

The paperboard market has tightened significantly. This means paperboard packaging companies will be waiting to get board – sometimes as much as 6 weeks. You'll see price and delivery changes in folding cartons, rigid boxes, litho lam boxes and corrugated.

Here's a little background and information.

The recession has created an issue with the balance of supply and demand in the paper industry. Typical box plants ran down inventories as orders were off. At the same time, with fewer orders, mills took out capacity by shutting down machines, laying off employees, etc. Many box plants now need to bring these levels back to "normal".

Starting about two months ago, paper mills' backlogs for orders jumped as box plants bought more board and price increases were announced. Box plants trying to beat the increases ordered heavy. This exacerbated the backlog. Effective this week, all box plants are on an "unofficial allocation" and it can now take up to two months to get board.

The good news is that UPB has beefed up our inventory because we saw this coming. The bad news is that if we are running a custom roll size, it will be mid July before we can get it. UPB pays their bills on time and has *excellent* direct relationships with all the mills that service us.

We will be fine, but we are also asking you to forecast out your needs as lead times are way out. Please let me know if you have any questions or concerns.

Steve Keyser
President