

News

Willamette Falls expands manufacturing capacity

Willamette Falls Paper Company (WFPC) expanded coated freesheet (CFS) paper capacity on its third machine at the West Linn, OR, mill so that the machine can produce additional tons of 60-lb and 70-lb text, as well as a new higher yield 75-lb Sonoma coated grade. Previously only running at 50% capacity, this paper machine is now operating at 100% capacity to meet customer demand.

The mill has a paper production capacity of 158,867 short tons/year on three paper machines, according to Fastmarkets' Mill Asset Database. The mill produces coated and uncoated freesheet, as well as kraft paper. Its paper machine No. 3 has 57,120 short tons/year of capacity at a 100% run rate, according to Fastmarkets.

The North American CFS supply and demand condition has been tight in the last 18 months due to capacity closures and post-pandemic demand pickup. Paper mills continue to operate close to their full capacity and hold low inventories.

Resolute Forest Products stockholders approve adoption of merger agreement

Stockholders of Resolute Forest Products Inc. approved a proposal to adopt the merger agreement that would see Paper Excellence acquire Resolute via its subsidiary, Domtar. 81.5% of the issued and outstanding shares of Resolute's common stock entitled to vote voted in favor of merger agreement. Resolute currently expects to complete the merger in the first half of 2023.

Paper pricing update

Coated paper prices were stable in October after rising in September to a level that put coated paper pricing 50% above its late 2020 level. RISI continues to project another increase in early 2023 for coated mechanical grades as the market absorbs the conversion of ND Paper's Biron mill, which will remove close to 20% of domestic supply. For coated freesheet, they expect prices to find stability through the first half of 2023, with producers' focus shifting to maintaining the pricing gains in place so far. (RISI)

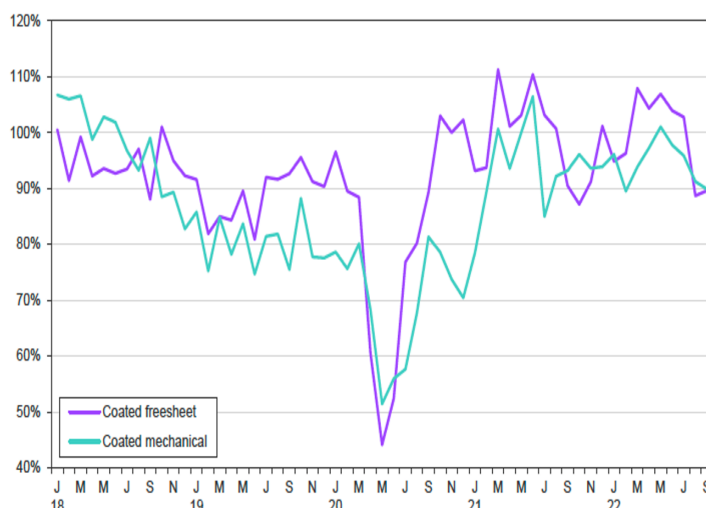
Demand and Operating Rate Forecasts (RISI)

	2021	2022	2023	2024
US CFS Domestic Shipments (Y/Y % Change seasonally adjusted)	-0.2%	2.2%	-5.6%	-0.7%
US CFS Operating Rate	99%	98%	94%	93%
US CM Domestic Shipments (Y/Y % Change seasonally adjusted)	-6.0%	-12.0%	-12.7%	-3.2%
US CM Operating Rate	93%	95%	99%	96%

U.S. Economy and Paper End-Use Indicators

	2021	2022	2023	2024
GDP	5.7%	1.7%	0.2%	1.6%
Catalogs Mailed	-1.4%	-0.8%	-6.0%	-3.3%
Magazine Ad Pages	-10.7%	-16.7%	-13.3%	-9.9%
Commercial Print	1.0%	2.4%	-3.3%	-1.4%

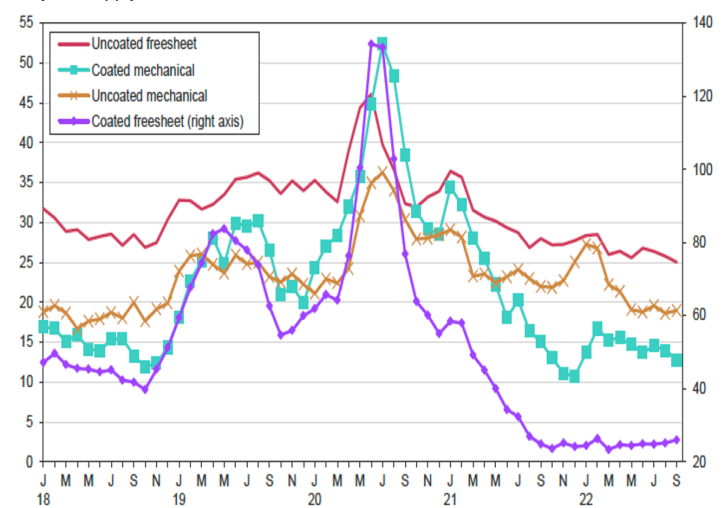
N.A. Coated Paper Operating Rates



Data source: Fastmarkets estimates.

N.A. P&W Paper Producer Inventories

Days of supply



Data source: Calculated by Fastmarkets from PPPC data.