

# **An Assessment of Domestic Fiber Capacity: A Response to Market Changes**

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# About Us

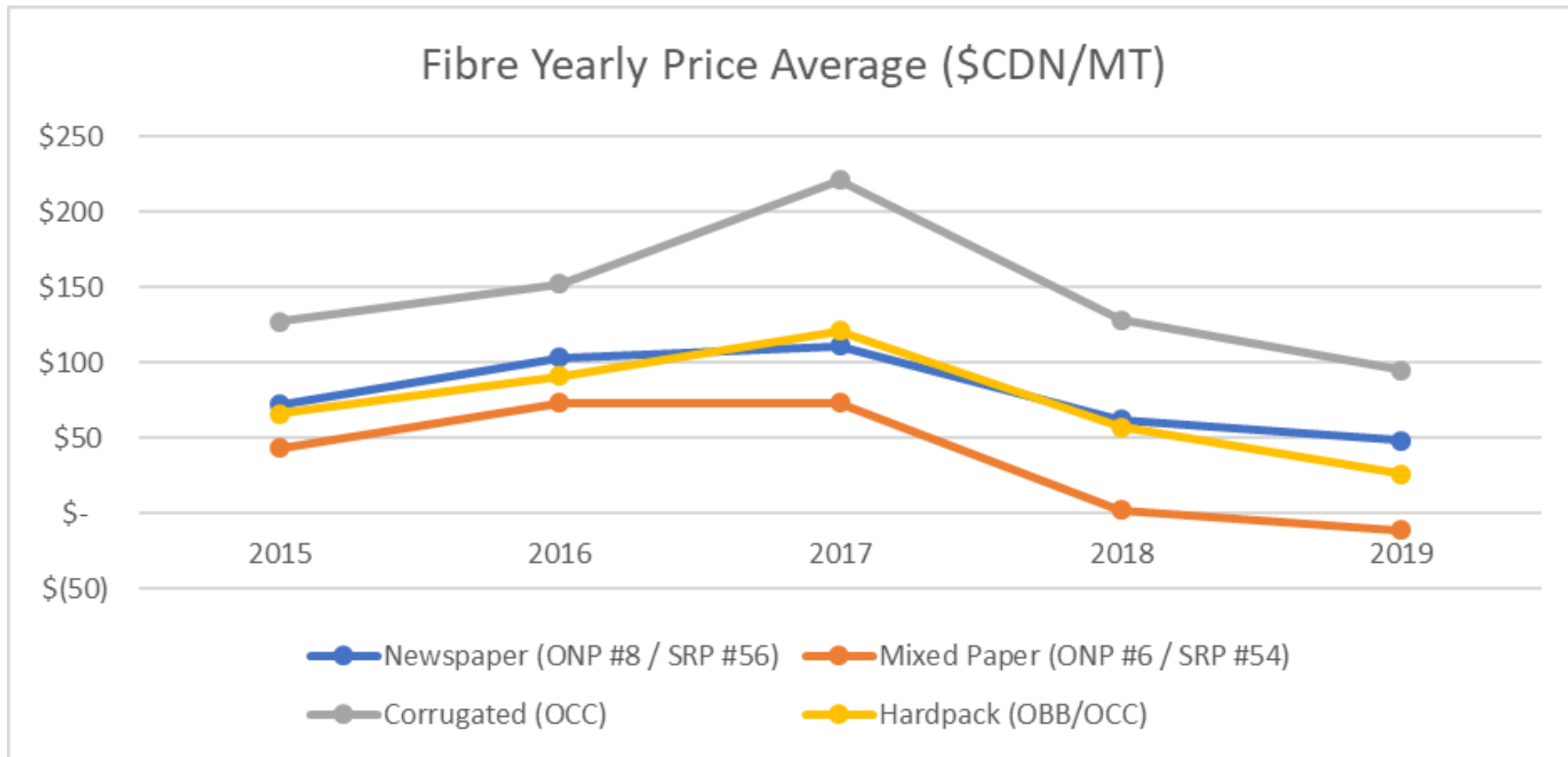
- Mandate: improve the effectiveness and efficiency of Ontario's municipal blue box Programs
- Resources provided: funding, training and technical assistance to municipalities and stakeholders
- To date: over 700 projects supported; provided \$60 million in funding; combined value of projects supported exceeds \$135 million



## 2017 Marketed Tonnage (Ontario)

Material Type/Category	Marketed (MT)
Printed Paper <sup>1</sup>	416,489
OCC/OBB <sup>2</sup>	180,910
Mixed Paper <sup>3</sup>	7,005
Polycoat <sup>4</sup>	6,452
Plastic (PET, HDPE, PE Film, PP, PS, MRP)	90,226
Metal (Steel, aluminum)	40,041
Glass (Flint, coloured)	81,857

# Ontario Price Sheet



# Material Quality Improvement Initiatives

Municipality	HHLDs	Project
Bluewater	72,000	Fibre Optical Sorting System Upgrade
Essex-Windsor	170,000	Fibre Optical Sorting System Upgrade
Niagara Region	200,000	Fibre Optical Sorting System Upgrade
Peel Region	440,000	Retrofit of the entire MRF – Installation of AI optical sorters
York Region	370,000	Mixed Paper Clean Up System – Installation of Ballistic Separator & Optical Sort System
City of Ottawa	410,000	Fibre Optical Sorting System Upgrade
Northumberland	40,000	Conversion from single to dual stream recycling

## End Markets by Material Type (MT/year)

End Market	OCC	#56 (#8 ONP) NEWS	#58 SCN (#9 NEWS)	HARD MIX	RESIDENTIAL MIX	ANNUAL CAPACITY (MT)
Molded Fiber		67,400	20,500			87,900
Cellulose Insulation		5,000	44,800			89,800
Containerboard	4,017,242	197,804		155,089	478,903	5,742,038
Future Capacity	240,000				280,000	3,782,030

Note: The total of the Annual Capacity exceeds the detailed grade information, as specific grades were not always provided by sources

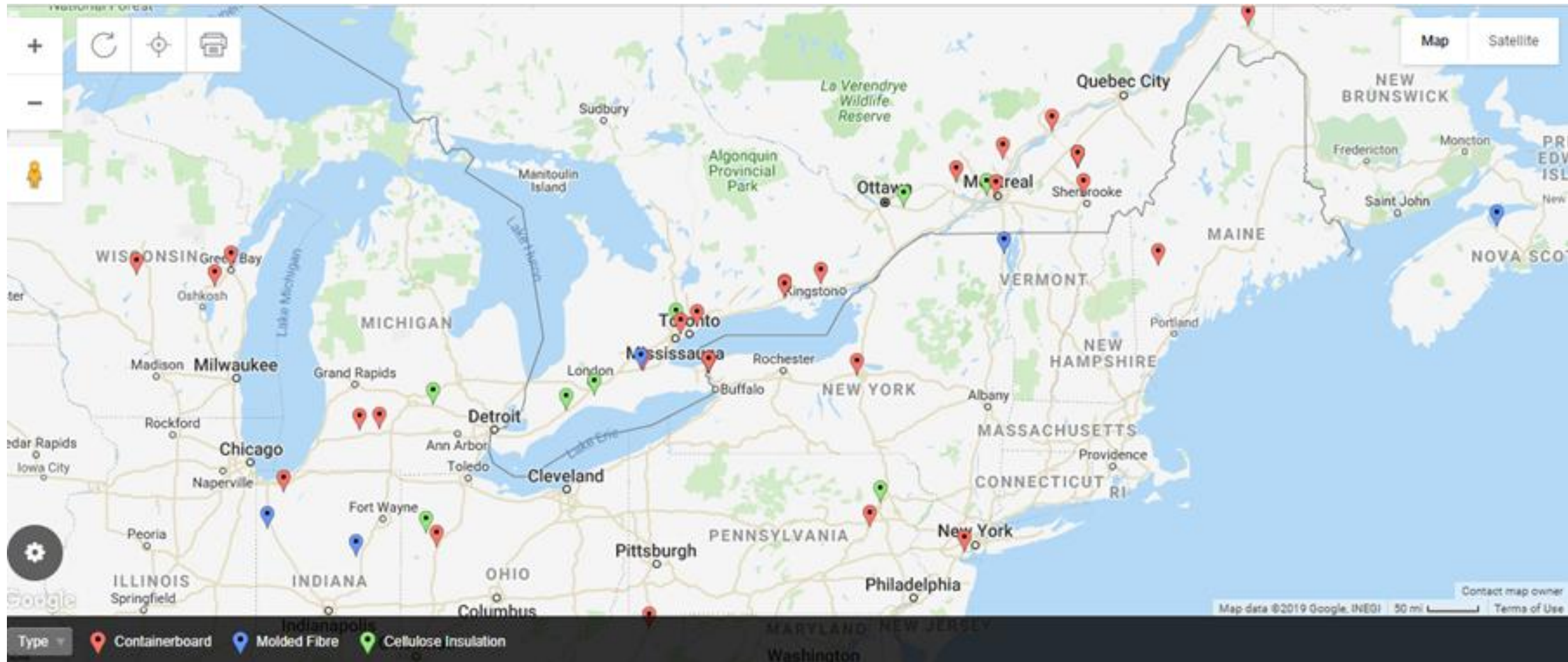
# End Market Sectors

1. Molded Fiber
2. Cellulose Insulation
3. Containerboard





# End Markets (Great Lakes)





# Molded Fiber Producers

COMPANY	LOCATION	STATE/ PROVINCE	END PRODUCT	OCC (MT/YR)	#56 (#8 ONP) NEWS (MT/YR)	#58 SCN (#9 NEWS) (MT/YR)	HARD MIX (MT/YR)	RESIDENTIAL MIX (MT/YR)	ANNUAL CAPACITY (MT)	NOTES
<b>Cascades Forma-Pak</b>	Kingsey Falls	QC	Molded Fibre		8,400				8,400	
<b>CKF Industries</b>	Handsport	NS	Molded Fibre		10,000				10,000	CKF does not have enough capacity for the local market. Local market exports as well.
<b>Hartmann Canada</b>	Brantford	ON	Molded Fibre Egg Cartons		25,000	2,500			27,500	Hartmann has a supply agreement with Recyclable Materials Marketing (ReMM).
<b>Huhtamaki</b>	Marion	IN	Molded Fibre Packaging		10,000				10,000	Limited ability to access capacity due to existing supply relationships.
<b>Urban Fibre</b>	Brook	IN	Molded Fibre (egg trays, other)		10,000	10,000			20,000	Limited ability to access capacity due to exiting supply relationships.
<b>Pactiv</b>	Plattsburg	NY	Molded Fibre		4,000	8,000			12,000	One of the largest molded fibre manufacturers in North America. Multiple facilities- NY facility only one that is logistically suitable for Ontario's fibre.
<b>Total</b>					<b>67,400</b>	<b>20,500</b>			<b>87,900</b>	

# Cellulose Insulation Manufacturers

COMPANY	LOCATION	STATE/ PROVINCE	END PRODUCT	OCC (MT/YR)	#56 (#8 ONP) NEWS (MT/YR)	#58 SCN (#9 NEWS) (MT/YR)	HARD MIX (MT/YR)	RESIDENTIAL MIX (MT/YR)	ANNUAL CAPACITY (MT)	NOTES
Applegate	Webberville	MI							40,000	Applegate is a large North American cellulose insulator. Current capacity unavailable – previous press release data used.
Canadian Comfort Insulation	Rodney	ON	Cellulose Insulation			4,800			4,800	
Climatizer	Toronto	ON	Cellulose Insulation							No information provided
Igloo Insulation	Montreal	QC	Cellulose Insulation			25,000			25,000	Currently only use overissue news. Supply agreement with Cascades.
Thermo-comfort	St. Thomas	ON	Cellulose Insulation		5,000	15,000			20,000	Ability to use clean, dry #56 in summer months as wet paper is not suitable in their operation.
US Greenfiber	Vars	ON	Cellulose Insulation							Plant recently idled. Mill was primarily consuming overissue news but also #58 and #56.
US Greenfiber	Wilkes-Barre	PA	Cellulose Insulation							Greenfiber is a large cellulose insulation manufacturer undergoing restructuring. No information provided.
Total					5,000	44,800			89,800	*Total exceeds grades as grades not always provided.

# Containerboard Mills

COMPANY	LOCATION	STATE/ PROVINCE	END PRODUCT	OCC (MT/YR)	#56 (#8 ONP) NEWS (MT/YR)	#58 SCN (#9 NEWS) (MT/YR)	HARD MIX (MT/YR)	RESIDENTIAL MIX (MT/YR)	ANNUAL CAPACITY (MT)	NOTES
Atlantic Packaging	Scarborough Whitby	ON	Linerboard, Medium	980,000				23,500	1,003,500	2 mills in Scarborough, 1 mill in Whitby. No additional mixed paper capacity for the time-being.
Cascades Containerboard Packaging - Cabano – CCP	Témiscouata -Sur-Le-Lac, Cabano	QC	Medium	77,237			3,941	3,941	85,119	
Cascades Containerboard Packaging - Greenpac (364-)	Niagara Falls	NY	Linerboard & Medium	296,105			30,481		326,586	
Cascades Containerboard Packaging - Kingsey Falls – CCP	Kingsey Falls	QC	Linerboard	9,515					9,515	
Cascades Containerboard Packaging - Lachute – CTG	Lachute	QC	Tissue	9,460					9,460	
Cascades Containerboard	Mississauga	ON	Linerboard	76,203	1,415				77,618	

# Forecasted Future Capacity

COMPANY	LOCATION	END PRODUCT	OCC (MT/YR)	RESIDENTIAL MIX (MT/YR)	ANNUAL CAPACITY (MT)	NOTES
<b>Green Bay Packaging (GBP)</b>	Green Bay, WI	Containerboard			620,000	620,000 tonnes per year, up from the existing mill's capacity of 220,000 tons per year. Planned completion 2021 Q2.
<b>Kruger</b>	Brompton, QC	Bathroom tissue, Paper towels and Linerboard	120,000		190,000	\$575 million investment by Kruger and the QC government for equipment upgrades.
<b>Midwest Paper Group</b>	Combined Locks, WI	Containerboard			315,000	Conversion of coated paper to packaging. OCC pulping machine began operating July 2018
<b>Nine Dragons Paper</b>	Biron, WI	Convert existing equipment to produce corrugated medium and linerboard, new recycled pulp capacity			690,000	Commission major projects at a cost of \$189 million at current site. Planned projects include conversion of paper machine to containerboard products. Planned completion by 2020 Q1.
<b>Nine Dragons Paper</b>	Fairmont, WV	Current mill: recycled content pulp for packaging and tissue products			220,000	Currently producing 138,600 tonnes of product. Feedstock is sourced from sorted office paper, newsprint and other grades, and some of the material comes from recycling programs in the region. Exact fibre grades undefined.
<b>Nine Dragons Paper</b>	Rumford, ME	Coated one and two-sided paper, specialty papers and market pulp			437,000	Produce recycled pulp to ship to China. Projected to be completed by 2020 Q1.
<b>Nine Dragons Paper</b>	Old Town, ME	Kraft market pulp			275,000	Opening Q3 2019.
<b>Phoenix Paper</b>	Wickliffe, KY	Industrial Pulp and finished paper			635,030	The mill is expected to accept material within the next 14-18 months.
<b>Pratt Industries</b>	Wapakoneta, OH	Recycled linerboard and corrugated medium	120,000	280,000	400,000	The fibre will be sourced entirely from a separate Pratt subsidiary. Planned completion 2019 Q4.
<b>Total</b>			<b>240,000</b>	<b>280,000</b>	<b>3,782,030</b>	<b>*Total exceeds grades as grades not always provided.</b>

# Challenges

- End Market Quality Specifications
- Existing Relationships
- Distance to End Markets
- Pricing

# Opportunities

- Future Capacity Announcements
- Fibre Substitution
- Innovation
- Incentives

**Thank you!**

