



PSR The Paper Stock Report

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Market Intelligence
An independent, American-owned company

ND Paper starts pulp production in Old Town, Maine

ND Paper, an affiliate of China's Nine Dragons Paper, said it has launched its recycled pulp operations at its Old Town, Maine mill.

"This innovative new production line will produce approximately 200 metric tons per day of unbleached recycled pulp," ND Paper said. "Using patent-pending, proprietary technology, the line will consume regionally sourced recovered paper, primarily old corrugated containers (OCC), as its primary feedstock. This incremental demand for scrap paper is anticipated to improve local recycling and ultimately reduce disposal alternatives like landfilling. In addition, while traditional pulping operations typically require considerable use of water, this new line is novel as it requires very little consumption."

At full operation, the recycled pulping operation will support about 20 new jobs as well as driving benefits via indirect and induced job creation, ND Paper said.

"Indirect jobs are defined as those related to all of the in-Maine supply chain of vendors providing the materials and services required for pulp production, while induced jobs are those supported by employee and vendor spending," the company said. "Further, ND Paper intends to spend money locally and elsewhere in the State on services including fiber sourcing,

(See Nine Dragons, page 3)

OCC, SOP Prices

U.S. average national mill buying price, \$ per ton, FOB sellers dock, based on surveys of buyers and sellers by *The Paper Stock Report*



Popular Science paper article is misleading, Two Sides says

Two Sides North America, a non-profit organization dedicated to dispelling environmental misconceptions, attacked *Popular Science* for a recent article that charged that paper is "wildly unsustainable," saying that the article is misleading.

Two Sides, noting that paper is the most recyclable material in North America, responded to the publication to set the record straight in an open letter, which is reproduced here:

April 14, 2021
TO: Popular Science
RE: Article titled "Modern paper use is

wildly unsustainable" published April 6, 2021

To the editors:

Myths about the sustainability of the North American paper industry and its products are common media fodder in

(See Misleading, page 4)

Highlights

- Current recovered paper prices
- U.S. containerboard production up 2 percent for quarter

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:	-30/5	-30/5	-35/5	-35/5	-35/5	-35/5	-30/10	-20/10
Mixed office paper, generator's dock:	0/30	0/30	0/35	0/25	0/25	0/35	0/35	0/35
White ledger, at generator's dock:	25/70	25/70	30/65	35/65	35/65	35/60	20/55	35/80
Old newspaper, delivered to dealer:	-10/20	-10/20	0/20	0/20	0/20	0/30	0/20	0/20
Old corrugated containers, delivered to dealer:	10/45	10/45	10/40	10/35	10/35	10/40	15/55	15/60
Old corrugated containers, supermarket-sized bales	20/75	20/75	20/75	20/70	20/70	25/75	40/70	20/70
Old magazines, delivered to dealer:	0/50	0/50	0/40	0/40	0/40	0/50	0/50	0/45

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 Month	Last Year
Mixed paper (54)	30/65	30/65	30/65	35/65	N/A	30/60	39.58	39.58	39.58	16.25
Sorted residential papers & news (56)	75/100	80/100	80/100	80/100	70/100	70/100	87.92	87.92	87.92	42.50
Sorted clean news (58)	110/135	115/135	110/130	115/135	100/140	100/130	120.42	120.42	120.42	86.67
Old corrugated containers (OCC) (11)	100/130	100/130	100/130	100/135	90/125	100/130	114.58	114.58	113.33	117.08
Sorted office paper (37)	110/145	110/135	110/140	110/140	110/140	110/140	125.00	125.00	125.00	180.42
White ledger, post-consumer (40)	195/220	200/215	195/210	200/220	180/200	195/230	205.00	205.00	205.00	239.17
Old magazines (10)	70/100	70/100	80/100	80/100	80/100	80/100	88.33	88.33	88.33	70.83
Industrial / Commercial grades	Northeast	Southeast	Midwest	Southwest	LA	Northwest	Natl Avg	Last Issue	Last Month	Last Year
Boxboard cuttings (4)	60/75	65/80	60/75	65/85	65/85	60/80	71.25	71.25	71.25	65.00
New double lined Kraft cuts (DLK) (13)	140/160	130/150	130/160	135/160	130/150	135/160	145.83	145.83	145.83	155.83
White news blanks (24)	210/260	230/260	220/250	230/260	200/230	200/240	232.50	232.50	232.50	225.00
Coated soft white shavings (28)	310/340	310/340	310/340	310/340	310/340	310/340	325.00	325.00	325.00	327.50
Hard white shavings (30)	360/390	340/380	345/390	345/385	350/395	350/395	368.75	368.75	368.75	400.00
White ledger, pre-consumer (41)	185/210	190/205	185/200	190/210	170/190	185/220	205.00	205.00	205.00	239.17
Coated Book Stock (43)	110/145	110/135	110/140	110/135	110/130	110/140	122.92	122.92	122.92	180.42
Coated groundwood sections (44)	80/115	80/115	70/110	80/115	90/110	80/100	95.42	95.42	95.42	76.25
Unprinted bleached sulfate (SBS) (47)	350/380	350/380	350/380	350/380	350/380	350/380	365.00	365.00	365.00	370.00
Weighted average national price							111.90	111.90	111.61	114.89

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Weigh in...

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



Production

U.S. containerboard production up 2 percent for quarter

U.S. containerboard production during the first quarter of 2021 improved by 2 percent compared to the same period in 2020, the American Forest & Paper Association (AF&PA) reported. Production in March was up 9 percent compared to March 2020, when pandemic-related business closings went into effect.

Other highlights from AF&PA's monthly containerboard report included:

March 2021 production of containerboard for export decreased 15 percent compared to the same month last year; it was down 25 percent year-to-date;

The containerboard operating rate was 98.4 percent, up 2.8 points from March 2020 and essentially flat (-0.3 points) year-to-date;

Mill inventories of containerboard at the end of March decreased by 77,000 short tons from the previous month and were down 56,000 short tons compared to March 2020.

U.S. boxboard production flat compared to last year

U.S. boxboard production in March remained essentially flat (-0.4 percent) compared to March 2020, the American Forest & Paper Association (AF&PA) reported. Production was down 2 percent during the first quarter compared to the same three months of 2020.

The boxboard operating rate was 94.0 percent, up 1.4 points from March 2020 and up 1.1 points year-to-date.

Other highlights from the AF&PA monthly boxboard report:

Solid Bleached Boxboard production in

March decreased four percent compared to March 2020. It was down four percent when compared to the same three months of 2020.

Recycled Boxboard production in March decreased three percent compared to March 2020. It was down four percent when compared to the same three months of 2020.

Unbleached Kraft & Gypsum production in March increased nine percent compared to March 2020. It was up three percent when compared to the same three months of 2020.

Transportation

Intermodal volume up 38 percent, rail association says

U.S. intermodal rail traffic last week was up 38 percent compared to the same period last year, the Association of American Railroads (AAR) reported. In its weekly report for the week ending April 17, AAR said total U.S. weekly rail traffic was 533,217 carloads and intermodal units, up 32.2 percent compared with the same week last year.

Total intermodal volume was 295,610 containers and trailers. Total carloads during the week were 237,607 carloads, up 25.2 percent compared with the same week in 2020.

For some rail traffic categories, percentage changes for the current week compared with the same week in 2020 are inflated because of the widespread shutdowns — and subsequent large reduction in rail volumes — that impacted many economic sectors last year at this time, AAR said

Nine of the 10 carload commodity groups posted an increase compared with the same week in 2020. They included coal, up 13,166 carloads, to 61,600; motor vehicles and parts, up 10,606 carloads, to 12,549; and metallic ores and metals, up 7,533 carloads, to 24,803.

One commodity group posted a decrease compared with the same week in 2020: petroleum and petroleum products,

down 120 carloads, to 10,829.

During the first 15 weeks of 2021, U.S. railroads reported cumulative volume of 3,382,004 carloads, up 0.2 percent from the same point last year; and 4,195,580 intermodal units, up 15.7 percent from last year. Total combined U.S. traffic for the first 15 weeks of 2021 was 7,577,584 carloads and intermodal units, an increase of 8.2 percent compared to last year.

North American rail volume for the week ending April 17, 2021, on 12 reporting U.S., Canadian and Mexican railroads totaled 341,017 carloads, up 23.2 percent compared with the same week last year, and 384,527 intermodal units, up 32.5 percent compared with last year. Total combined weekly rail traffic in North America was 725,544 carloads and intermodal units, up 28 percent. North American rail volume for the first 15 weeks of 2021 was 10,389,949 carloads and intermodal units, up 7.4 percent compared with 2020.

Canadian railroads reported 82,929 carloads for the week, up 14.2 percent, and 71,720 intermodal units, up 10.4 percent compared with the same week in 2020. For the first 15 weeks of 2021, Canadian railroads reported cumulative rail traffic volume of 2,275,481 carloads, containers and trailers, up 7.2 percent.

Mexican railroads reported 20,481 carloads for the week, up 41.6 percent compared with the same week last year, and 17,197 intermodal units, up 49.3 percent. Cumulative volume on Mexican railroads for the first 15 weeks of 2021 was 536,884 carloads and intermodal containers and trailers, down 1.6 percent from the same point last year.

Mills

Nine Dragons

From page 1

operational and maintenance supplies and logistics."

The Old Town mill began operations in 1860 as a sawmill, moving into pulp products in 1882 as the Penobscot Chemical Fiber Company. After multiple changes of

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Mills

Nine Dragons

From page 3

ownership through the years, the facility was idled in October 2015.

ND Paper purchased the shuttered mill in October 2018 and has since invested millions of dollars into its restart and optimization.

“We are thrilled to start our new recycled pulping operation at the Old Town mill,” said Bruce Hogan, vice president and general manager of the Old Town Division. “This multi-million-dollar investment from ND Paper represents another vote of confidence in the state of Maine’s forest products sector, the Old Town Division, and our vision to build a sustainable company for the next 100 years.”

ND Paper is the U.S. division of Nine Dragons Paper (Holdings) Ltd., the largest containerboard producer in China and Asia with \$10 billion annual sales. ND Paper operates U.S. mills in Rumford and Old Town, Maine, Fairmont, W.Va. and Biron, Wisc. as well as a corrugated packaging plant in Sturtevant, Wisc.

Environment

Misleading

From page 1

today’s world of sensationalized, headline-driven journalism. This time it was the turn of Popular Science to weave together a collection of standard anti-paper tropes into your “Modern paper use is wildly unsustainable” article.

Shouldn’t a publication dedicated to reporting on science resist the easy narrative, hold up a submission to the illuminating glow of real authoritative data and pick up the phone to ask industry scientists or a school of forestry if any of what the authors claim makes sense?

After all, paper is not only the most recycled material in North America.

It is a material whose industry grows and regrows its own feedstock (wood fiber), derives most of the power to drive its processes from carbon neutral biofuel and

recycles more than 95% of the chemicals it uses to turn trees into pulp. This is not “wildly unsustainable.” This is a description of some of the world’s most sustainable products.

You always know what’s coming when an article begins with the classic, bait-and-switch doomed forests appeal. The hook is baited by painting a mental picture for the reader of the destruction of faraway endangered forests like those in Borneo and the Amazon, and the switch is the implication that these forests are the source of trees for North America’s paper and paper-based packaging products.

Paper products manufactured in the United States and Canada come from sustainably managed forests in North America, and these forests are not “disappearing.” Net forest area in the United States increased by approximately 18 million acres between 1990 and 2020, while Canada’s net forest area was stable between 1990 and 2020 at approximately 857 million acres. (Source: UN Food and Agriculture Organizations, 2020)

Each year, forests in North America grow significantly more wood than is harvested. In the United States, the net average annual increase in growing stock on timberland is about 25 billion cubic feet. Tree cutting and removal in the U.S. occurs on less than 2% of forestland per year in contrast to the nearly 3% disturbed annually by natural events like insects, disease, and fire. (Source: USDA Forest Services, 2019)

Harvesting occurs on 0.2% of Canada’s forestlands, while 4.7% is disturbed by insects and 0.5% is disturbed by fire. (Source: Natural Resources Canada, 2020)

Contrary to the authors’ claim that manufacturing and using paper destroys forests, the demand for sustainably sourced paper and paper-based packaging creates a powerful financial incentive for landowners not only to manage and harvest their land responsibly, but also to keep it forested rather than converting it to non-forest uses, one of the real documented causes of forest loss.

The authors’ proposed solution to this non-problem of paper-caused forest loss is not the sure thing they claim it is: alternative fibers. Alternative fibers can be

sustainably used in certain grades of paper and under certain circumstances, particularly in regions of the world like India and China where wood fiber is scarce. But their claim that “alternative materials have a fraction of the environmental impact” that tree fiber does is a gross exaggeration. While a comprehensive life cycle assessment is required to determine the full environmental impacts of alternative fiber papers, some broad conclusions can be drawn.

To begin with, alternative fibers are often grown like agricultural crops, which means there will be no trees on the landscapes where they are planted, in perpetuity. Forestlands that are harvested for tree fiber are replanted or allowed to grow back naturally. Also like agricultural crops, alternative fiber crops typically require more water and pesticides and generate more wastewater runoff than forests. And since, unlike trees, there is little residual biomass in alternative fibers, the process of converting them to paper must rely more on fossil fuels.

Moreover, global statistics on forests do not suggest that the use of alternative fiber paper products would protect forests for the long-term. The regions of the world that consume the least amount of wood are those that have the highest rates of deforestation. (Source: UN Food and Agriculture Organizations, 2020)

The authors are correct that paper products as a whole are recycled at over 60% in the United States. In fact, the figure is closer to 66%, and 70% in Canada, but even these statistics are only half the story. Some paper products, like corrugated boxes are recycled at rates of over 90%, demonstrating the potential for overall recycling rates to go even higher. (Sources: American Forest and Paper Association, 2020; Forest Products Association of Canada, 2020)

The North American paper industry has invested tens of millions of dollars in capital-intensive recycling technology, as well as the collection and transportation systems to support it. As of the most recent survey, over 80% of all paper mills in the United States use recovered fiber as at least

(See Malaysia, page 6)

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Environment

Misleading

From page 5

part of their fiber source. The investments are paying off as newer equipment and processes are allowing the paper mills to repulp post-consumer paper that was once unusable, including more of the paper cups and soiled pizza boxes mentioned by the authors.

Neither should your readers be concerned about “chlorine-based bleaches used to make paper whiter.” As the authors correctly noted, there are “restrictions on the kinds of bleach that paper companies can use,” but the story doesn’t end there.

Over the last three decades, massive voluntary industry investment and stricter environmental regulations have combined to drive major advances in bleaching technology. Since the authors specifically refer to “modern” paper making, let’s be clear: today’s state-of-the art mill processes have dramatically reduced the

chances that the substances referred to by the authors can be released into the environment.

Yes, by all means, we should retrain our brains. But let’s start by resisting the urge to cut and paste the same tired myths into sensational retread articles. Let’s start with a fresh look at the truly “modern” production and use of paper and build the training on a foundation of real-world data and science.

Sincerely,
Kathi Rowzie
President
Two Sides North America



Recovered paper market prices Independent coverage of the recovered paper markets since 1990
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