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Fibre Box Association (FBA) Data Services

Dick Storat, Richard Storat & Associates

U.S. Corrugated Industry Statistics

More Insight Up Front

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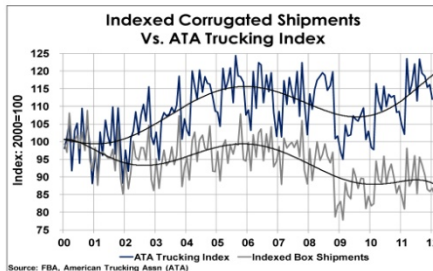
U.S. CORRUGATED INDUSTRY STATISTICS

February 2012

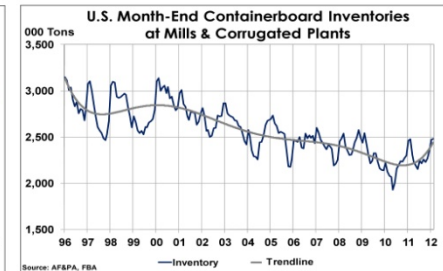
	MONTH	YEAR TO DATE
CORRUGATED		
Shipments (Actual)	+ 4.2%	+ 3.2%
Shipments (Average Week)	- 0.8%	+ 0.8%
Consumption (Actual)	+ 3.3%	+ 2.1%
Weeks of Supply - End of Month	4.0	



- * Aided by extra day, February shipments up 4.2% over last year
- * Highest February since 2008, before the recession
- * Short, good month upped year-to-date growth to 3.2%



- * Trucking index dropped sharply since year end
- * Box shipments starting year well, but not keeping up with trucking index



- * Containerboard mill and plant inventories drop by 13,000 tons
- * February's drop not enough to shift long term trend

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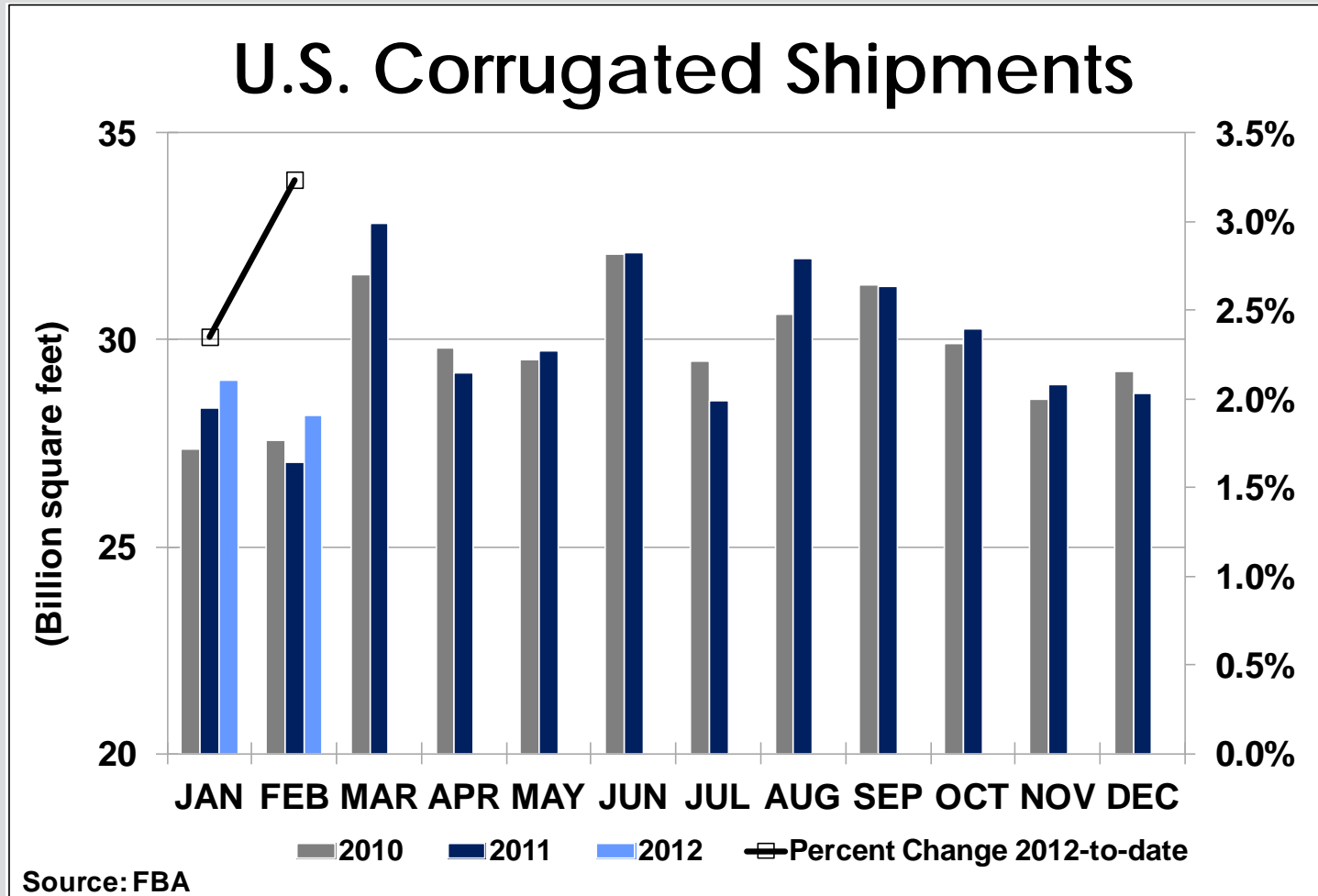
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First Page Charts

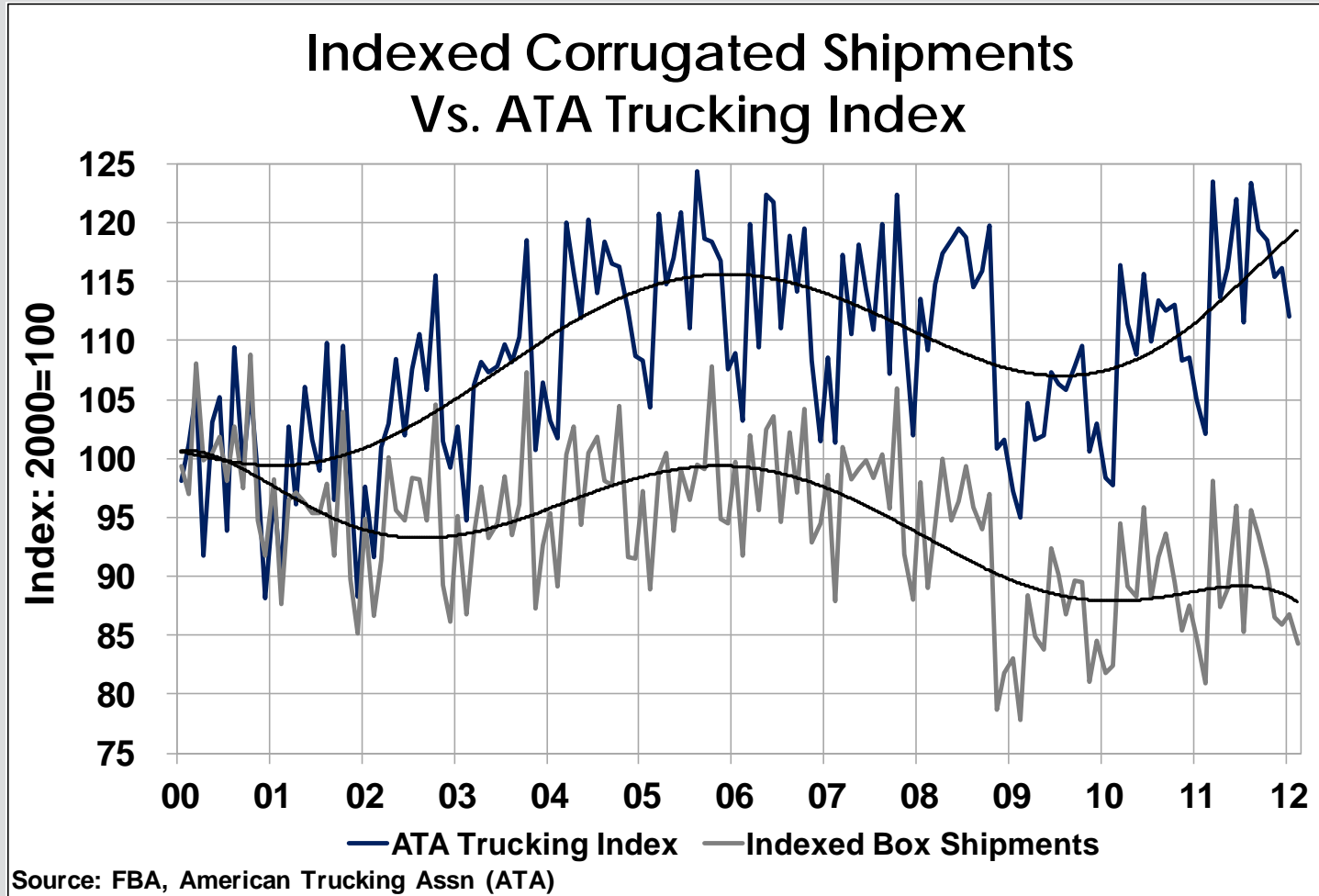
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First Page Charts

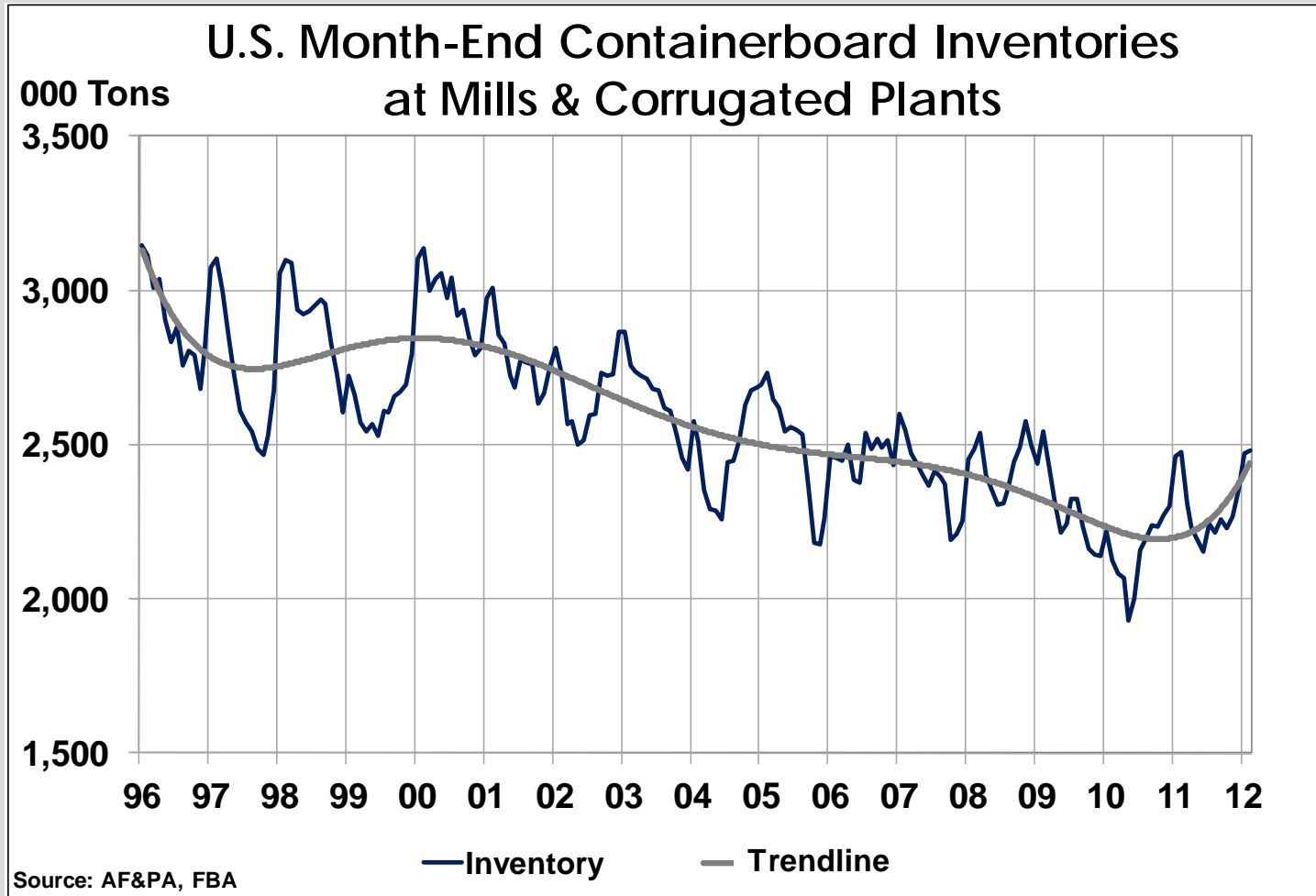
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First Page Charts

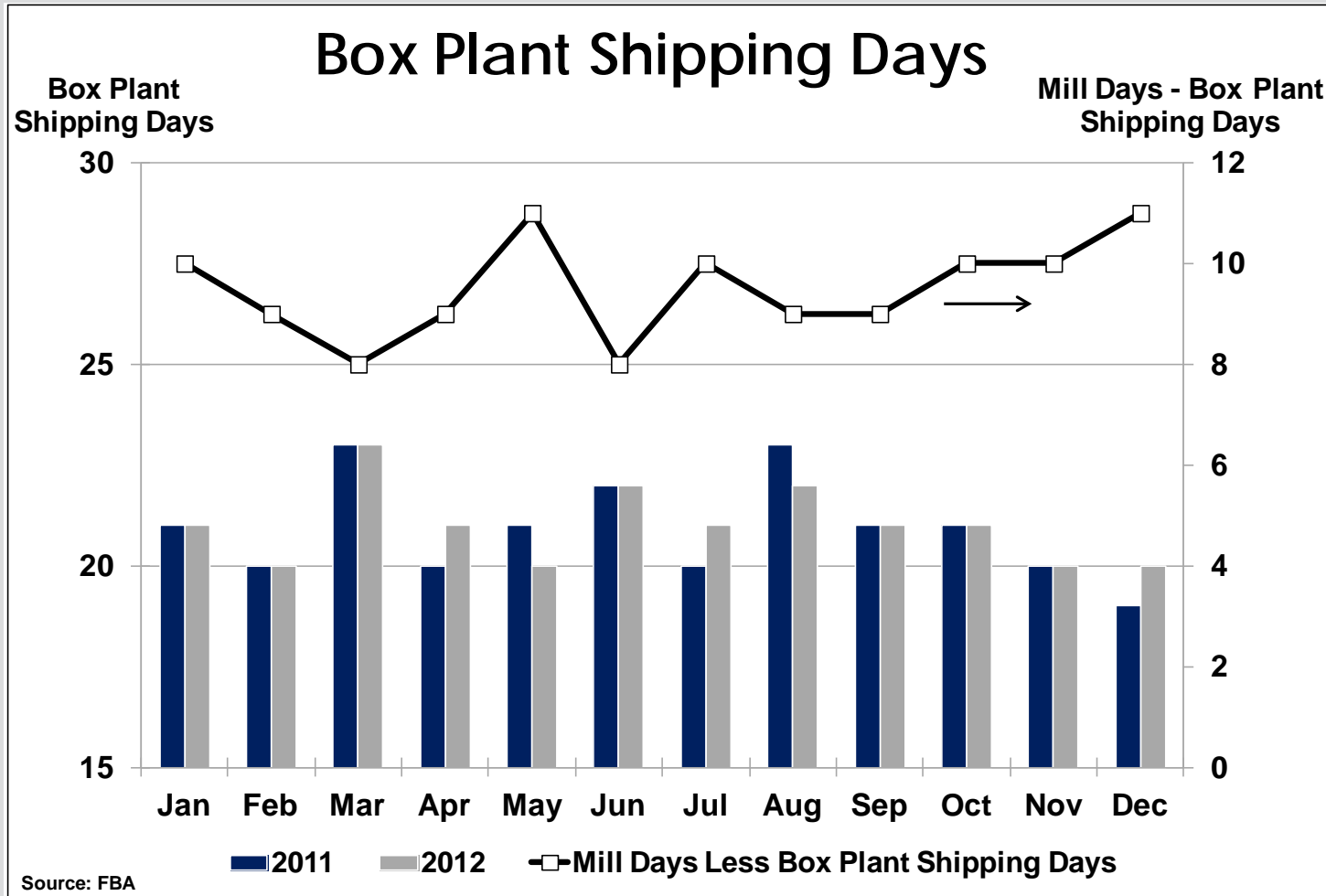
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Mill & Box Plant Shipping Days Differ

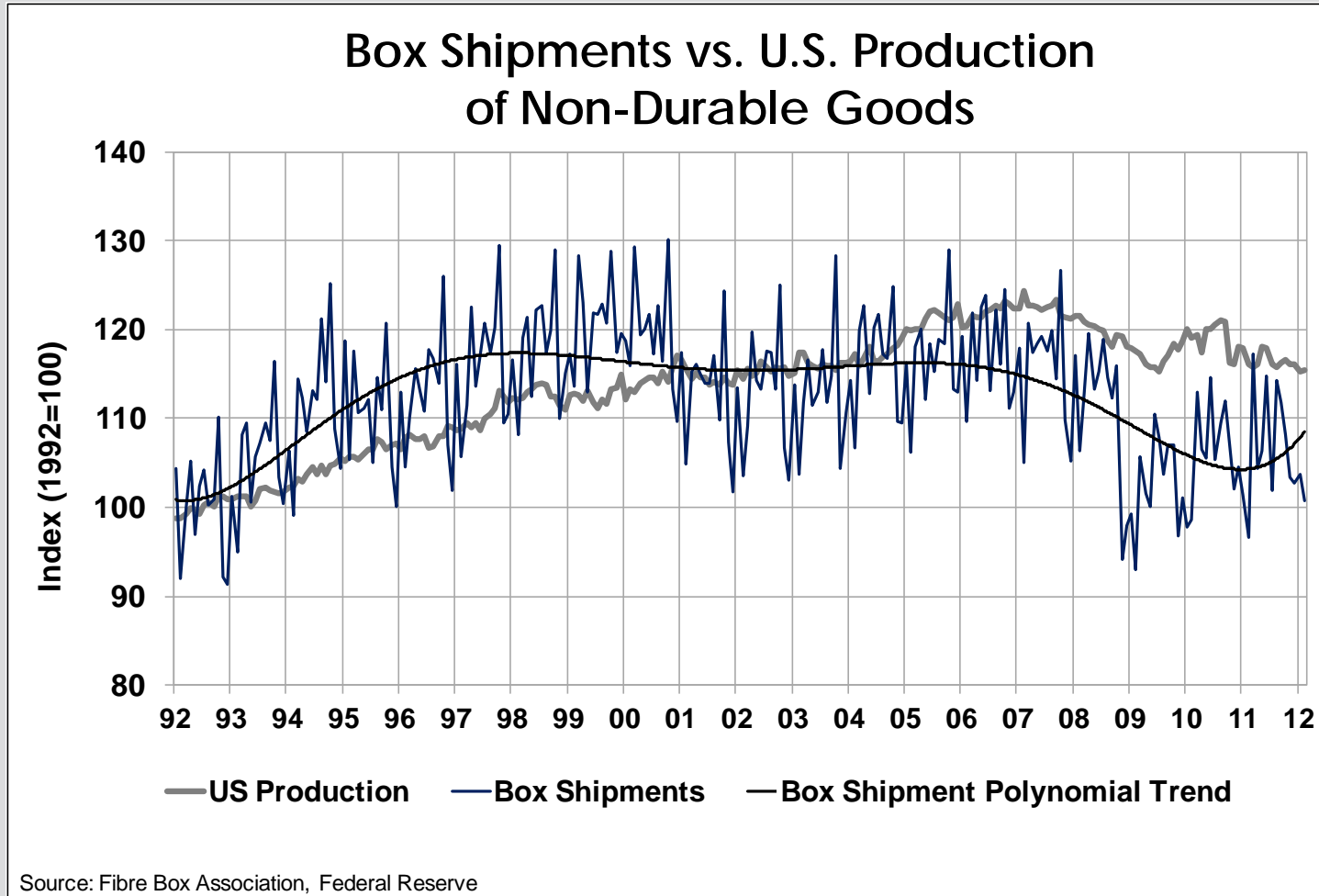
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U.S. Corrugated Industry Statistics

Box Shipment Demand Indicators

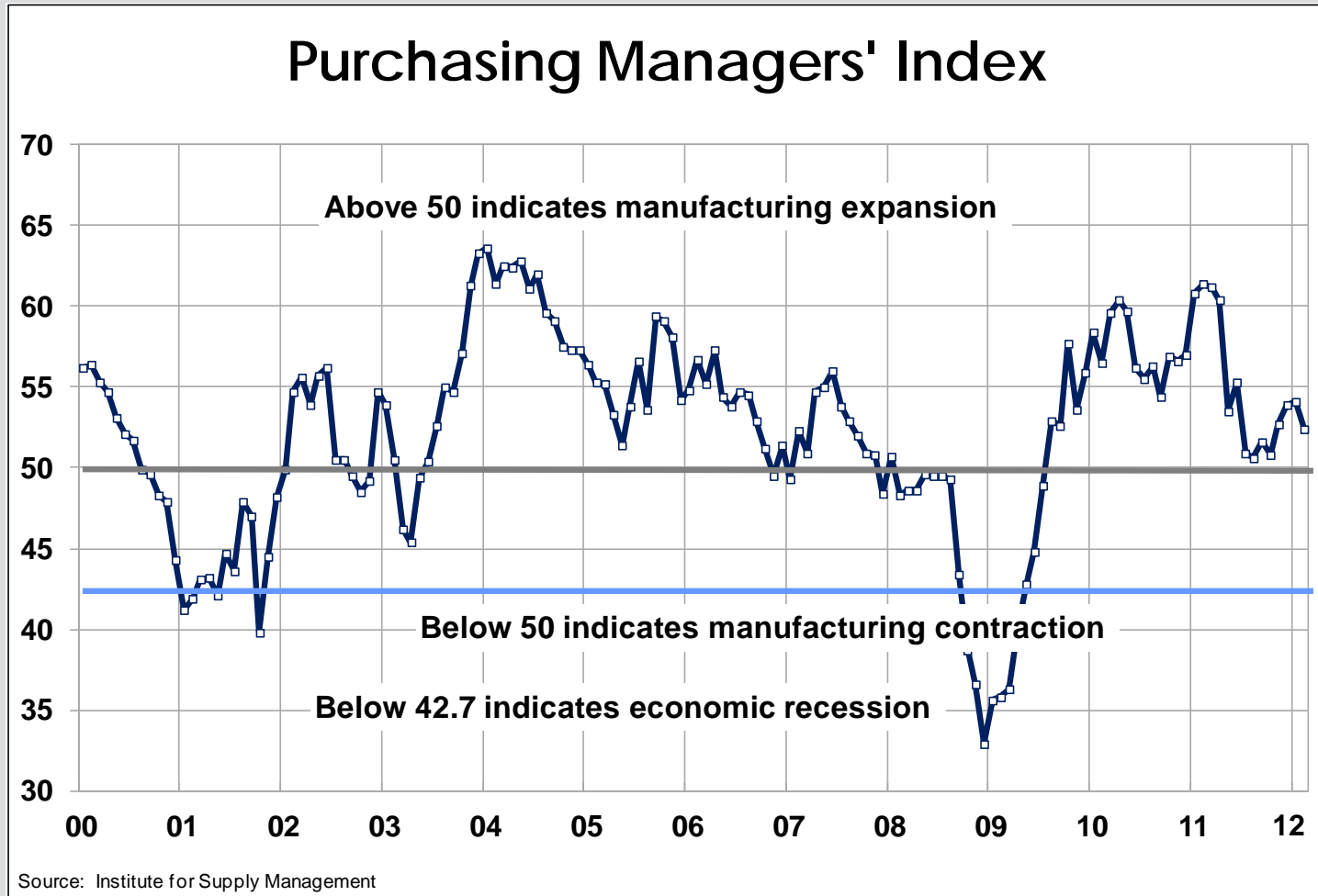
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U.S. Corrugated Industry Statistics

Box Shipment Demand Indicators

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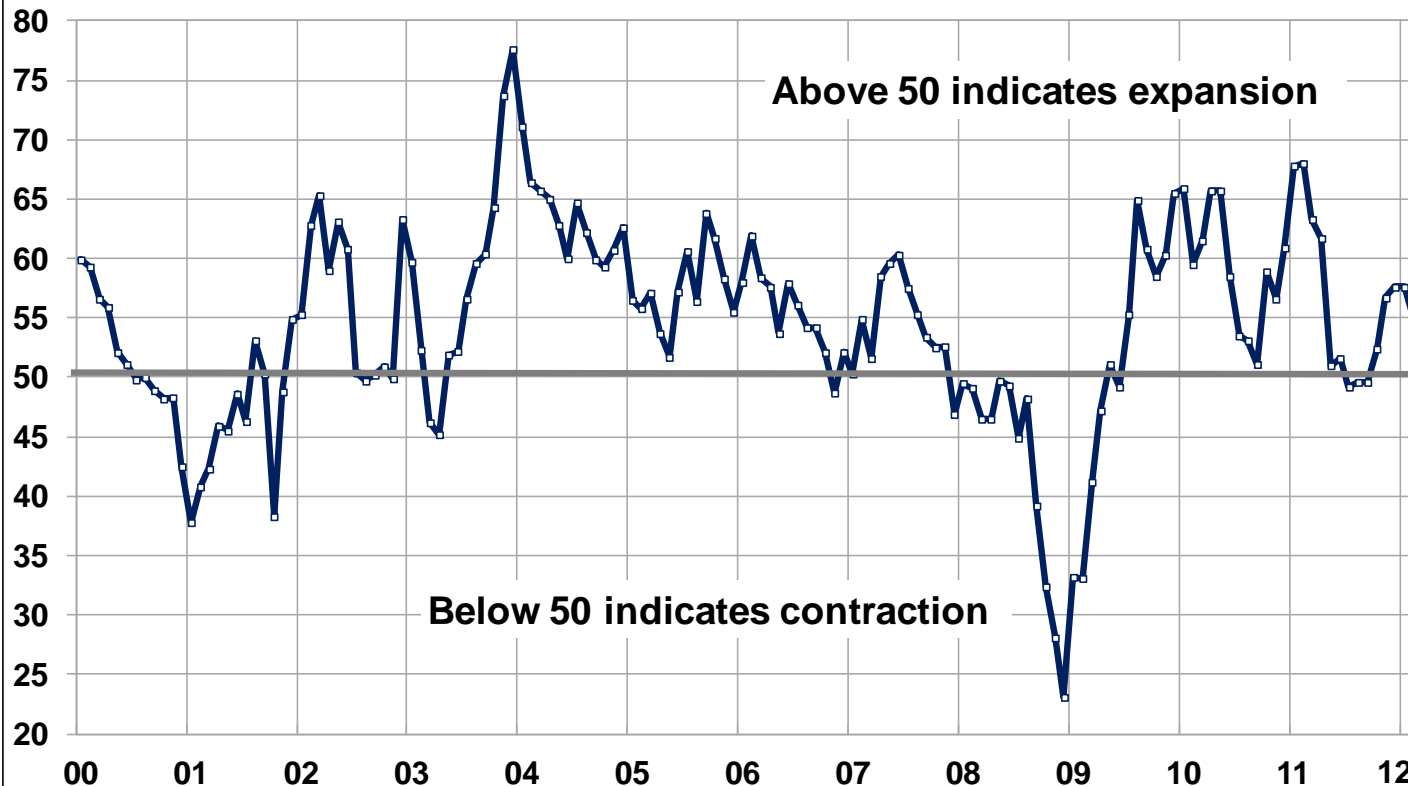


U.S. Corrugated Industry Statistics

Box Shipment Demand Indicators

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Purchasing Managers' New Orders Index



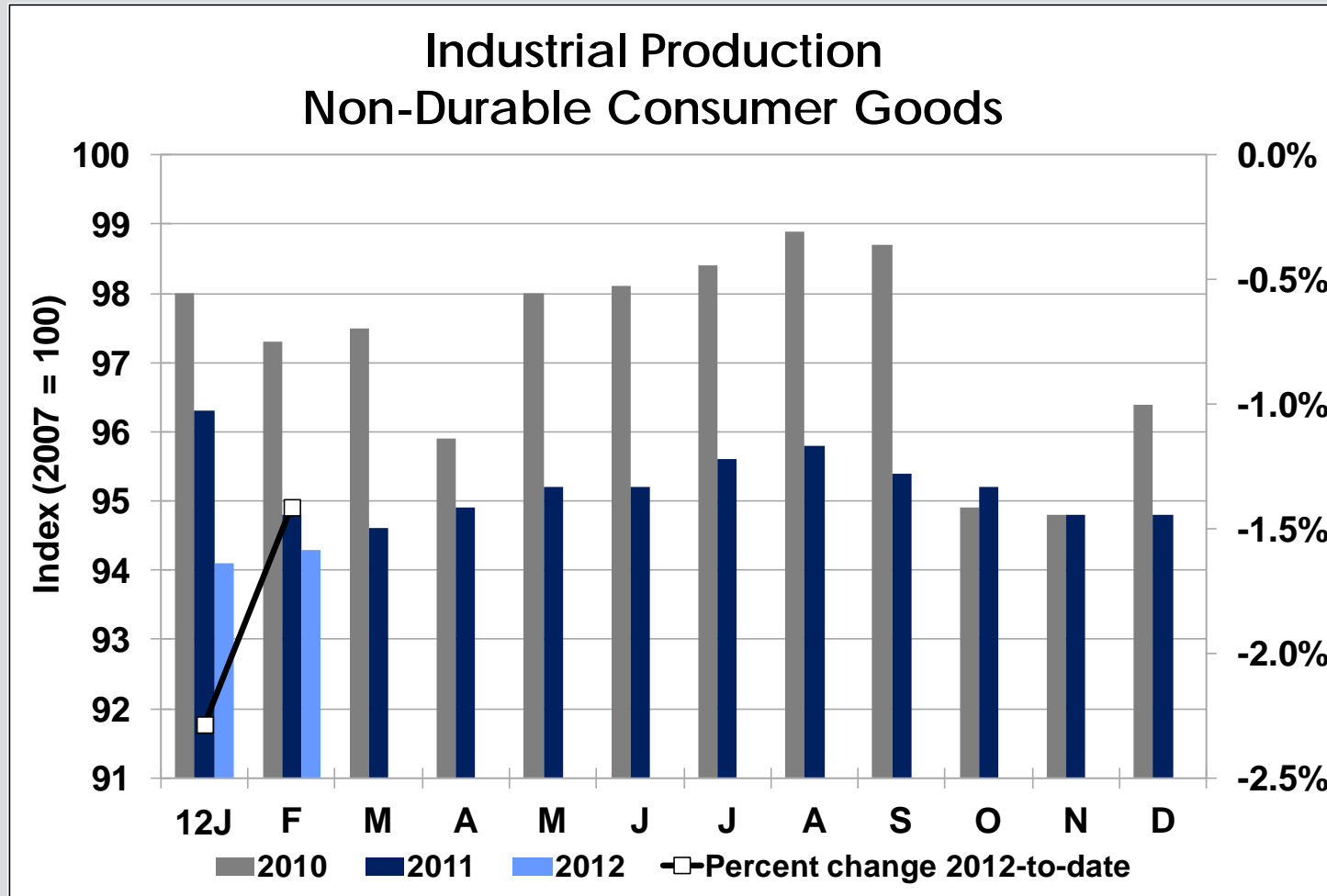
Source: Institute for Supply Management

U.S. Corrugated Industry Statistics

Box Shipment Demand Indicators



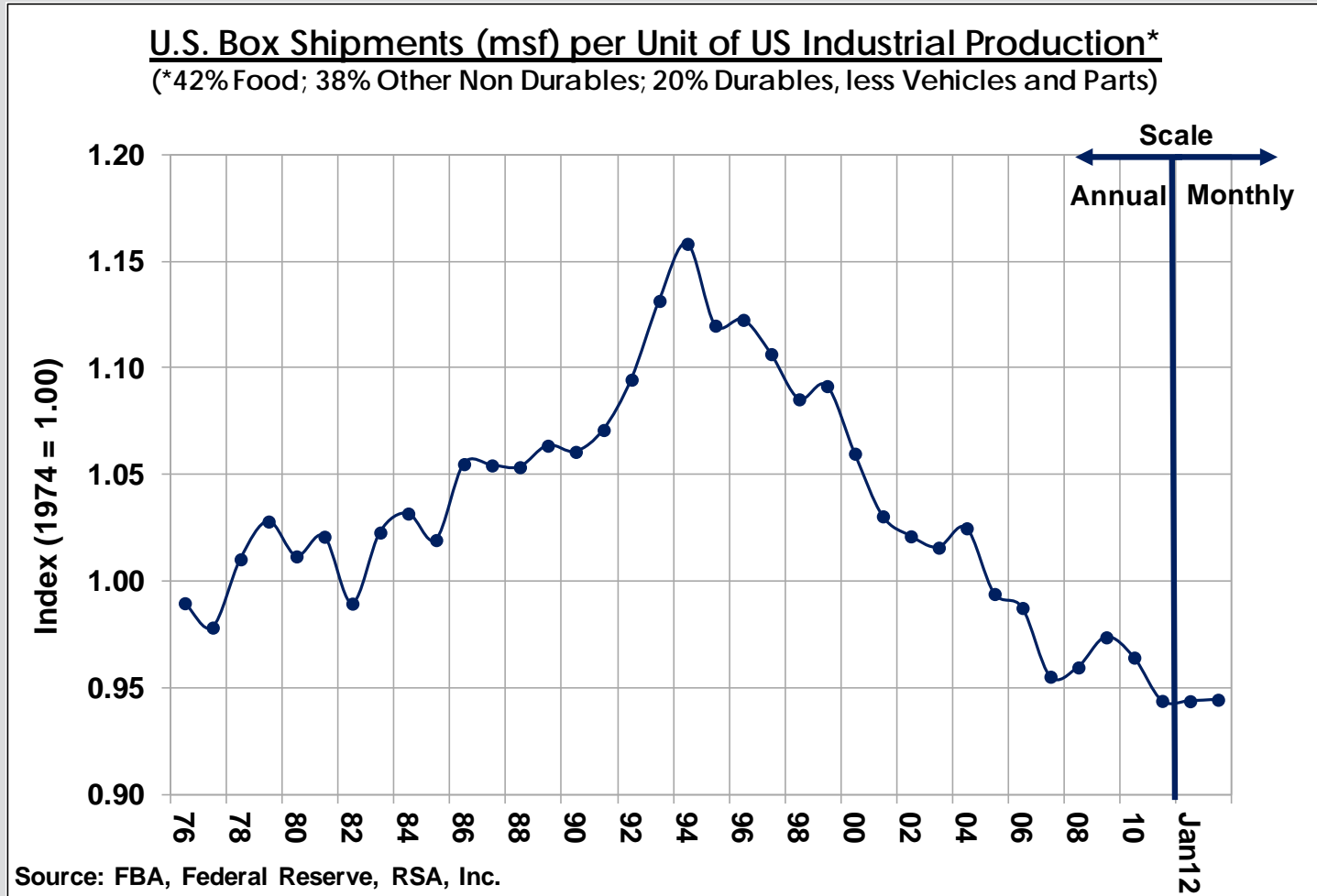
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U.S. Corrugated Industry Statistics

Box Shipment Demand Indicators

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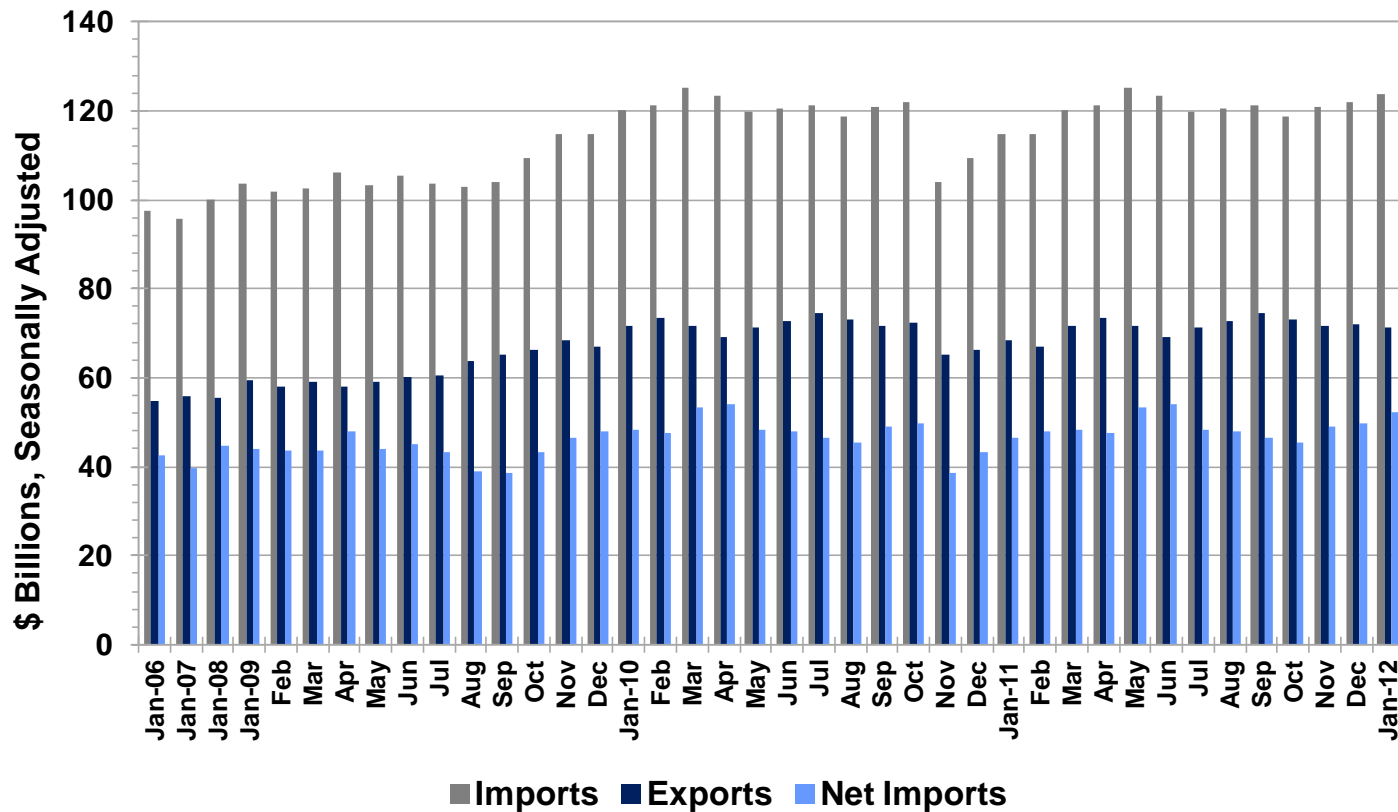


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Box Shipment Demand Indicators

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U.S. Non-Durable Goods Trade Deficit

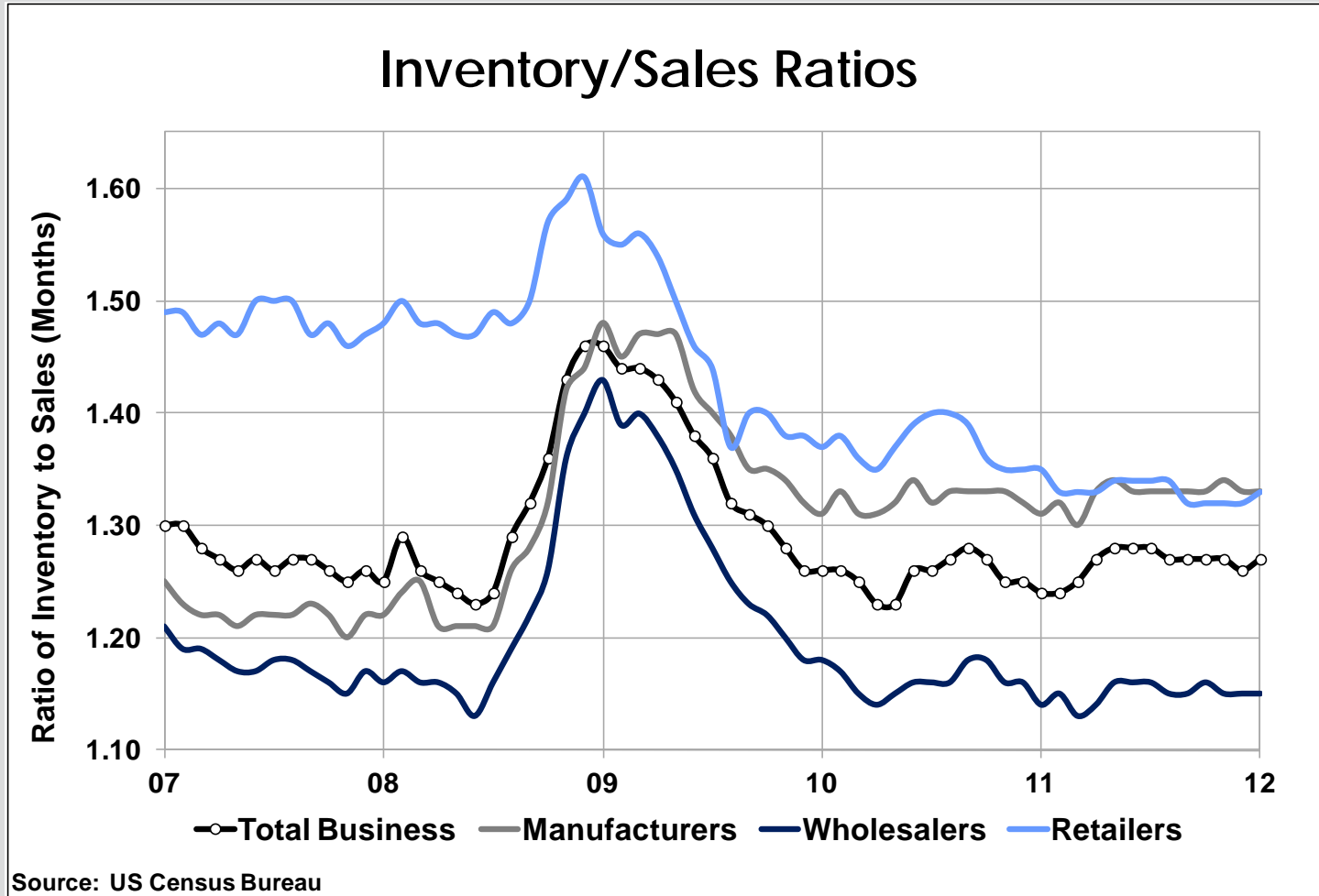


Source: Department of Commerce

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Box Shipment Demand Indicators

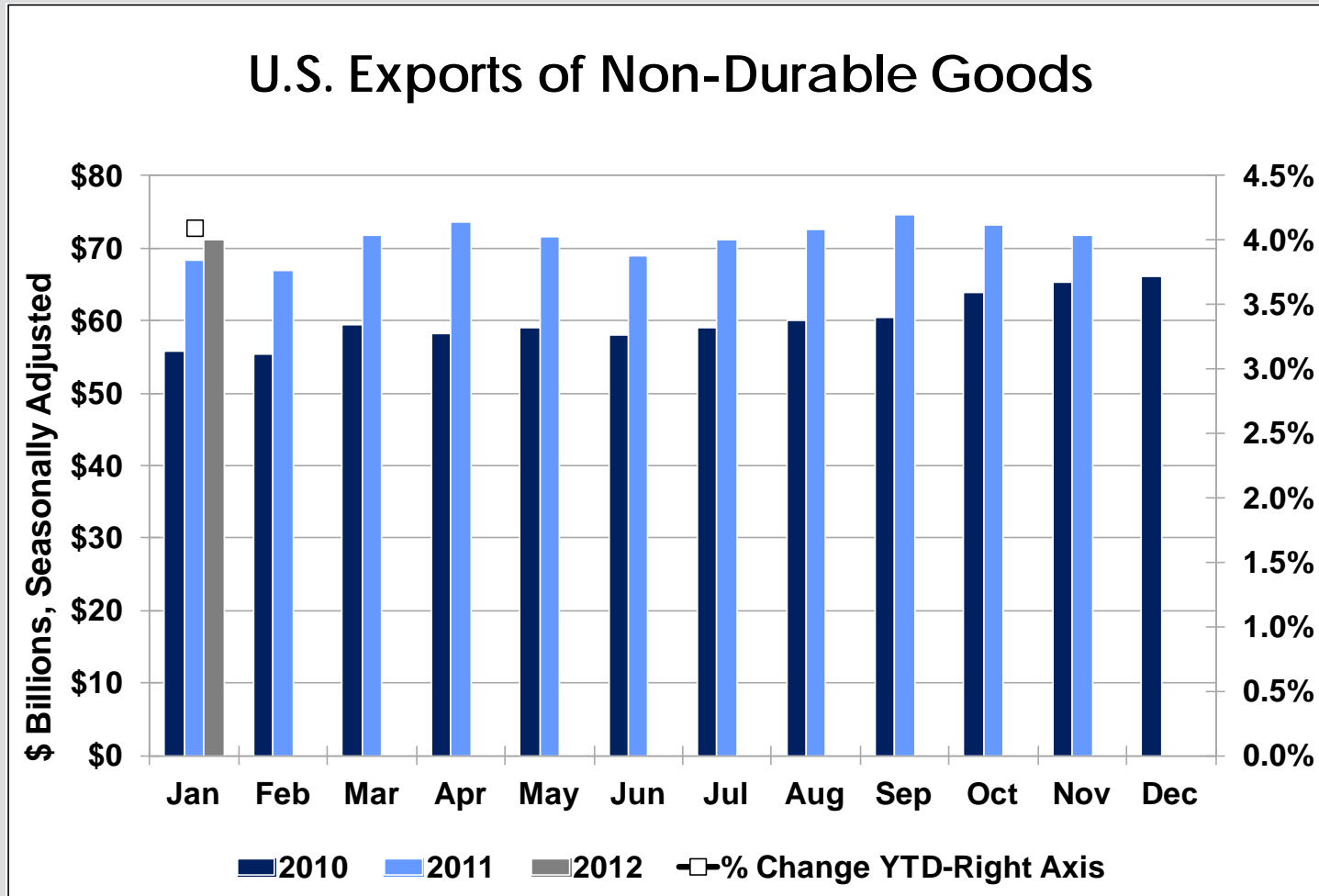
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Box Shipment Demand Indicators

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U.S. Corrugated Industry Statistics

A Wealth of Insightful Data



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- **Remainder of report contains a wealth of data from which to extract insights on industry performance trends:**
 - Shipments by 6 areas, 47 regions and by state
 - Monthly Value of Shipments & quarterly price index by area
 - Containerboard Inventory data sorted and presented by
 - Linerboard and medium
 - Box plants and containerboard mills
 - Box plants by integrated and independent producers
 - Tons and Weeks of Supply
 - Corrugator Containerboard Consumption
 - Mill Containerboard Production

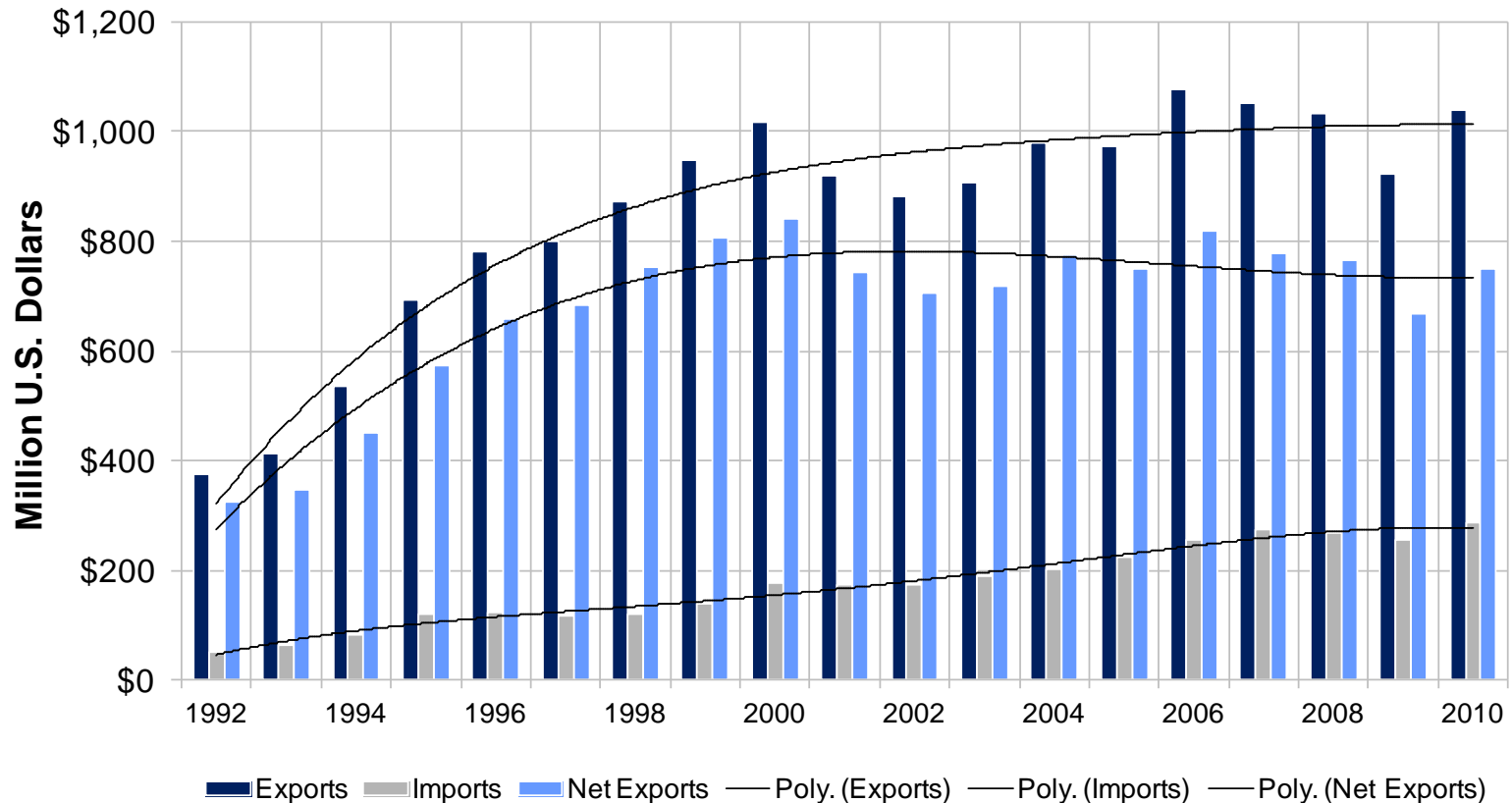
Knockdown Box Trade Statistics

A new FBA Service: Insight into Trade Patterns

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U.S. Corrugated Box Imports

IMPORTS INCREASING - EXPORTS FLATTENING - NET EXPORTS PEAKED IN 2000



Knockdown Box Trade Statistics

Quarterly Corrugated Trade Statistics Report

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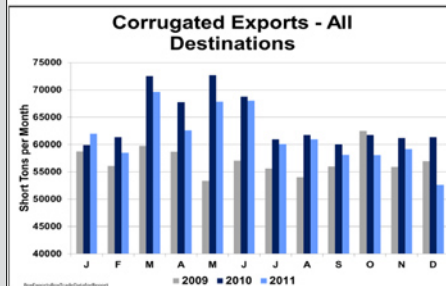


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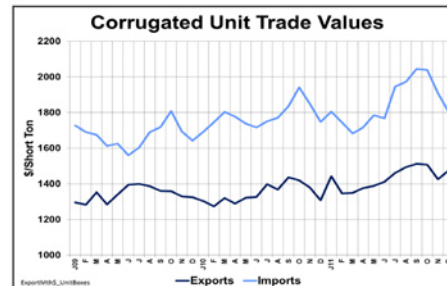
U.S. CORRUGATED TRADE STATISTICS FOR KNOCK DOWN BOXES

Release Date: [February 2012](#)
 Quarter: [Oct. 1 - Dec. 31, 2011](#)

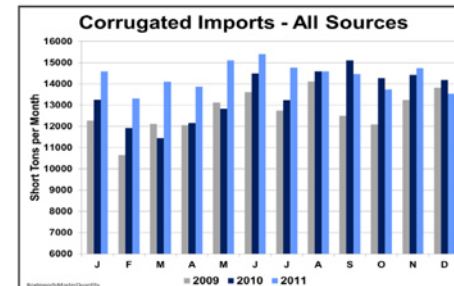
VALUE: \$ US-MILLIONS QUANTITY: SHORT TONS UNIT VALUE: \$/SHORT TON	CURRENT QUARTER 2011	YR AGO QUARTER 2010	% CHANGE PRIOR YEAR	PRIOR QUARTER 2011	2011 YEAR TO DATE	2010 YEAR TO DATE	% CHANGE 2011 YTD	2010 FULL YEAR
CORRUGATED EXPORT VALUE	\$ 249	\$ 252	-1.0%	\$ 266	\$ 1,054	\$ 1,034	1.9%	\$ 1,034
CORRUGATED IMPORT VALUE	\$ 86	\$ 78	10.3%	\$ 86	\$ 317	\$ 289	9.9%	\$ 289
NET CORRUGATED TRADE BALANCE	\$ 163	\$ 174	-6.1%	\$ 180	\$ 737	\$ 745	-1.1%	\$ 745
TRADE (% OF TOTAL SHIPMENT VALUE)								4.1%
CORRUGATED EXPORT QUANTITY	169,747	184,197	-7.8%	179,051	737,184	769,666	-4.2%	769,666
CORRUGATED IMPORT QUANTITY	41,997	42,651	-1.5%	43,818	172,174	161,250	6.8%	161,250
NET CORRUGATED EXPORT QUANTITY	127,750	141,546	-9.7%	135,233	565,010	608,417	-7.1%	608,417
CORRUGATED EXPORT UNIT VALUE	\$ 1,469	\$ 1,368	7.4%	\$ 1,488	\$ 1,429	\$ 1,343	6.4%	\$ 1,343
CORRUGATED IMPORT UNIT VALUE	\$ 2,059	\$ 1,838	12.0%	\$ 1,973	\$ 1,841	\$ 1,789	2.9%	\$ 1,789



- * 4Q export drop pushed 2011 decline to 4.2%.
- * South American & Asian exports down 70%
- * Canadian exports off 9.4% in 4Q.
- * US corrugated exports topped \$1 Billion in 2011



- * Export prices fell in 4Q from \$1488/ton 3Q record.
- * Import prices dropped even more, but gained 2.9% for the year.
- * Prices to Mexico rose 7.5% on 5% less volume in 2011.



- * First half surge propels imports to 6.8% annual gain despite dip in 4Q.
- * Imports from China stabilized at 46,000 tons last year
- * Asian imports are more than double imports from Mexico and half as large as those from Canada.

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Knockdown Box Trade Statistics

Quarterly Corrugated Trade Statistics Report

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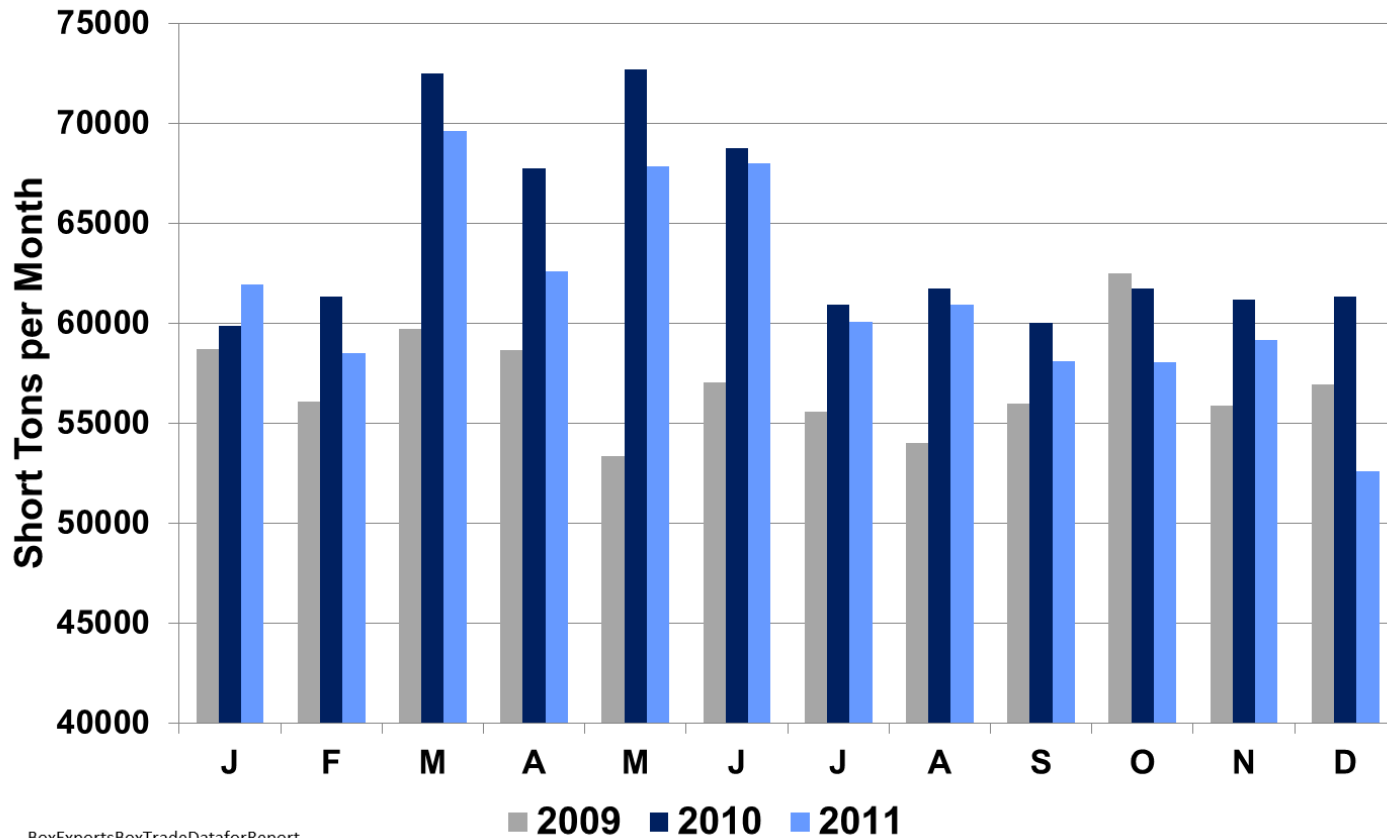
KEY PARAMETER	2011 VALUE	% CHANGE FROM 2010
EXPORT VALUE	\$ 1.05 Billion	1.9%
IMPORT VALUE	\$0.32 Billion	9.9%
NET TRADE	\$0.74 Billion	-1.1%
EXPORT VOLUME	734,184 Short Tons	-4.2%
IMPORT VOLUME	172,174 Short Tons	6.8%

Knockdown Box Trade Statistics

Quarterly Corrugated Trade Statistics Report

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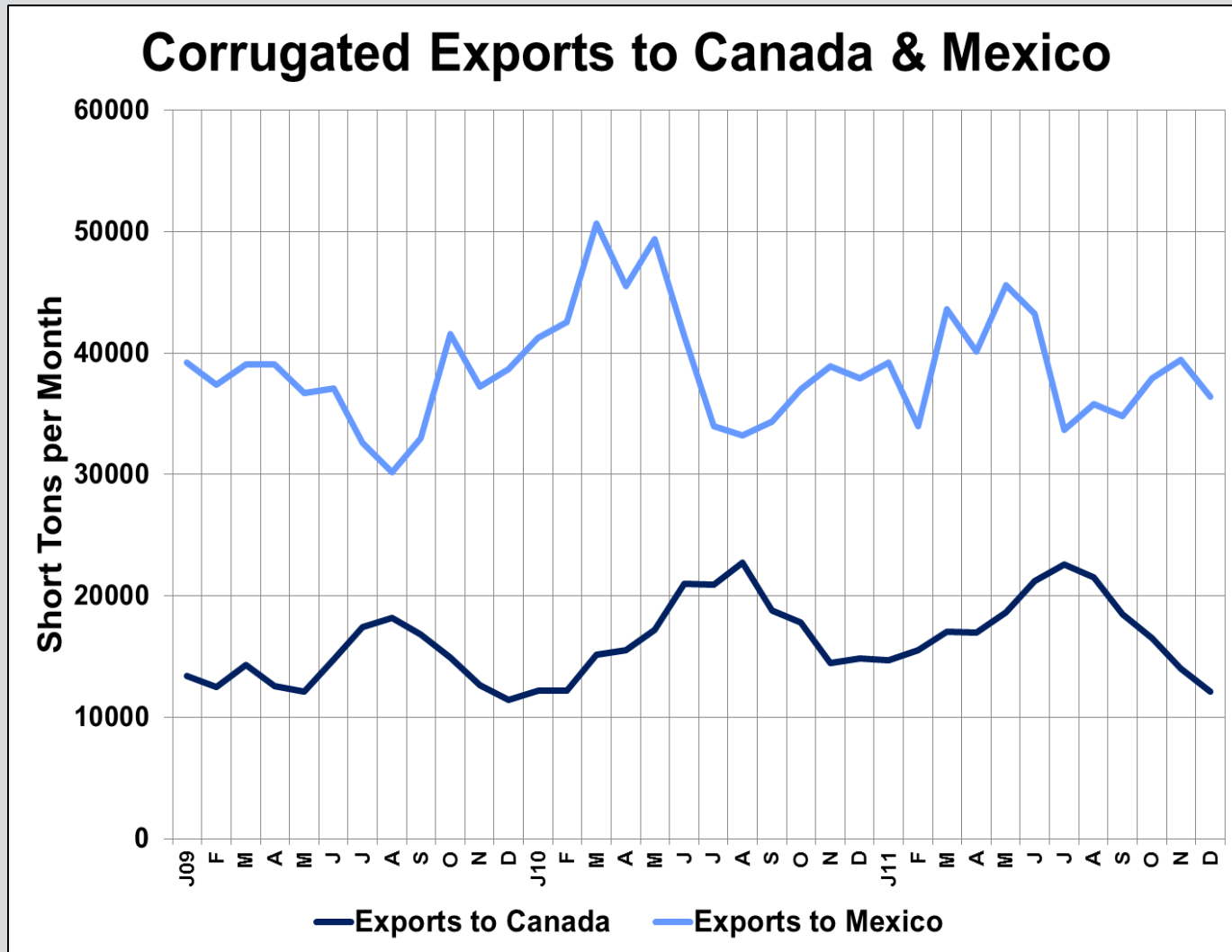
Corrugated Exports - All Destinations



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Quarterly Corrugated Trade Statistics Report

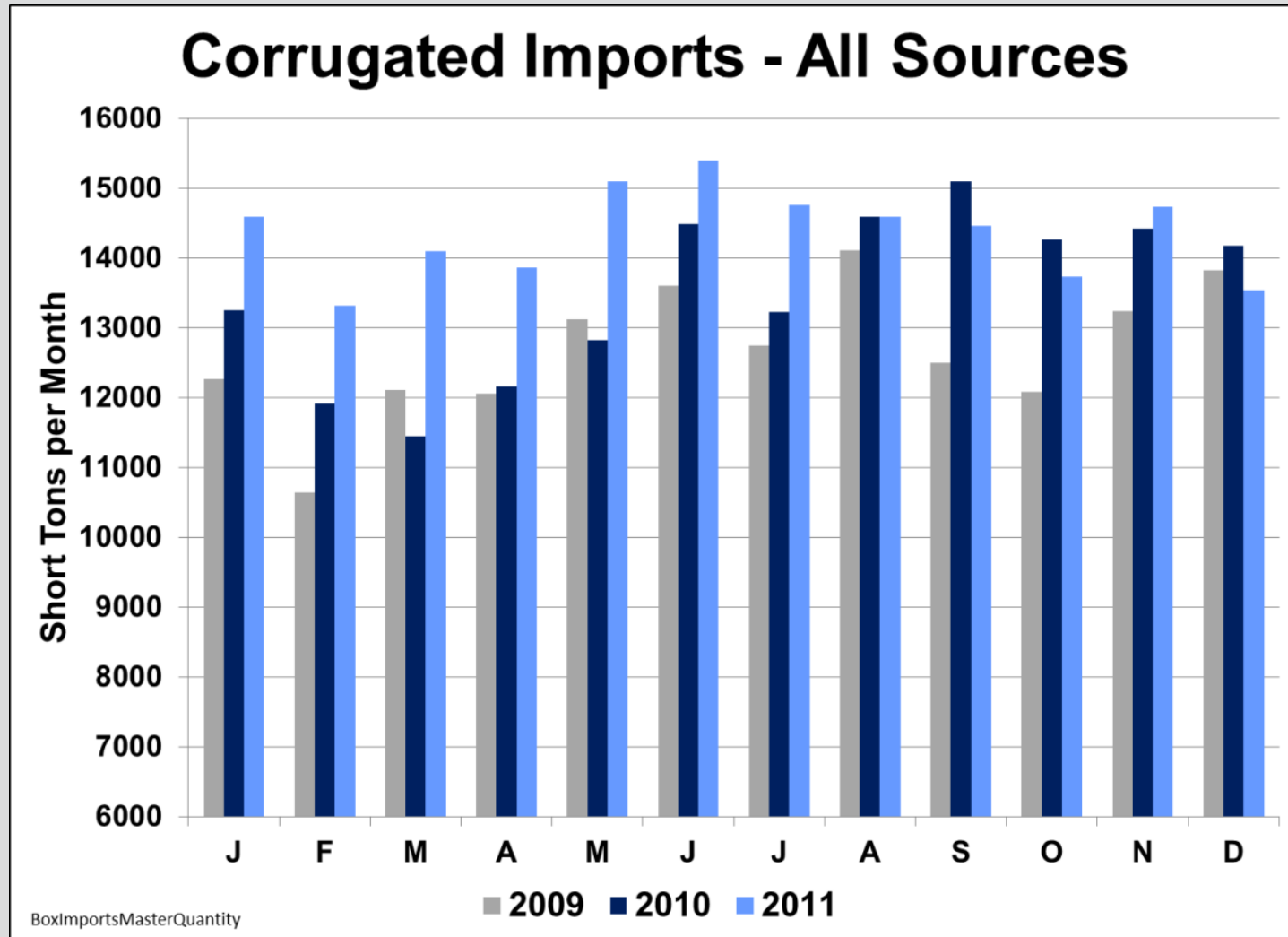
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Quarterly Corrugated Trade Statistics Report

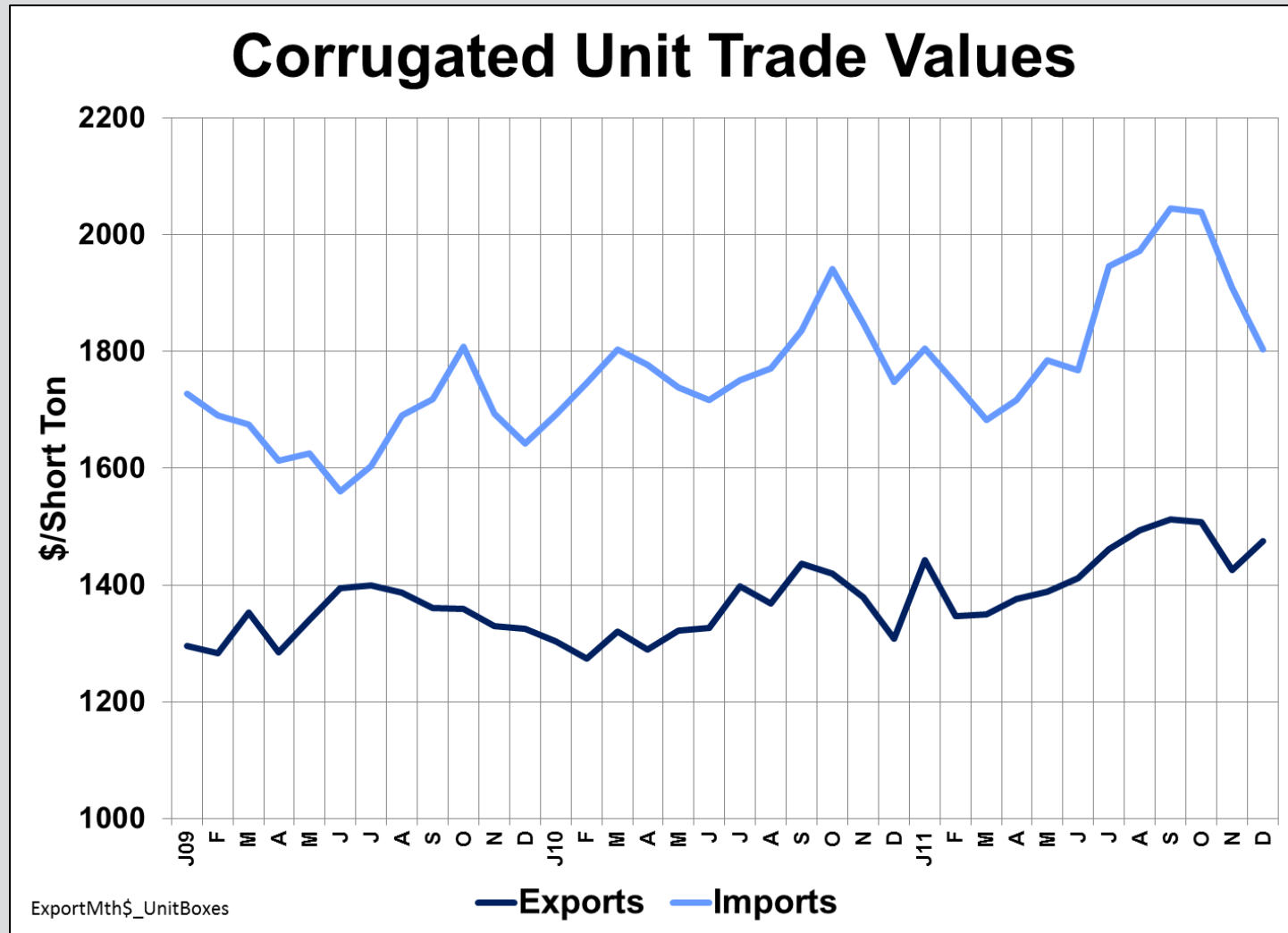
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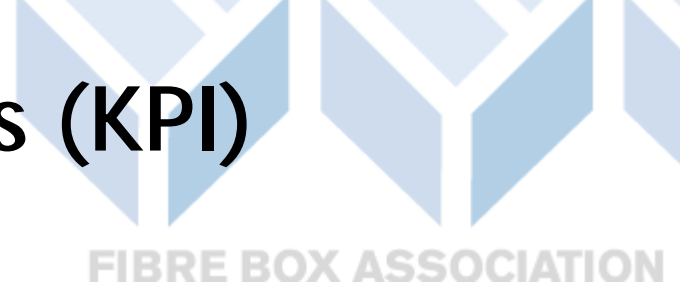
Quarterly Corrugated Trade Statistics Report

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Key Performance Indicators (KPI)

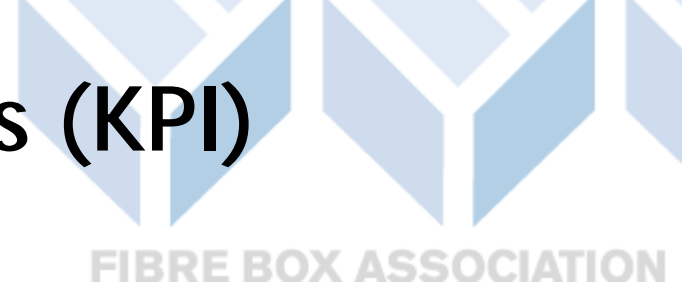
A Valuable Benchmarking Survey



- **A unique, significant benefit available only to FBA Members**
- **Voluntary Survey completed during first quarter, released May 2012**
- **FBA Members supply data for all plants**
 - 33 items per corrugated plant
 - 25 items per sheet plant
 - All carefully defined
- **FBA verifies and compiles data, then destroys input data**
 - No company data is disclosed to another company
 - Company reports show company average data
- **Report distribution limited to:**
 - Company's FBA representative and Data Services Committee member
 - Others as directed only by Company's FBA representative
- **Only participating plants receive reports**

Key Performance Indicators (KPI)

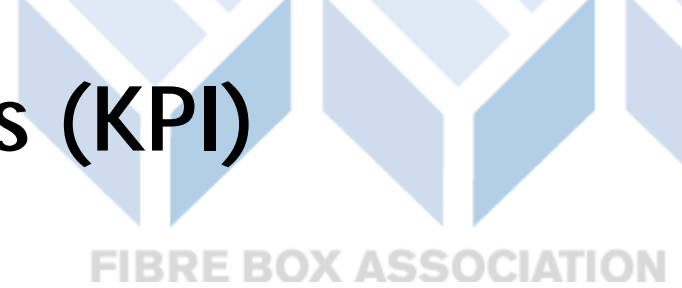
Scope of Performance Indicators



- Shipments – MSF & Tons
- Gross Sales \$
- Freight, Returns, Discounts
- Variable costs – 4 categories excluding Net Fibre Cost
- Fixed Cost & Overhead – 4 categories
- Waste
- Labor – 3 categories
- Capital Expenditures
- Receivables, Inventory, Net Fixed Assets
- Corrugator Parameters – 5
- Board Consumption & Inventory
- Production Basis Weight

Key Performance Indicators (KPI)

What Your Report Contains



- **Your company average Vs.:**
 - Average of other data in category for each line item
 - Averages of 10%* highest and 10%* lowest for each line item
 - Averages of each line item for plants in top 10*% of operating profit and bottom 10*% of operating profit
 - **61 Line Items**
 - 10 Financial ratios
 - 42 other indicators
 - **Results aggregated* into 26 categories by:**
 - Independent/Integrated
 - Size (MMSF/YR)
 - Geographic Areas
 - Corrugators, Sheet Feeders/ Sheet Plants
- * Percentiles and group aggregations are adjusted if necessary to maintain company confidentiality.

Independent Sheet Plant Operating Ratio Survey (SPORS)



- **Participating independent companies provide data for their sheet plants**
 - 44 inputs; most reported as percentage of gross sales
 - Corrugated and non-corrugated sales and cost of materials purchased
 - 29 categories of operating expense
 - 9 other items – employment, production, inventory, waste
- **Individual company and plant data held confidentially by FBA, de-identified in report and destroyed after use**
- **Report shows:**
 - results by range of sales
 - summary of averages by sales range
 - Random ordered plant annual 5-year sales history.
- **Only participating plants receive reports**

Corrugated Forecasts

U.S.



- **U.S. Corrugated Forecast 2011-2015**
 - Prepared by PRISM (Packaging Research Intelligence Strategies and Marketing)
 - Contains Shipment Trends and Forecasts by FBA areas
 - 6 years of past shipment trends
 - 2011 and 2015 shipment forecasts

Corrugated Forecasts

Global



- **Global Corrugated Forecasts 2011-2015, A Report for ICCA**
 - Prepared by PRISM, 121-page Main Volume and 98-page Statistical Appendix
 - Analysis of 51 countries and sub-regions aggregated into 6 geographic regions and world total
 - Analysis of Economic and Market Prospects
 - Processed Foods, Drinks, Fresh Foods, nonfood consumables
 - Appliances, Machinery, Durable Goods & Clothing, Other

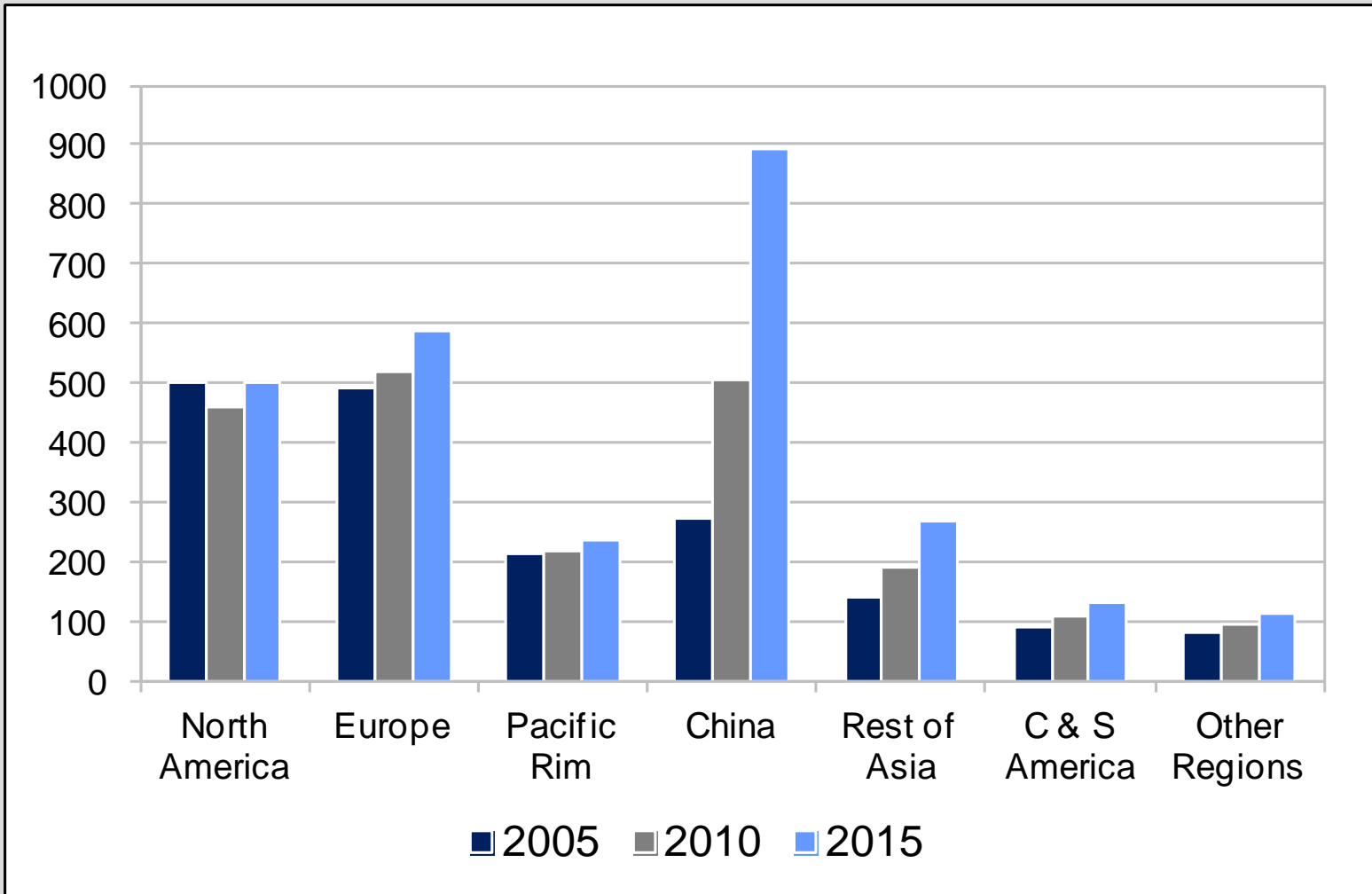
Corrugated Forecasts

Global Forecast Parameters



- **Forecast Structure**
 - Historical data past six years
 - Forecast current year and 4 additional years to 2015
 - Country, sub-region and regional framework
- **Trend and Forecast Contents**
 - Industrial Production Trend & Forecast
 - Comparison between Industrial Production and corrugated production
 - Corrugated Production Trend & Forecast (MSM, BSF, and Tonnes)
 - Per-capita corrugated consumption
 - Basis weight Trend & Forecast

Global Corrugated Production Trends and Forecasts by Area

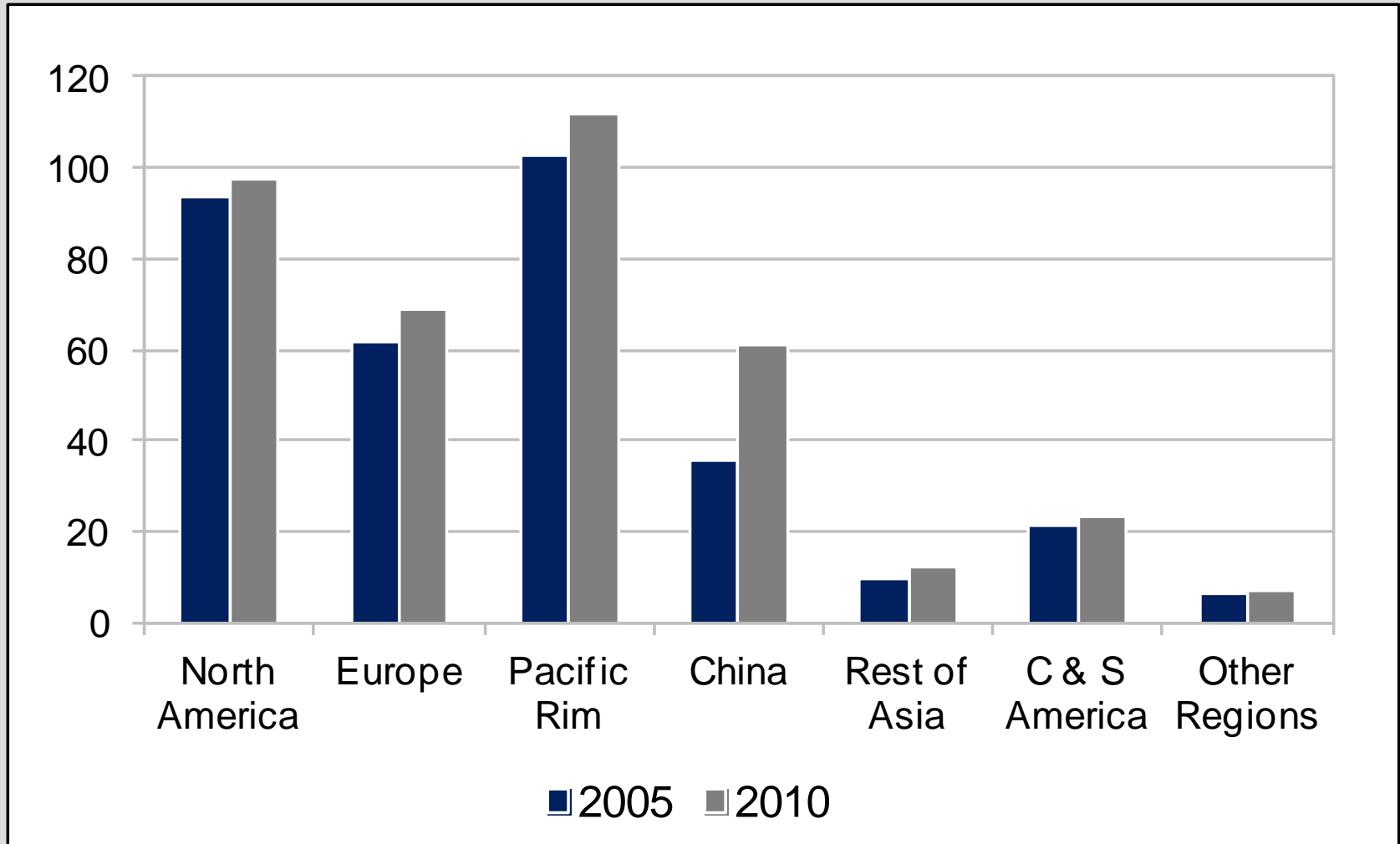


Global Corrugated

Per Capita Corrugated Consumption Trends and Forecasts by Area



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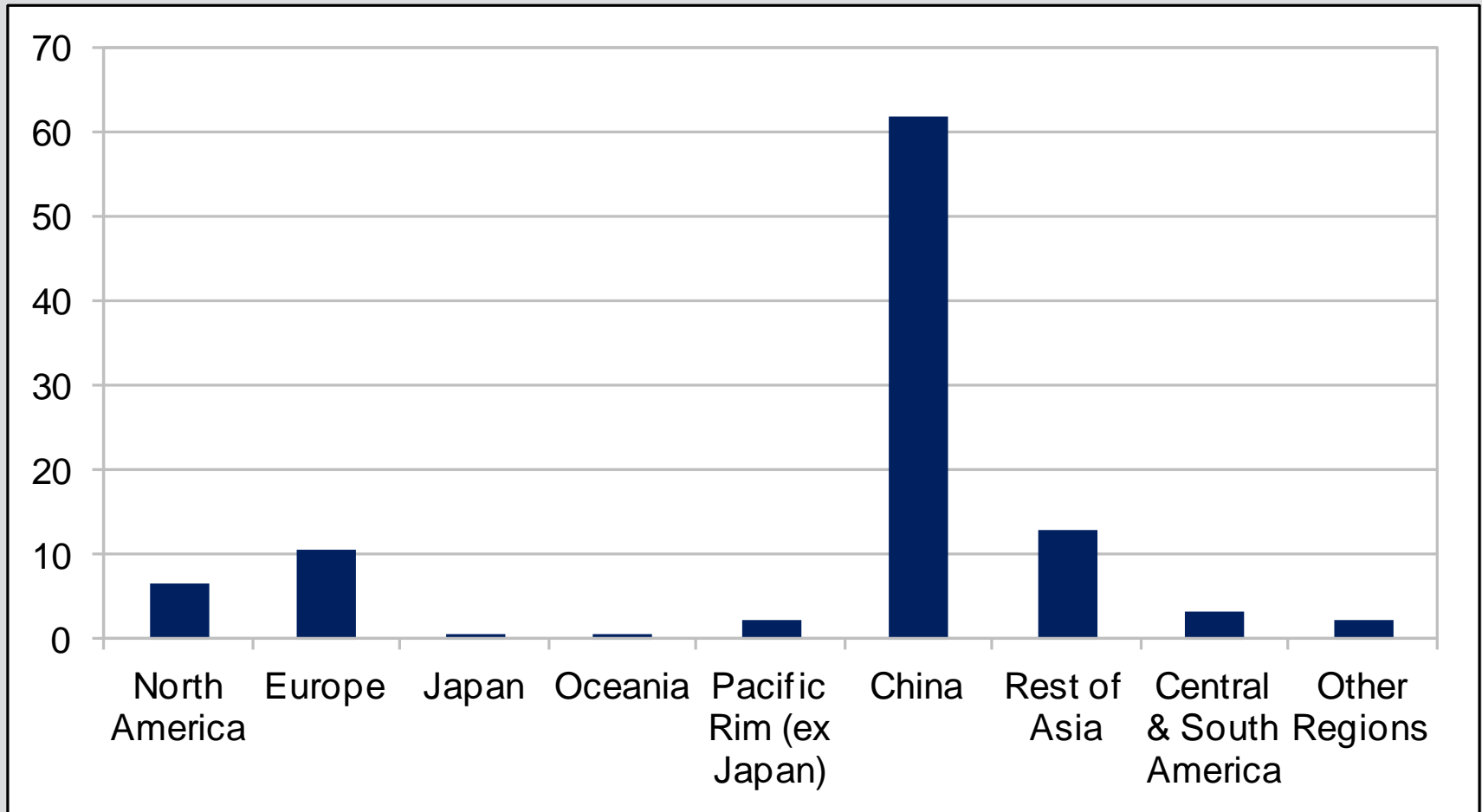


Global Corrugated

Incremental Business Generation by Region,
2010-2015, Percent



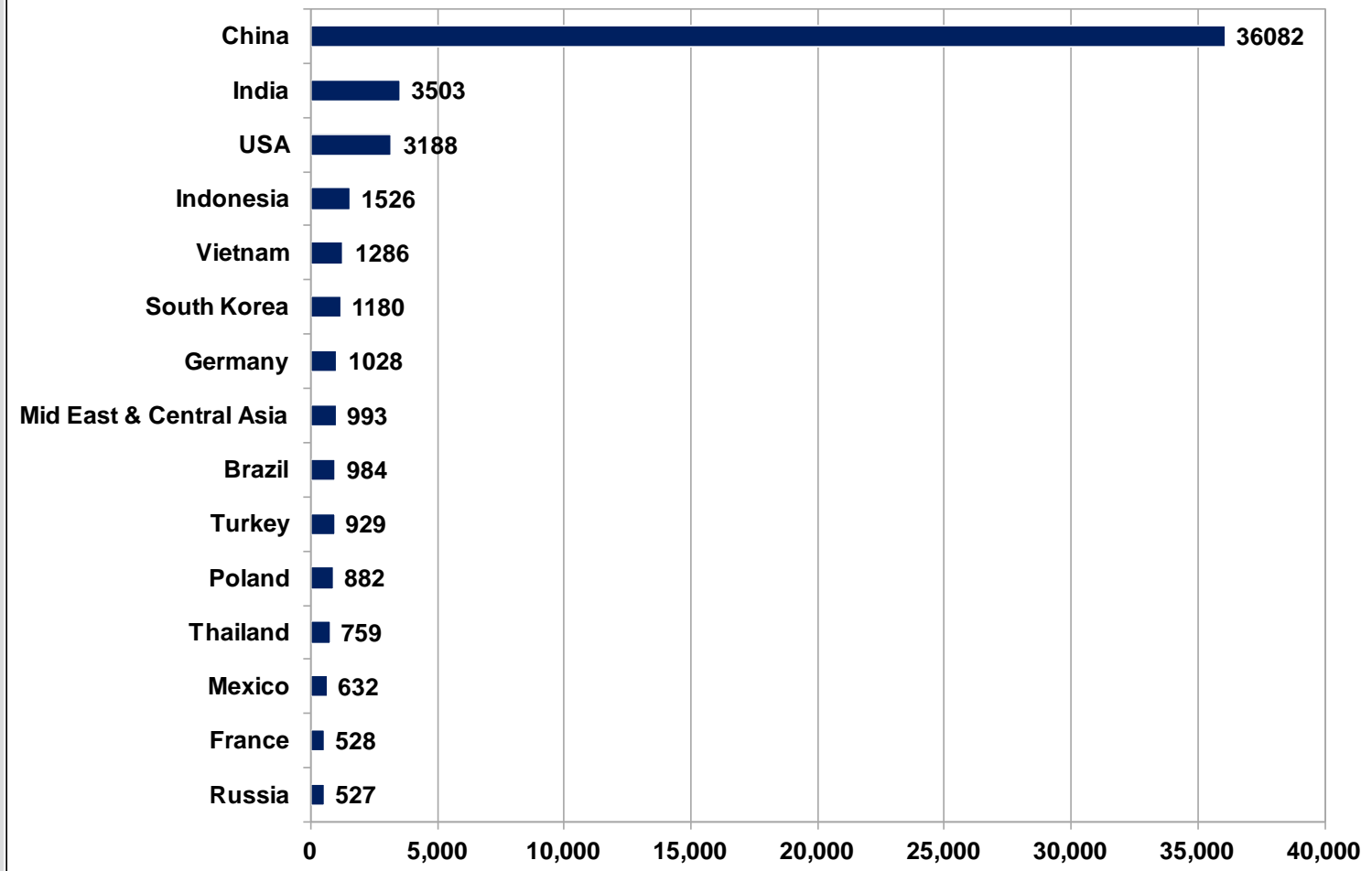
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Global Corrugated Forecasted Incremental Consumption, 2010-2015, MSM

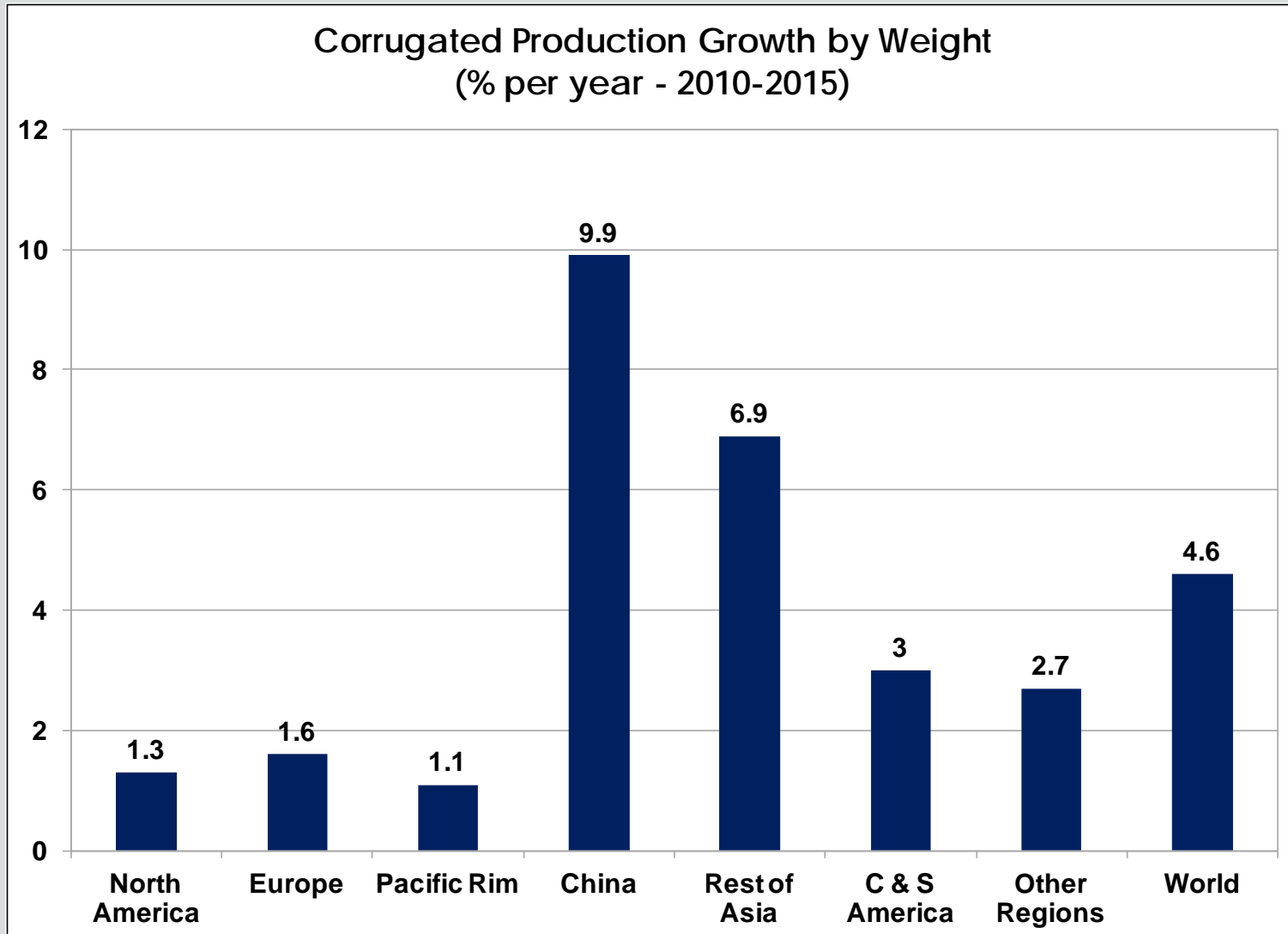


Incremental Growth in Corrugated Consumption: 2010-2015
(Million Square Meters)



Global Corrugated

Forecasted Production Growth by Region,
2010-2015, Percent Per Year



Other Fibre Box Association Reports



- **Industry Annual Report**
 - North American Industry Classification System (NAICS)*
- **Biennial Productivity & Waste Survey (PWS)**
- **Occupational Injuries and Illnesses Annual Report (OII)***
- **Monthly Labor Report & Online Database***
- **Annual Wage and Fringe Benefits Study***
- **Quarterly International Corrugated Case Association (ICCA) Statistics**

* Report is only available to report participants