2019 was 3.5 percent lower.

The containerboard operating rate was 86.4 percent, 10.4 points lower than the same month last year and down 6.1 points year-to-date.

Production for export bounced back from the lowest volume in nearly a decade back in February, but was nevertheless down 21.6 percent year-to-date. The report can be purchased by contacting:

Statistics\_Publications@afandpa.org.

## Products

### Cascades new Latte collection includes OCC

Cascades Inc. has launched its Latte collection of paper towels, toilet paper and facial tissue within the Cascades PRO Select and Cascades PRO Perform brands. The new line is manufactured from a combination of white recycled fiber and cardboard, providing customers with a solution that delivers the same great performance as

(See Cascades, page 8)



# PSR The Paper Stock Report

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## Products

### Cascades

From page 7

white paper products, but at a reduced cost, Cascades said.

Cascades said the demand for virgin pulp is increasing and this trend is not expected to slow down before 2021. Combined with an industry-wide shortage of good quality sources of recycled fibers, these market conditions have resulted in record high price increases for customers looking for white paper products.

"Thanks to the concerted efforts of our research and development and innovation teams, Cascades has developed its new Latte collection, a solution that makes it possible to counter the impact of raw material price increases without compromising on the quality and ecological attributes of our products," said Jean-David Tardif, Cascades Tissue Group president and COO. The distinctive Latte color is created by combining

white recycled fibers and cardboard, delivering an end result that is equivalent to white products in terms of quality. This new product line is not only a green solution, but also provides our customers a cost-effective offering that will meet their paper towels and tissue needs."

Cascades said its paper towel and toilet paper offerings undergo all the stringent requirements needed to ensure a Green-e, Green Seal and UL/Ecologo certified end product.

"Cascades' alternative to white paper products provides our customers with an excellent alternative solution that will help them counter higher prices that will touch all industries in the coming years, said Sandra Hudon, vice president of sales, North America, for Cascades PRO. "In particular, we expect the education, foodservice and business office markets to see some of the greatest benefits."

The Cascades PRO brand offers hand towels, bath tissue, napkins, kitchen roll towels, facial tissue, wipers and dispensers.

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