

Paper is Money

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Paper Market Overview

Market Conditions

- Uncoated Groundwood
 - Grade manufacturing flexibility
 - Export is very weak
 - Book Grades provide higher value
- Uncoated Freesheet
 - Many producers of Commodity Offset
 - Few producers of Trade book
- Coated Freesheet
 - 2019 Demand decrease
 - Overseas supply availability



Paper Market Overview

Exchange Rates

- USD is strong – making imports competitive
- CAD has strengthened somewhat and predicted to strengthen further

Tariffs

- 15% on all except Religious titles went into effect December 15th
- Tariff being reduced to 7.5% on February 14th based upon new Trade Accord

Supply Issue

- Universal Warning – choosing a unique roll size for a title creates Reprint risk



Selecting paper for your next book

Design

- Coated vs Uncoated – Black only text or 4 color photography &/or illustrations
- Color: White vs Cream/Natural-Bright white or off-white
- Opacity: Opaque more, Offset less
- Bulk: Textbooks heavier page count (thin), children's book (durable), Fewer pages (thick)
- Size and Format
- Binding: Perfect Bound , Case Bound, saddle stitched
- Endleaf: plain, colors & printed

Cost

- Free Sheet (more) vs Groundwood (less)
- Free Sheet (Acid Free) no lignin will stay white permanently.
- Groundwood (has lignin) will yellow & fade over time.
- Virgin vs Recycled



Selecting paper for your next book

Sources

- Merchant /Broker: buys from mill & ships direct to printer
- Printer: buys from merchant and stores locally or for the project
- Buy directly from mill



Availability & Lead Times

- Mills do not stock a lot of rolls. Sheets & digital, Yes
- Most rolls are made to order ; normally 2-4 weeks
- Domestic (shorter lead times) Imported (longer lead times)
- Standard sizes can be made & held at the mill or merchant warehouses.



Selecting paper for your next book

Planning

- Review common trim sizes and product classifications.
- Review printers' equipment requirements, plant locations and schedules
- Standardize on specific grades where possible.
- Annual Contracts vs Spot Purchasing
- Pre-planning early in the project saves \$ and headaches.



Trends in Paper - Math

Math dictating change; consolidation

- Sectors in decline (Mass Market, Newspapers, Magazines, Higher Education)
 - Alternate content delivery methods (Ebooks, Open Educational Resources (OER), Massive Open Online Courses (MOOC's))
 - Watching / Listening challenge to discretionary time
- Retail and Distribution changes (how books are sold and consumed)
 - Amazon effect
 - Bookstore closures, Box Store Sales
 - Inefficiency focus (return reductions)
 - Economic protectionism (tariffs) v global consolidation



Trends in Paper - Humanity

Humanity movement – Me & Us

- Convenience (headlines, chapters, speed)
- Impact (waste, carbon emissions, recycled, certified fiber)
 - Paper vs. Electronic Delivery
 - Deforestation, Indigenous People / Species
 - China's National Sword
- National Pride (tariffs)
- Learning & Literacy studies (P v E) – Haptics & Retention
- Screen fatigue and screen addiction



Trends in Paper - Innovation

Innovation

- Self-Publishing (explosive title growth)
- POD (Inkjet)
- Paper product development (the old is new again)
- Distribution focus (raw materials and finished products)

Macro Trend... *Smaller supply base of more specialized products made sustainably from every corner of the globe but in stock locally.*

