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## Contents

**FEATURES**

20 **Better Hygiene in Food-Packaging Board at Reduced Risk of Rejected Tonnage and Machine Corrosion**

Recent advances have taken some of the mystery out of bacteria problems. Many mills that have been close to the allowed hygiene limits can now run with less worry about specs and potential costs.

24 **Sofidel: 50 Years of Global Growth in the Tissue Industry**

From a single tissue mill in the province of Lucca, Italy, Sofidel Group has become one of the largest integrated tissue producers in the World and enjoys a remarkable story of growth and success.

## Columns

18 **Market Grade: Containerboard**

Linerboard prices moved up for the first time in a long time in the fall buoyed by positive box and containerboard shipments and a dramatic drop in inventories. The outlook for 2017 is for continued modest growth and the market should remain relatively stable with little new capacity slated to come online.

30 **Regulatory Reform Tops AF&PA 2017 Priority List**

With a new Administration and Congress in place, 2017 brings fresh opportunities for AF&PA to achieve public policy goals that will strengthen the paper and wood product industry's ability to contribute to a growing economy.

## Departments

4 **Editor’s Note**

6 **Industry News**

14 **People**

15 **Calendar**

16 **Sustainability Matters**

Södra has developed a bio-ash that comprises nutrients from forest raw materials and can be produced at the company’s own mills. The material will be used to return nutrients to the forest in order to close the ecosystem and ensure long-term production capacity.

## Services

29 **Classified Ads**

29 **Index of Advertisers**
A Unique Opportunity

By John O’Brien, Managing Editor
jobrien@paperage.com

Paper2017 will be about 6 or 7 weeks away when you have this issue of PaperAge in-hand. I’m pointing that out because a lot of people who work in the paper industry or in a business related to it have never been to the event. With that said, I’m frequently asked what the event is, exactly. For starters, it’s not a trade show or exhibition.

The long-standing paper industry business convention was known as “Paper Week” up until 2010. At that time, the convention’s host, the American Forest & Paper Association (AF&PA), took a hard look at changes taking place in the paper industry and restructured the convention to better reflect the changing needs of the people who work in the industry.

The new event would combine AF&PA’s Paper Week with the National Paper Trade Association’s (NPTA) Annual Convention — combining the best elements of the legacy programs to provide greater value to a broader paper industry audience. The repurposed convention would bring together all levels of the paper supply chain including a stronger presence from the merchant/distributor sector. Paper Week in 2010 became Paper2010.

To give you an idea of the scope of tradition behind this event, 2017 marks the 140th year the convention will have taken place. AF&PA, in name, has not been around quite that long. AF&PA was formed through the merger of the National Forest Products Association and the American Paper Institute in 1993, and Red Caveney was elected as its first President and CEO. However, AF&PA’s oldest ancestor organization, The Writing Papers Manufacturers Association, established in 1861, organized the first Paper Week convention in New York City in 1877.

So what is Paper2017? It’s a unique get-together of representatives from paper manufacturers, pulp producers, paper merchants and distributors, paper converters, shipping/logistics firms, and a number of industry-related service providers. Participating companies purchase hospitality suites in the host hotel (this year the Trump Hotel Chicago) and basically make deals with established business partners or prospective partners, either selling or buying products and/or services. Appointments and meetings are made in advance of the convention or established during the convention.

I have a friend who is involved in sales for a large paper manufacturer. He says he books nearly a year’s worth of sales in the three days of the convention. If you’re interested in learning more about Paper2017, check out www.paper2017.com.

It’s at this point that I’m going to promote the Paper2017 Convention Daily, which my brother Michael and I have published since 2003. If you’ve been to the convention, you’ve seen it. And I feel comfortable saying that because virtually everyone at the convention at any given time can be found either reading one or walking with one in hand.

In addition, each Daily – there’s a different version each day during the convention – is posted on PaperAge’s website for 12 months. Last year’s Convention Dailies are on their way to achieving 500,000 page views. Combine the eyeballs focused on the print versions during the convention with those on the electronic copies and it’s tough to find a better advertising opportunity that will deliver your message to every segment of the paper industry supply chain.

We have information about the Paper2017 Convention Daily on our website: www.paperage.com, if you’re interested.

Thanks for indulging me, and hope to see you at Paper2017 in Chicago, March 26-28.
Whether upgrading individual components or modernizing an entire process, our paper industry experts can help you optimize your mill with electrical, automation and drive train systems that increase output and quality.

For more information about SIPAPER - our completely integrated fiber technologies and solutions, visit our webpage. See how SIPAPER can help you cut costs and get you back to profitability.

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Sonoco to Invest $20 Million in New Packaging Center Supporting Duracell’s North America Operations

Sonoco will invest $20 million in the development of a new packaging center to support Duracell’s new North America battery packaging operation. Sonoco’s Display and Packaging unit will be located in Duracell’s new leased facility in the Atlanta area in Georgia. Sonoco will install and operate state-of-the-art primary packaging equipment at the new center and provide all packaging materials.

In addition, Sonoco will produce retail merchandising displays which will also be packed out at the same facility.

“This unprecedented go-to-market packaging solution for Duracell is unlike any effort provided in our industry,” said Jack Sanders, Sonoco president and chief executive officer. “Because Sonoco is a solutions company which offers multiple packaging products and services, we are able to meet all of Duracell’s unique packaging and retail merchandising needs.”

Full production is expected in the fourth quarter of 2018.

Sales of packaging and services annualized over the five-year contract period are expected to be more than $50 million, Sonoco said.

Clearwater Paper Acquires Manchester Industries for $68.25 Million

Clearwater Paper in mid-December acquired Manchester Industries in a cash transaction from PaperWorks Industries for a purchase price of $68.25 million.

Manchester Industries is a leading, independently-owned paperboard sales, sheeting and distribution supplier to the packaging and commercial print industries.

With approximately 170 full-time employees, Manchester Industries operates five facilities located in Richmond, Virginia; Wilkes-Barre, Pennsylvania; Hagerstown, Indiana; Dallas, Texas and Mendon, Michigan.

Clearwater Paper believes the acquisition will be immediately accretive.

“Manchester Industries offers an excellent range of converting services that include custom sheeting, slitting, and cutting,” said Linda Massman, President and CEO of Clearwater Paper. “These five plants are expected to be a valuable asset for Clearwater Paper as we look to extend our reach and service platform to the small and mid-sized folding carton plants,” Massman added.

NORTH AMERICA

IP Finalizes $2.2 Billion Purchase of Weyerhaeuser’s Pulp Business

International Paper announced on Dec. 1 that it completed its acquisition of Weyerhaeuser’s pulp business for approximately $2.2 billion in cash, subject to post-closing adjustments. Because the transaction is a purchase of assets, International Paper expects to realize a tax benefit with an estimated net present value of approximately $300 million.

International Paper expects annual synergies of approximately $175 million by the end of 2018, which will require the need for one-time costs of approximately $85 million.

“This transaction positions International Paper as the premier global supplier of fluff pulp and enhances our ability to generate additional cash flow,” said International Paper Chairman and CEO Mark Sutton. “I want to personally welcome the talented employees of Weyerhaeuser to the International Paper family as we look forward to serving our customers around the world.”

In this transaction, International Paper acquired five pulp mills and two converting facilities that produce fluff pulp, softwood pulp, and specialty pulp products for a number of consumer applications including diapers, other hygiene products, tissue, and textiles. The acquired business has approximately 1,900 employees around the world, with manufacturing operations based in Canada, Poland and the U.S. (Mississippi, Georgia and North Carolina).

The combined businesses will be called Global Cellulose Fibers, led by senior vice president Jean-Michel Ribieras, and reported as a separate business segment beginning with the IP’s release of earnings for the fourth quarter of 2016.
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NORTH AMERICA

Nekoosa Acquires Graphic Media Producer ClingZ

Nekoosa has acquired the business and assets of ClingZ, Inc., a New Mexico based manufacturer of premium graphic media for temporary marketing and signage application.

Terms of the deal were not disclosed.

The addition of ClingZ expands Nekoosa’s specialty products portfolio.

“The ClingZ acquisition is directly aligned with our mission of bringing something new to our customers and employees,” said Paul Charapata, CEO of Nekoosa.

“The ClingZ products are a technological marvel, serving an array of print platforms including offset, digital, and wide format,” Moritz Schlenzig, CEO of ClingZ, Inc., added, “Nekoosa is a great partner to build on ClingZ’s strong franchise and to support future growth by offering expanded manufacturing scale and innovative product development.”

The ClingZ operation will be integrated with the Nekoosa, Wisconsin facility in the second quarter of 2017.

Precision Paper Converters Completes $5.8 Million Facility and Equipment Project

Precision Paper Converters (PPC) recently completed a $5.8 million expansion of its facial tissue converting facility in Kaukauna, Wisconsin and the installation of a new facial tissue interfolder and new Langen cartoner.

According to PPC, the Bretting interfolder, named “VARiUM”, is the first of its kind in North America and the machine allows for variable cutoff lengths and folded panel widths. The new equipment is also designed to improve ergonomics and safety levels for operators, PPC added.

Startup began in late-October, and PPC expects to be running at full speed in the first quarter of 2017.

NPTA Presents Marjorie Pond with 2017 Stanley O. Styles Industry Excellence Award

NPTA announced that Marjorie Pond, Vice President Sales – Commercial Print for Neenah Paper is the recipient of its 2017 Stanley O. Styles Industry Excellence Award. With more than 25 years in the industry, Pond’s tremendous amount of institutional knowledge, creative approach and leadership make her deserving of NPTA’s highest honor.

“Marjorie leads by example with the highest integrity, professionalism, transparency, candor and respect,” said Julie Schertell, President of Neenah Paper.

Pond began her sales career in 1978 while putting herself through graduate school in New York City. She joined the Neenah Paper business sector of Kimberly-Clark in 1991. Based in Manhattan she began in sales covering distribution accounts, Fortune 500 companies, design firms and ad agencies in the NY Metro market area. She received the Sales Person of the Year award in 1993 and 1994.

In 1996, Pond was promoted to National Merchant Accounts Manager and became Director of Sales in 1999. Pond continued with Neenah following their spin-off from K-C in 2004 and was named Vice President of Sales in 2007 following the acquisition of the Fox River Paper Company. Since 2013 she has been VP, Sales – Commercial Print for Neenah.

Sofidel rewards its most sustainable suppliers

Sofidel awarded the winners of the first edition of the **Sofidel Suppliers Sustainability Award**, the recognition that the Company, first in the tissue sector, established to promote, disseminate and enhance the best practices and improvement measures implemented by its suppliers in the field of social and environmental sustainability. The award is based on the TenP platform, a self-assessment tool designed and sponsored by the Global Compact Network Italy Foundation, of which Sofidel is a founding member and promoter. In addition to congratulating the winners of the three categories, we extend our thanks to all the suppliers who participated and to the partners Elettric 80, Fabio Perini, Södra and Henkel (Global Partner), SAP, Pulsar and ICP (Premium Partner), Treedom (Official Partner) and TWM (Media Partner), who contributed to the event’s success.
**NORTH AMERICA**

**New-Indy to Acquire Container Service Corporation in Georgia**

New-Indy JV Corp. has entered into an agreement to acquire Container Service Corporation (CSC), a corrugated box plant headquartered in Ringgold, Georgia.

Terms of the deal were not disclosed.

New-Indy issued the following statement, “The acquisition of Container Service Corporation expands New-Indy’s footprint in the corrugated box manufacturing and distribution industry with an operation that is extremely well equipped and in a strategic location that allows them to support customers in more than 14 states.”

New-Indy is a joint-venture that was formed in 2012 by the Kraft Group and Schwarz Partners, LP.

**Kapstone and Union Agree to New Labor Pact at Longview Mill**

On Dec. 14, KapStone Paper and Packaging and union members (AWPPW Local 153) at its Longview, Washington paper mill and box plant voted to ratify and approve a new contract offer.

The Union’s bargaining board unanimously supported ratification of the new contract, which expires on May 31, 2024, for the 700-plus members of AWPPW Local 153.

Commenting on the contract ratification, Randy Nebel, President of KapStone Kraft Paper Corporation, said, “We are pleased with the outcome of the vote. The contract is a competitive agreement, both for the company and our union employees at Longview. It provides us with greater stability at Longview to focus on building an even stronger business for our customers, employees and shareholders.”

**EUROPE**

**BillerudKorsnäs to Invest SEK 5.7 Billion in New Board Machine at Gruvön**

BillerudKorsnäs has made the decision to carry out the largest investment in the history of the company and one of the largest in Sweden in recent years — the investment in a new board machine at the Gruvön site. The decision has been made in view of growing demand for sustainable packaging solutions for food and beverages globally.

The investment of SEK 5.7 billion (approx. USD 622.25 million) includes the construction of a new board machine at the Gruvön production site and rebuilds in the existing pulp mill. The board machine will have an annual capacity of 550,000 tonnes of board, making it one of the largest of its kind in the world.

The new machine will produce liquid packaging board, cartonboard, food service board and liner.

The investment project will begin immediately and production is expected to start in the first quarter of 2019.

“This is a historical decision for BillerudKorsnäs. The stable market growth in liquid packaging board and other cartonboards, together with our unique expertise in this area, mean that we are perfectly positioned to satisfy global demand. Access to renewable raw materials from sustainably managed forests in the Nordic region was a key factor when evaluating different alternatives,” said Per Lindberg, President and CEO of BillerudKorsnäs.

BillerudKorsnäs’ noted that it current production capacity is not sufficient to meet future demand and the opportunity of new board production at Gruvön has been investigated in detail since 2015.

**DS Smith Acquires P&I Displays and Packaging in Portugal**

DS Smith has acquired P&I Displays and Packaging (“P&I”) in Portugal. The company specializes in display products and services for in-store marketing.

Terms of the deal were not disclosed.

P&I employs about 120 people.

In a press release, DS Smith said, “P&I is focused on FMCG (fast-moving consumer goods) customers and builds on our capability within both the Iberian markets and the display sector, following our recent acquisitions of Creo in the UK, Deku-Pack in Denmark and GoPaca in Portugal.”

Miles Roberts, CEO of DS Smith, added, “We are delighted to announce the acquisition of P&I and look to forward building on our leading Pan-European offering in this important and growing market segment.”
SCA to Acquire BSN medical for EUR 2.74 Billion

SCA has entered into an agreement to acquire BSN medical, a leading medical solutions company, from the private equity group EQT. BSN medical develops, manufactures, markets and sells products within wound care, compression therapy and orthopedics.

BSN medical has 6,000 employees.

The purchase price amounts to EUR 2.74 billion on a debt- and cash-free basis. The deal is subject to customary regulatory approvals.

“The BSN medical acquisition is an excellent strategic fit for SCA supporting our vision to improve well-being through leading hygiene and health solutions, two closely interlinked areas,” said Magnus Groth, President and CEO, SCA.

“BSN medical has leading market positions in several attractive medical product categories and provides a new growth platform with future industry consolidation opportunities. Our incontinence business, with the global leading TENA brand, shares similar positive market characteristics, customer and sales channels, which provide opportunities for accelerated growth through cross-selling,” Groth added.

In relation to the acquisition, SCA expects to realize annual synergies of at least EUR 30 million with full effect three years after closing. These include sales synergies from accelerated growth from cross-selling of BSN medical products and SCA incontinence products as well as cost synergies primarily in supply chain and administration.

The acquisition will be fully debt funded and SCA has committed credit facilities in place.

Closing is expected to take place during the second quarter 2017.

EUROPE
Stora Enso Investing EUR 9.1 Million in Microfibrillated Cellulose Production

Stora Enso is investing a total of EUR 9.1 million into its consumer board mills in Imatra and Ingerois, Finland, and Fors, Sweden, to continue the commercialization of microfibrillated cellulose (MFC) and to accelerate product development.

With the new investments, Stora Enso will accelerate the product development of new MFC applications, which will include barrier layers for grease and oxygen and biodegradable film as replacement for aluminum in paperboard packaging. Due to its exceptionally high strength properties and 100% renewable raw materials, MFC is designed to outperform current fossil-based materials, such as plastics, in a variety of applications.

In its MFC development, Stora Enso has initially focused on the liquid packaging board segment. Since 2015, MFC has been used for source reduction and to improve board quality in the dairy category. With these new investments, Stora Enso will also further implement source reduction, i.e. make packaging materials lighter by multiplying the capacity for paperboard packaging with MFC to 500,000 tonnes.

“We are now taking the next steps in developing and commercializing products using MFC to meet customer demands for renewable innovations. In the future, MFC has the potential to be used in a variety of entirely new products, including many outside of Stora Enso’s current portfolio,” says Stora Enso’s CEO Karl-Henrik Sundström.

The plants are scheduled to start production by the end of 2017 and expected to reach full production within 3 to 5 years.
Nippon Paper Crecia and Kasuga Paper Form Tissue Production JV

Nippon Paper Crecia Co., Ltd. and Kasuga Paper Industry Co., Ltd. have agreed to jointly establish a new company in April 2017 that will produce paper tissue and towel products in Japan.

Nippon Paper Crecia will hold an 80% stake in the JV, while Kasuga Paper will hold 20%.

The joint venture will install a new tissue machine with an annual production capacity of 36,000 tonnes at Nippon Paper Industries’ Fuji Mill (eastern Shizuoka Prefecture, Japan).

Through the new joint venture, Nippon Paper said that it “will make effective use of the assets and pulp and energy generated at Nippon Paper Industries’ Fuji Mill, which is conveniently located near the Tokyo metropolitan area, and enhance the paper production and converting capabilities to establish the foundation of a stable supply.

Nippon Paper Crecia is part of the Nippon Paper Group.

Voith to Supply BillerudKorsnäs with New Board Machine in Sweden

Voith will supply BillerudKorsnäs’ Gruvön mill in Sweden with a fully-equipped XcelLine board machine. The machine will have a design speed of 1,200 m/min and produce liquid packaging board, carton board, food service board and white kraft liner.

According to Voith, the XcelLine machine offers fast and easy start-up, excellent value for money, pioneering technologies, ease of use and integrated solutions. The scope of delivery includes a three-ply wire section including a Duo DII hybrid former, equipped with two state of the art DuoShake units, a Tandem\NipcoFlex shoe press with SolarPress roll cover and drying section equipped with EvoDry steel cylinders as well as multiple coating and calendering stations and a VariFlex L winding unit.

A core part of the delivery will be the Papermaking 4.0 features OnEfficiency Forming and OnCare which will give full online control of all process data. As a result of the OnEfficiency Forming, dewatering, retention and flocculation are stabilized and coordinated at the same time. The OnCare package ensures efficient maintenance of the entire paper machine.

Besides the delivery, Voith will provide training for operators and maintenance teams.

Start-up of the new machine is expected in the first quarter of 2019.

Munksjö and Ahlstrom Approve Merger at EGMs

Munksjö and Ahlstrom each held Extraordinary General Meetings (EGM) in Helsinki, Finland on Jan. 11 and both sides approved the combination of Munksjö’s and Ahlstrom’s business operations through a statutory absorption merger of Ahlstrom into Munksjö pursuant to the Finnish Companies Act.

The deal was first announced in November of 2016. The merger of the two companies would have preliminary combined annual net sales of approximately EUR 2.2 billion and about 6,200 employees. Annual cost synergies are estimated to be approximately EUR 35 million and are expected to be gradually realized over two years following completion of the merger.

The combined company will have 41 production and converting facilities in 14 countries with leading global positions in the main product areas: decor, filtration and release liners.

Together, the companies will be able to serve a broad range of end-market segments with complementary product and service offerings e.g., filtration and abrasives to the automotive industry as well as food and beverage packaging and release liners to the food and beverage industry.

The name of the combined company will be Ahlstrom-Munksjö Oyj, with headquarters in Helsinki, Finland.

Completion of the deal is subject to, among other things, regulatory approval.

The companies expect to complete the merger in the beginning of the second quarter of 2017.
Valmet to Perform Capacity Increase Project for Board Mill in Spain

Valmet has received an order for a board machine capacity increase upgrade and a three-year paper machine clothing agreement from Matías Gomá Tomás S.A.’s board mill in La Riba, Catalonia, Spain. Valmet said that the value of an upgrade of this scope is usually valued around EUR 4 million, excluding the paper machine clothing agreement.

The target of the rebuild is to increase production capacity and production speed by improving runnability, reducing breaks and increasing drying capacity, Valmet said.

Matías Gomá Tomás, S.A. produces corrugated board and linerboard with 5.0 meter wide board machine with the top speed of 350 m/min.

Valmet’s delivery for the capacity increase includes a new pick-up felt loop, perforated uhle box covers, hood ventilation upgrade, steam and condensate system upgrade and additional drying cylinders. Start-up is expected in the end of February.

Kemira to Increase Capacity of Sizing Agent Production in China

Kemira said that it will make a multi-million euro investment to expand the production of sizing agent (ASA) at its Nanjing site in China. The project will expand Kemira’s ASA production capacity substantially.

Nicholas Kavander, Head of Regional Business Unit, Pulp & Paper, APAC, for Kemira said the ASA capacity investment is the result of growing demand for a number of paper and packaging grades in the Asia-Pacific (APAC) region.

“The Asian pulp and paper market is growing around 3% in a year in total and even faster for consumer board. This is linked to the increased living standards and the growth of online shopping. There are also new investments of printing and writing paper machines in China, India and the rest of South East Asia. ASA is an important product in our TCM (Total Chemistry Management) strategy and we see growth opportunities all over the Asia-Pacific to provide cutting edge ASA technology and replace older sizing technologies,” Kavander explained.

The Nanjing site is located in the Nanjing Chemical Industry Park, Jiangsu Province. It provides a wide range of functional and process chemicals and has a total estimated annual capacity of about 100,000 tons.

The new capacity is expected to be available as of December 2017.

PCMC to Supply Tissue Converting and Packaging Line to Bedford Paper

Paper Converting Machine Company (PCMC) recently announced that it will supply a full tissue converting and packaging line to Bedford Paper’s facility in De Pere, Wisconsin.

PCMC said the project will provide Bedford Paper with a complete tissue converting line for retail and away-from-home small bath tissue and towels. The line will feature PCMC’s Forte Ultra high-speed rewinder and XF wrapper, along with the two newest members of the PCMC’s equipment lineup, the Omnia and MultiPacker.

According to PCMC, the Omnia — an embossing/laminator platform — was developed to provide web handling and product quality, outstanding ergonomics, smart and quick grade change, and a low space footprint.

The MultiPacker is a combination case-packer and bundler, giving customers the flexibility and simplicity to adapt their line layouts to meet the rapidly changing needs of their businesses. It features pick and place technology, which minimizes product handling and opportunities for jams, PCMC explained.

Bedford Paper, located in De Pere, Wisconsin, converts a wide variety of tissue and towel products, along with producing paper and plastic table covers.
**Fortress Paper Ltd.** has entered into an agreement with **Chad Wasilenkoff** for his continued role as Executive Chairman of the company on a full-time basis, effective January 1, 2017, for a term of four years.

**Glatfelter** announced the promotion of **Timothy R. Hess** to Senior Vice President and Business Unit President, Specialty Papers. Most recently, Hess was Vice President, Sales and Marketing for the Specialty Papers Business Unit. In a related move, **David Dickerhoof** has been promoted to Vice President of Sales & Marketing for Specialty Papers. Most recently Dickerhoof served as Director of Sales, Converting Papers.

**Graphic Packaging International** has appointed **Joseph P. Yost** as Senior Vice President and President, Americas. Yost’s career with Graphic Packaging spans over 27 years and includes roles such as SVP, Global Beverage and Europe; Chief Integration Officer & European CFO; and SVP, Global Supply Chain. As a result of this structural change, **Mike Ukropina**, formerly SVP, Consumer Packaging Division, will leave the company.

**International Paper** announced that **Doug Wadley** has been promoted to Mill Manager of the company’s Maysville Containerboard Mill. Wadley previously served as Operations Manager at IP’s Savannah, Georgia Containerboard Mill. In a related move, **Steve Braun** has been promoted to Manager, Technical Services for IP’s Industrial Packaging Containerboard business. He had been mill manager at the Maysville mill since 2013.

**Kotkamills** has appointed **Kimmo Kohvakka** as Director, Consumer Boards Business Unit. Formerly Kohvakka held the position of Director, Industrial Products. Kohvakka replaces **Pirjo Eteliäinen**, who decided to take sabbatical leave from the business.

**Mitsubishi HiTec Paper Europe** has named **Dr. Martin Schreer** and **Andreas Jastrzembsk**i as new Managing Directors of the company, effective Jan. 1, 2017. They succeed **Gerhard Schoon**, who retired at the end of 2016. Schoon had been with the company for 38 years, including four years as mill manager and eight years as managing director.

**Sappi** announced that **Steffen Wurdinger** has been named Vice President Manufacturing, R&D and Technology, Sappi Europe, effective Jan. 1. He also has become a member of the European Management Team. Formerly, Wurdinger served as Mill Director Ehingen (Germany). Wurdinger succeeds **Mat Quaedvlieg**, who retired from the position on December 31. Quaedvlieg has been with Sappi for 42 years. He will continue as VP Strategic Business Projects on a part-time basis.

**Verso Corporation** has named **B. Christopher DiSantis** as Chief Executive Officer and a director of Verso, effective February 1, 2017. Since 2012, DiSantis served as CEO of H-D Advanced Manufacturing Company. Prior to that, he was CEO of Latrobe Specialty Metals, Inc. from 2011 to 2012. DiSantis graduated summa cum laude from Dartmouth College with a bachelor’s degree in mathematics and economics.

**Zanders** named **Tobias Müller** as its new marketing manager. Müller is in charge of the company’s overall marketing of high quality specialty papers and boards for labels, packaging and graphical applications. Prior to this, Müller was a partner in the marketing agency, Ziegs Plus Müller.

**RECOGNITION**

**Berry Wiersum**, CEO of **Sappi Europe**, has been named RISI’s 2017 European CEO of the Year. RISI’s European CEO of the Year Award is nominated by a group of investment analysts, industry consultants and commentators covering the European and global pulp and paper industry. Wiersum has served as CEO of Sappi Europe since January 2007.
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Sheraton Centre
Montreal, Quebec, Canada
www.paperweekcanada.ca

FEBRUARY 22-24, 2017
ASPI 2017 Spring Meeting
Association of Suppliers to the Paper Industry
The Ritz-Carlton
Sarasota, Florida, USA
www.aspinet.org

MARCH 6-8, 2017
RISI European Conference
RISI
Marriot Amsterdam Hotel
Amsterdam, Netherlands
www.risiinfo.com

MARCH 14-17, 2017
Tissue World Milan
UBM
Fieramilanocity Hall 3
Milan, Italy
www.tissueworld.com

MARCH 26-28, 2017
Paper2017
AF&PA and NPTA
Trump Hotel Chicago
Chicago, Illinois, USA
www.paper2017.com

MARCH 29-31, 2017
PPC Spring Outlook and Strategies Conference
Paperboard Packaging Council
Charlotte Marriott City Center
Charlotte, North Carolina, USA
www.paperbox.org

APRIL 10-12, 2017
Biomass Conference & Expo
BBI International
Minneapolis Convention Center
Minneapolis, Minnesota, USA
www.biomassconference.com

APRIL 23-26, 2017
PaperCon 2017
TAPPI
Minneapolis Convention Center
Minneapolis, Minnesota, USA
www.papercon.com

APRIL 26-28, 2017
AICC Spring Meeting
Association of Independent Corrugated Converters
Hyatt Regency Lost Pines Resort & Spa
Austin, Texas, USA
aiccbox.org

JUNE 5-8, 2017
International Conference on Nanotechnology
TAPPI
Hyatt Regency Montreal
Montreal, Quebec, Canada
www.tappi.org

JUNE 18-21, 2017
74th Annual Safety & Health Conference
Pulp and Paper Safety Association
Charleston Marriott
Charleston, South Carolina, USA
www.ppsa.org

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CUSTOM BALLISTIC BLANKETS
Södra Closes the Ecosystem by Returning Nutrients to the Forest

Södra has developed a bio-ash that comprises nutrients from forest raw materials and can be produced at the company’s own mills. The material will be used to return nutrients to the forest in order to close the ecosystem and ensure long-term production capacity.

When extracting raw materials from the forest we also extract nutrients. This usually only occurs to a limited degree since nutrients are primarily found in branches and needles, which are left behind on the ground. However, when branches and treetops — which are used in the production of bioenergy — are harvested, the amount of nutrients extracted increases. It is for this reason that Södra is now developing a service to return nutrients to the forest in the form of bio-ash after harvesting branches and treetops.

“There are currently no signs of nutrient depletion, but we must think about the long term and ensure we have a system in place that will enable nutrients to be returned to the forest for many years to come,” said Hedvig Johansson, Project Manager. “Research suggests that, if executed effectively, returning nutrients to healthy forest land could result in increased forest growth for at least ten years after the bio-ash is spread. On fertile land, this could mean an additional 15 m3fo per hectare.”

At the pulp mill in Mönsterås, Södra has developed its own spreadable ash mix, which has been approved by the Swedish Forest Agency as a means of returning nutrients to the forest. The bio-ash is produced by mixing the ash from the pulp mill’s bark boiler with nutrients extracted from wood raw material in the digester. Södra’s bio-ash contains nutrients such as magnesium and potassium as well as a high proportion of calcium, which helps to achieve a lower rate of acidification in the forest.

So far, Södra has spread this newly developed bio-ash on 600 hectares of member forest land in Sweden’s eastern Småland region, achieving a positive result. The initiative is now being scaled up and the bio-ash will be spread on approximately 1,200 hectares of forest land by autumn 2017.

According to Johansson, Södra has all the pieces in place to soon be able offer an effective and cost-efficient service for nutrient recycling.

“We have a complete chain in place — from the forest to industry and back to the forest — and a clean and effective production process. This is a true forestry ecosystem. The challenge now is to scale up the system for all of our forest owners,” Johansson concluded.

ABOUT SÖDRA

Södra, with headquarters in Vaxjo, Sweden, produces market pulp, wood products and biofuels. The company operates three pulp mills in Sweden (Mörrum, Mönsterås and Värö) with a total capacity of 1.6 million tonnes per year. Södra also is the largest forest-owner association in Sweden.
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- Tissue manufacturers
- Paperboard producers
- Paper converters
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Price Increase, Strong Demand a Nice Present for Containerboard Mills

Linerboard prices moved up for the first time in a long time in the fall buoyed by positive box and containerboard shipments and a dramatic drop in inventories. The outlook for 2017 is for continued modest growth and the market should remain relatively stable with little new capacity slated to come online.

By Harold M. Cody

The winds of change have certainly hit the containerboard business. The market began to feel a shift in the wind’s direction near the end of the first quarter of 2016 when North American containerboard inventories began to drop following many months of rising. A major development was the first year over year decline in total mill/box plant inventories since late 2014 that occurred in March. Once inventories started falling they fell rapidly and steadily and by mid-2016 had reached the lowest level since November 2014. The drop in June, 6% or 152,000 tons, was the largest ever in June for a month that typically doesn’t change, and maybe the largest single drop in years.

STRONG SHIPMENTS

At the same time containerboard shipments have been stronger than expected resulting in high mill operating rates of 97.4% in September, 95.5% in October and 96.4% in November. Box demand has been strong as well as shipments in November surged 9% to 31.957 bsf although there was an extra shipping day vs. last year. Box shipments are up 1% year to date while same day shipments surged strongly in the September to November 2016 period.

Containerboard consumption is up 2.9% which is well above expectations of a 1% to 1.5% rate of growth. Weeks of supply dropped in November to the lowest level in many months at 3.5 weeks and down slightly from 3.6 in October. These are low levels particularly for this time of year.

The drop in inventories and solid box demand have been driven by solid performance by underlying driving forces including positive growth in domestic consumer markets such as sustained growth in food and beverage applications which are major users of corrugated containers.

PRICE INCREASE

While all of these statistics are interesting, the big news of course is the successful implementation of a price increase on Kraft linerboard in fourth quarter 2016. Once inventories began dropping, talk began in the spring and early summer of a possible price increase although many observers had initially pegged an increase for 2017. However, producers announced a $40/ton increase for Oct. 1 and successful implementation on domestic 42 lb. linerboard brought prices to $655/ton and marks the most notable change in a positive direction in many months.

To provide some perspective on the recent increase, liner prices had held steady for a long time at the $630/ton level since the start of the first quarter in 2013. In early 2016 the market weakened while inventories rose to the highest levels ever at over 2.6 million tons. As a result, in January 2016 liner prices fell $10-$15/ton to about $615/ton. In contrast to liner prices, medium prices have been weak and trending slowly down since early 2015. The strong report on inventories and shipments in November closed the deal on the price increase although there wasn’t that much doubt.

Export prices may also be on the move with reports of producers looking at a $10-$30/ton increase. Exports are an interesting subject as they relate to recent improvements. Typically export tonnage has been a key factor that has sustained the market, but in 2016 exports of Kraft liner are not
market grade

up significantly and in fact at mid-year they were off somewhat. In contrast, exports of recycled grades have been rising over the prior year. Thus, the domestic Kraft liner market has been strong enough to support the market without the need for massive exports.

Pricing momentum may continue in both the domestic and export market in 2017 due to two major factors. One is a “push” from rising input costs and the other is very little new capacity. Recycled fiber and energy costs are starting to push higher and this of course will tend to support current price levels and possibly lead to the thought of an additional price increase in 2017.

After bottoming out at nearly $30/barrel, crude oil has bounced back to above $50/barrel, which remains relatively low historically but still the highest level since 2015. OCC prices are also rising and recently reached about $110/ton in the domestic market. Export prices are also rising due to solid demand in changes in freight costs. OCC costs had been in the low eigtieth range in the first quarter of 2016 but moved up gradually in the 2nd quarter of 2016 to about $100/ton before jumping up in the third quarter to roughly the current level, which are the highest since mid-2014.

Also contributing to what is generally a positive outlook for containerboard is that U.S. capacity is expected to increase less than 1% this year. This decline or slower growth reflects the impact of several recent closures including three reductions by West Rock (Newberg, Coshocton and Uncasville) coupled with no major expansions. The only capacity on the horizon is Kruger’s project in Trois-Rivieres, Quebec in early 2017 adding 350,000 tpy of recycled board. Another project has been floated in the U.S. by Corrugated Supplies, but it remains tentative and there are no known capacity additions in the U.S. that are currently financed.

Recent consolidation in the industry over the last couple of years is also expected to contribute to more stable markets as more and more capacity is integrated from the mill through the box side of the business. This has made it harder for “outsiders” to enter the business as well as providing more control to the major producers over supply. While some slowdown may occur early in 2017 there continues to be a chance that an additional price increase may be in the cards this year.

Harold Cody is a contributing writer for PaperAge. He can be reached by email at: HaroldCody@paperage.com.
Better Hygiene in Food Packaging Board at Reduced Risk of Rejected Tonnage and Machine Corrosion

Recent advances have taken some of the mystery out of bacteria problems. Many mills that have been close to the allowed hygiene limits can now run with less worry about specs and potential costs.

By Marko Kolari and Juha Rintala, Kemira Oyj

Board grades that are used for packaging of dry or fresh food, milk or other liquids for human consumption have strict requirements regarding the hygienic quality of the packaging board. If they are not tightly controlled, minute microorganisms present in hygienic grades like liquid packaging board (LPB) or food-grade folding box-board can be extremely costly.

For example, if some part of a shipment of these grades is out of spec for hygiene, the converter may reject the whole lot. A two-day outbreak of bacterial spores on a board making machine can lead to the loss of thousands of tons of finished LPB, at a cost approaching millions of Euros. This is clearly a much bigger financial loss compared to, for example, a non-food grade machine where slime growth on machine surfaces means smaller losses in terms of money, tonnage and downtime.

To ensure that the hygienic quality of the final board meets the required specifications, manufacturers need to apply high-performance microbe control programs on their board machines. Over the past decade, Kemira has emerged as one of the leading global suppliers of microbe control solutions to the hygienic board industry.

Recent results with new applications in mills show that we are clearly on the right track in taking some of the mystery out of these frustrating and costly disturbances. This report summarizes some of the things we have learned which can help you keep your board within the hygiene specifications. Beside the scientific facts which we have discovered, we also have concluded that high hygiene can only be achieved through very close cooperation between the biocide supplier and the mill’s production personnel.

HYGIENE CONTROL IS ALL ABOUT SPORE CONTROL

Depending on end-uses, board machines have various hygiene targets for food packaging. Many specifications are based on a maximum acceptable level of aerobic bacteria in the final dry board. For example, LPB for milk products normally must contain less than 250 CFU of living aerobic bacteria per gram in dry board.

In reality, however, we have found the quantity of aerobic bacteria in the final dry board depends on bacterial spores only. These spores are thermo-tolerant forms of bacteria (“sleeping” cells) and when they are mature they can survive heat of dryer section, whereas vegetative(“growing”) bacteria cells and incomplete spores are destroyed by heat. Therefore, spores are the real ‘bad guys’ regarding food board hygiene. Figure 1 gives additional examples of this.
TROUBLE ON THE MACHINE DESPITE HIGH BIOCIDE LEVELS

In our work with hygiene in mills, we have observed several food packaging board machines that were running significant amounts of biocides but still having difficulties in meeting strict end-product hygienic specifications. So, despite intense use of biocides, these machines were still periodically suffering from bursts of elevated levels of bacterial spores, thus endangering the hygiene of the food packaging board. Adding to the mystery, some machines can run every day with high amounts of vegetative bacteria in process water and still not experience hygiene issues in their board.

In deeper studies on one board machine, for example, we observed an interesting phenomenon. In one process tank, the total quantity of vegetative bacterial cells remained at essentially the exact same level for three consecutive days. However, on day 1 the amount of spores was below detection limits; on day 2 they jumped to very high levels, and then on day 3 they were again below detection limits. So the vegetative cells were at stable levels but the spores were fluctuating from day to day.

R&D ON SPORE CONTROL

Our R&D programs aimed at reducing contamination in food-board mills has given us unique insight into the mechanism of sporulation, what triggers it and what controls it in the board making process. This learning and new understanding, in turn, has supported successful application of biocide solutions on hygienic board machines. One of our key findings is that the total quantity of vegetative cells and spore counts do not directly correlate. Some process tanks can contain higher bacterial counts but not spores, whereas another tank that may look fine based on low total bacteria count is really surprisingly high in spore content.

RUNNING CLOSE TO THE EDGE

Based on the experience and knowledge gained through both R&D studies and numerous mill trials, we are now confident that we have good programs and concepts to control these hygiene issues. We have worked in many mills which were experiencing hygiene troubles before we got involved, and had tried and failed with other biocide solutions. When we came in and worked closely with the mill team, we were able to get them comfortably and consistently in specifications. Figure 2 gives a typical before and after picture regarding spores.

We have also observed many machines that run just barely within specifications, meaning very “close to the edge” with respect to going out of specification. This leads to a fairly nervous situation for the mill management, operations and sales teams.

- Bacillus, Brevibacillus and Paenibacillus. Among all aerobic bacteria that are capable of growing in the process of a board machines, only these three genera are aerobic spore-formers
- A spore is inactive resting, thermotolerant form of bacteria that resists the dryer heat
- Similar to other bacteria these bacteria prefer to grow (multiply) by simple cell division – they make spores only if needed
- One cell produces only one spore
- Spore formation is an efficient way for the cell to protect itself in case of a threat to survival
- Killing of a mature spore requires a huge amount of biocide = Not economically affordable
- The best approach is to prevent bacteria from making a spore
Achieving superior hygiene on a board machine requires close and complete cooperation between the mill and the partner taking care of dosing and monitoring of microbe control products, so that we are anticipating problems rather than only reacting to them. Success also requires careful monitoring of all raw materials coming into the process including pulp and all chemicals.

It may initially seem like a large effort to make, but the payback to the mill in terms of reduced lost tonnage is very significant. In addition, the mysterious and frustrating outbreaks of spores are reduced, leading to improved peace of mind for the mill management.

Corrosion Risks of Intensive Biocide Programs

Another issue that, unfortunately, does not receive much attention until it is sometimes too late is corrosion of machinery and components. We have information on over 30 paper and board machines that have experienced dangerous and costly corrosion issues due to intense use of biocides. Machine corrosion due to biocides is a very real risk especially in food packaging board machines which are often using biocide-intensive control strategies due to the hygiene requirements. Thus, especially when applying an intensive biocide program, it is extremely important to understand and mitigate any potential corrosion risks.

We have conducted basic research on vapor phase corrosion mechanisms in paper machines to improve both understanding and control. Like hygiene, corrosion on paper machines is very complex. In all our laboratory studies, steel plates were located above containers of flowing white water in a manner that only vapor phase contact occurred. Then different oxidizing biocides were dosed at equal total active chlorine concentration and the subsequent corrosion of the steel coupons was measured. There were two key findings. Firstly, at equal dosage level in terms of active chlorine content the different species of stabilized chlorine compounds demonstrate corrosion rates

The Complete Package for Hygiene Control: Kemira FennoClean

- Corrosion-safe biocide products for controlling biofilm formation in the machine
- On-line monitoring tools for monitoring of efficacy and safety of biocides such as CorrStrix™
- Know-how and products for controlling spore formation
- Centralized data management and analysis tools KemConnect for follow-up
- Systematic co-operation with customers, enabling continuous improvement in hygienic quality of the finished board
of widely different magnitudes. Secondly, laboratory experiments can never fully demonstrate the true corrosion potential in vapor phase in an individual paper machine due to machine specific moisture conditions and in-situ reactions of chemicals in white water. Therefore we developed an on-line probe for measuring changes in vapor-phase corrosion rate. This probe is sensitized so that it corrodes all the time and responds to chemical changes in vapor phase thereby giving a possibility to observe changes and react before corrosion actualizes in the machine. Example data is shown in Figure 3.

As a result of studies both in the laboratory and mills, we have created a complete package to reduce corrosion risks to machines, while at the same time ensuring hygiene in the board products.

**CONCLUSION**

Safely achieving hygienic conditions on a food packaging board machine is not simple. The mechanisms of contamination and corrosion are both complex and difficult to control. We have clearly shown that there is no direct correlation between the level of aerobic bacteria and the level of spores, which are the true bad actors because they can survive the heat of the dryer and contaminate your finished product at a high cost.

Kemira has gained significant market share within hygienic board by successfully controlling spore formation mechanisms. Close co-operation among our Sales, Applications and R&D groups with the board mills has provided customers with clear competitive advantages in their board mills — stable production combined with continuous improvement in hygienic quality.

Long-term control of bacterial spores on a board machine requires special competence to select the best control strategy for each individual machine. There is no universal spore control philosophy that best fits all machines in the world. We have seen numerous machines where this ‘one-size-fits-all’ strategy has failed and, when subsequently called in to help, we have been able to correct the situation by applying a different philosophy and understanding to control spore formation.

Kemira’s toolbox to combat spores in food packaging board is unique and comprehensive. It includes patented products and treatment concepts such as FennoClean D, patented diagnostics such as qSPORE, and patented on-line monitoring tools such as Kemira FennOx and CorrStrix.

When applied correctly, these can help you take the mystery, frustration and costs of contamination out of your food packaging board machine.

Marko Kolari is Senior Principal Scientist, Microbiology & Biotechnology, R&D and Technology EMEA; and Juha Rintala is Marketing Manager, Deposit Control, Pulp & Paper EMEA. Both authors work for Kemira Oyj in Finland. To request information, email: paper@kemira.com.
The Sofidel Group, located in Porcari (province of Lucca), Italy, is one of the largest manufacturers of tissue for hygienic and domestic uses in the world. Founded in 1966, the Group is owned by the Stefani and Lazzareschi families.

Sofidel’s roots date back 1966, when Emi Stefani and Giuseppe Lazzareschi started up their first paper mill in the village of Pracando, in the province Lucca (Italy) — an area with a rich tradition of papermaking. In 1969, a new paper mill was opened in Porcari, Lucca called Fine Paper. It was at this mill that the Group started producing two-ply tissue paper.

During the seventies, consumption of paper for sanitary and domestic use was on the rise throughout Italy. The Group, who up until that time only produced parent rolls of tissue, decided to gain better control of their supply process and set up converting operations for the production of finished products. This led to the commissioning of the Group’s first converting plants in Italy, with Soffass in 1972 and Delicarta in 1979.

Towards the end of the seventies, as the Italian market could no longer absorb the booming production capacity of the new plants, the Group began exporting finished products to France and Germany, which were close not only geographically, but also shared similar consumer habits and consumption patterns. This was the Group’s first venture into distribution through the major chains.

In the eighties, the company laid the foundations for further growth with huge investments in additional plants. Delicarta commissioned its first machine in its new paper mill in 1982 and soon after boosted capacity with the addition of a second machine. The addition of a third machine in 1994 pushed the production capacity of the Group to 140,000 tons per year.

From a single tissue mill in the province of Lucca, Italy, Sofidel Group has become one of the largest integrated tissue producers in the World and enjoys a remarkable story of growth and success.
**SOFIDEL IS BORN**

In 1988, the Group’s main companies merged to create Sofidel. Interestingly, the name “Sofidel” is an acronym derived from Soffass (So), Fine Paper (Fi) and Delicarta (Del). The focus of the new company would be to coordinate the business strategies of the Group’s other subsidiaries, along with providing centralized services and driving innovation.

At about the same time, the Group began a marketing campaign centered around its new Regina brand of tissue. The campaign included TV commercials that reinforced to consumers “value” and “softness” of the company’s “tissue plus” toilet tissues. The marketing efforts paid off and helped Sofidel launch a strong foreign investment campaign.

In September 1997, construction began at Delipapier, the Group’s French subsidiary. This marked a change in strategy with the launch of direct production in the European market to provide support for the Group’s expansion prospects through the major international chains, improve customer service and bring down logistical costs.

The Delipapier plant was also the Group’s first integrated facility. This was a first step to achieving its strategy of moving closer to clients — a move that was replicated in other countries.

Also in 1997, Papernet was founded in Italy, which saw Sofidel enter the “Away-from-Home” (AfH) market.

In 2001, the Group implemented two major measures to streamline its structure: the merger of Soffass and Fine Paper created Soffass S.p.a. in August; and in December, Sofidel changed from being a service company to a holding of companies, thus allowing economies of scale and synergies between the companies.

This was also a period of major greenfield investments, beginning with Delitissue in Poland, followed simultaneously by the construction of a series of integrated plants at Intertissue in Great Britain, Ibertissue in Spain and Delipapier in Germany between 2003 and 2006. Meanwhile, in 2004, the Group continued expansion into Turkey, with the acquisition of Sofidel Kagit and the creation of Delisoft in Germany, with a further acquisition in 2007 of the historic Werra group in the Thuringia region of Germany.

In 2006, a new converting plant was acquired in Buxeuil, France, and three years later the Group entered the Greek market with the acquisition of Papyros.

During the period in which the Group was expanding its geographic footprint, it was also increasing capacity in Italy with the acquisition of the Monfalcone paper mill and Imbalpaper (the first integrated plant in Italy), which also delivered several clients from the AfH sector.

Between 2010 and 2013, the Group founded Sofidel Papir in Croatia, acquired Comceh in Romania, and the LPC Group, with plants in Great Britain, Sweden, Belgium and France.
The operation also included the acquisition of other major brands in the United Kingdom, the Republic of Ireland, Belgium, Holland and Luxemburg.

In 2011, Sofidel unveiled its new “Papernet” brand for the AfH market. This was followed by the Nalys and Cosynel brands in Belgium and Lycke in the Scandinavian countries.

In 2015, Swedish Tissue (renamed Sofidel Sweden AB as of July 1, 2016) commissioned a new converting plant that features an ultra-modern automated warehouse. Meanwhile, Sofidel’s new converting plant in Ingrandes, France, was nearing completion. This marked a new phase of strategic growth in Europe — organic growth by increasing production at existing sites.

US ENTRY AND GROWTH

Sofidel America was founded in 2012 via the acquisition of Cellynne, an integrated tissue and towel products manufacturer supplying the consumer tissue and AfH markets. The deal included an integrated facility in Haines City, Florida, and two converting facilities — one in Green Bay, Wisconsin and the other in Henderson, Nevada.

In 2014, Sofidel commissioned a new converting plant in Tulsa, Oklahoma and boosted production at the existing plant in Nevada. These moves were followed in 2015 with the acquisition of Green Bay Converting, which came with two converting plants — one in Wisconsin and the other in Hattiesburg, Mississippi.

But the big news in the U.S. came in November of 2015 when Sofidel announced that it would build a $300 million tissue manufacturing and converting facility in Circleville, Ohio. The greenfield mill will house two tissue machines, each capable of producing 70,000 tpy of premium tissue. Sofidel broke ground in Circleville in July of 2016 and expects start-up of the new mill by 2018.

“Ever aware that alone one can do little, and that the results achieved up until now are also thanks to our companions along the way — from employees to suppliers, from our clients to consumers and competitors — who have permitted us to continuously reach new challenging goals and to do the very best we can.” — Luigi Lazzareschi
Today, Sofidel has operations in 13 countries: Italy, Spain, the United Kingdom, France, Belgium, Germany, Sweden, Poland, Hungary, Greece, Romania, Turkey and the United States, and has over 5,500 employees. With an annual production capacity of 1.058 million tons, Sofidel Group is the second largest producer of tissue in Europe and sixth largest in the world.

From a market segment standpoint, a breakout of Sofidel’s business areas look like this: 50.8% private label, 28% brand name, 14.4% AfH, and 6.8% parent reels (sold in the market).

SUSTAINABILITY AND THE ENVIRONMENT

From an environmental and sustainability standpoint, Sofidel has reduced direct emissions of CO2 by 17.8% as a result of investments in energy efficiency, the use of cogeneration plants, and the use of renewable energy sources.

Another fundamental area related to sustainability is the sourcing of wood fiber from certified and managed sources (FSC, PEFC, SFI). Sofidel primarily uses virgin pulp in the production of tissue, and for this reason the Group has implemented strict procurement policies regarding raw materials from forest resources and prefers suppliers who comply with forest certification programs such as FSC, PEFC, SFI.

As testament to Sofidel’s commitment to sustainability, three of the Group’s products received the 2016 WWF Environmental Paper Awards in the Best Environmental Performance Paper Brands category, a recognition reserved for companies who have made public the performance of their brands, certified by an independent third party, and have achieved a score of more than 80% according to the “Check your Paper” method.

THE FUTURE

In Europe, Sofidel says that it is planning organic growth through increases in production at existing mill and converting facilities. As Sofidel points out, many of the Group’s sites — in France, Poland, Great Britain, Germany and Spain — have been designed and built to accommodate future expansion, with sufficient space to be doubled and in some cases tripled.

Sofidel also has set ambitious sustainability goals. By the year 2020, the companies in the Group plan to:

• Reduce direct emissions of CO2 per ton of paper by 23% (with respect to 2009 levels). This translates to a reduction of approximately 900,000 tonnes of CO2.
• Limit indirect emissions of CO2 per ton of paper produced caused by third parties within the value chain by 13% (with respect to 2010 values).
• Increase the use of renewable sources versus the total amount of fuel consumed annually to 8%.

As Sofidel emphasizes, all of the Group’s operations adhere to the philosophy of “Less is more”, which translates into three fundamental precepts: (1) keep environmental impact to a minimum on all levels, from sourcing, to production, to logistics, to office life; (2) reduce waste, and (3) promote responsible consumption.
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<th>PAGE</th>
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<tbody>
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<td>19</td>
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<td>31</td>
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</tbody>
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Regulatory Reform Tops AF&PA 2017 Priority List

Comprehensive tax reform, efficient transportation, trade policy, paper options also targeted

By Donna Harman, President and CEO, American Forest & Paper Association

With a new Administration and Congress in place, 2017 brings fresh opportunities for AF&PA to achieve public policy goals that will strengthen the paper and wood product industry’s ability to contribute to a growing economy. With 900,000 employees in large and small communities across 45 states, forest products industry employees are the face of American manufacturing, accounting for 4 percent of total U.S. manufacturing GDP and an annual payroll of $50 billion dollars. The horizon ahead is open for growth. And, right now, we are fully engaged in making that happen on behalf of our member companies.

We expect and welcome a busy pace this year as we advocate for policy priorities that support our industry’s ability to invest, innovate and compete on a wider scale at home and around the globe. High on that list — regulatory policy. Simply put, we need smarter regulations to grow the economy, and AF&PA will back policies and legislation that ensure regulations do more harm than good. At the same time, we stand behind steps that will lead to economic growth, including comprehensive tax reform, improved transportation efficiency, trade policy, continuation of paper-based options and sustainability policies.

SMARTER REGULATIONS TO GROW THE ECONOMY

The cost, complexity and volume of regulations disproportionately affects manufacturers. Regulations must be designed to provide net benefits based on the best scientific and technical information through a transparent and accountable rulemaking process, with due consideration of the cumulative regulatory burden. A top focus is ensuring that the biomass energy produced and used in our facilities is considered carbon neutral, and we will continue to make the case for the repeal of the Clean Power Plan. Additionally, we will work to stem the tide of overreach on air and water regulations affecting the industry, including modernizing the cumbersome air permit process and ensuring reasonable, science-based human health water quality criteria.

COMPREHENSIVE TAX REFORM

Comprehensive reform of our tax system will improve economic growth, job opportunity, capital investment and the competitiveness of U.S.-based businesses and is critical. Lower tax rates are needed for all businesses, and reforms should support investment in U.S. manufacturing while recognizing the complex global supply chains that make robust U.S. manufacturing possible.

TRANSPORTATION EFFICIENCY

Our industry’s shipping functions must be globally competitive. Safely increasing truck weight limits on federal interstate highways and freight rail system rate and service improvements are necessary and have our support.

TRADE

U.S. paper and wood product manufacturers need unrestricted access to international markets and a level playing field among international competitors through the elimination of both tariff and non-tariff barriers. Trade agreements that generate substantive economic benefit to U.S. forest products manufacturers and their workers should be maintained. Enforcement of trade agreements and laws that ensure all nations play by the rules so that trade flow is not arbitrarily distorted are essential.

SECURING ACCESS TO PAPER OPTIONS

The government’s rush to digitize puts millions of Americans at a disadvantage, many of whom are in rural communities and/ or low-income households. We cannot forget that 45 percent of seniors do not own a computer, and 30 percent of citizens do not have online access at home.

AF&PA will continue to support policies to ensure all citizens have access to paper-based communications options for government services and information. That includes continuing to make the case for the withdrawal of the Securities and Exchange Commission’s proposed 30e-3 regulation. Paper should continue to be the method of delivery when investors decide not to choose another option.

SUSTAINABILITY

In 2016, the dedication of the U.S. pulp, paper, packaging, tissue and wood products manufacturing industry to advancing sustainability has led to the early achievement of Better Practices, Better Planet 2020 goals of reducing greenhouse gas emissions by 16 percent, reaching beyond the 15 percent goal ahead of schedule. Additionally, safety improvement hit 40.8 percent, surpassing the 25 percent goal, and over 63 percent of paper consumed in the U.S. has been recovered for recycling for each of the past seven years, reaching a record 66.8 percent in 2015. We will continue to support policies that make advances in these areas.

AF&PA looks forward to partnering with stakeholders and policy makers to put positive measures in place that will open the doors to economic expansion. Doing so will allow our manufacturers to do what they do best – make products that are essential to everyday American life — employing hundreds of thousands of Americans across the country. Stay tuned. I look forward to reporting on the results of our efforts.
As a strong partner, Voith helps improve the market success of its customers and is already paving the way to the future today. From products and components through plant engineering and digitization to perfectly tailored service packages, Voith offers the ideal solutions for raising profitability and efficiency to the next level.

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