

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



Pulp and Paper Closures and Conversions Trim Wood Fiber Demand

Shawn Baker/September 1, 2023

[Pulp and paper mill closures](#) garner headlines as they represent massive facilities employing hundreds and contributing millions of dollars to local economies. They also provide an important market for wood fiber for forest landowners and sawmills. Mill closures hamper landowners' ability to achieve silvicultural goals where they can no longer afford to commercially thin their forests.

Over the past three years, closures, conversions of facilities to recycled feedstocks, and indefinite idling of pulp mills impacted all five regions we track in North America (Figure). In total, 20 mills reduced pulp fiber consumption by over 22 million tons^[1]. As the largest pulp and paper producing region, consumption in the U.S. South declined most, over 9 million tons. Western Canada, with the ongoing supply constraints and lumber industry contraction, lost 6 million tons of demand, the second largest decline. Significant investment still flows into the industry, despite recycled capacity continuing to offset virgin fiber demand. We are tracking over \$5.5 billion in North American pulp and paper capital expenditure over the next three years.

Figure: Wood Feedstock Paper Mill Reductions, 2021-2023



1 September 2023



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

Mill Name	Announcement	Region	Year	Capacity Loss Raw Material (Thousand Tons)
Resolute FP Calhoun	Closed	U.S. South	2022	(1,335)
WestRock Panama City	Closed	U.S. South	2022	(2,523)
Domtar Kingsport	Converted to Recycled	U.S. South	2022	(847)
Sonoco	Converted to Recycled	U.S. South	2022	(421)
Evergreen Packaging Canton	Closing	U.S. South	2023	(2,000)
WestRock Charleston ¹	Closing	U.S. South	2023	(2,367)
Cosmo Specialty Fibers	Idle	U.S. West	2023	(685)
PCA Wallula	Idle	U.S. West	2023	(1,014)
WestRock Tacoma Kraft Co. ²	Closing	U.S. West	2023	(1,168)
Roaring Spring Park, LLC	Closed	U.S. North	2021	(359)
Park Falls Development	Closed	U.S. North	2021	(234)
Nine Dragons Paper Old Town	Idle	U.S. North	2023	(972)
Nine Dragons Paper Biron	Converted to Recycled	U.S. North	2023	(832)
Resolute FP Amos	Closed	East Canada	2021	(678)
Resolute FP Baie-Comeau	Closed	East Canada	2021	(1,139)
Paper Excellence McKenzie	Closed	West Canada	2021	(940)
Paper Excellence - Catalyst Paper Tis'kwat	Closed	West Canada	2021	(1,310)
Paper Excellence Crofton	Closed	West Canada	2022	(2,427)
Canfor Prince George Pulp & Paper	Closing	West Canada	2023	(587)
Canfor Taylor	Closing	West Canada	2023	(901)
Total				(22,739)

¹WestRock set to close this mill in August 2023

²WestRock set to close this mill by September 30, 2023

The industry does not operate in a vacuum, though. While wood demand for pulp shrinks, the [pellet and bioenergy markets continue to grow](#). From 2020 to 2023, North American wood pellet capacity expanded by 4.8 million metric tons. This represents around 11.6 million tons of wood fiber. Not all pulp-quality fiber is equal, but landowners welcome any offset to falling demand.

Thanks to Pat Jolley for his contributions to this research.

[1] This excludes mills that added or expanded recycling alongside existing virgin demand or closed only portions of mills.

The [Forisk Research Quarterly \(FRQ\)](#) includes forest industry analysis for all major sectors, as well as timber price projections and featured research. Email hsclark@forisk.com for pricing information and to place an order.

=====

Richard P. Vlosky, Ph.D.
 Crosby Land & Resources Professor of Forest Sector Business Development
 Director, Louisiana Forest Products Development Center



1 September 2023



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

Room 227, School of Renewable Natural Resources

Louisiana State University Agricultural Center

Baton Rouge, LA 70803 USA

Phone: (225) 578-4527; Mobile: (225) 223-1931

rvlosky@agcenter.lsu.edu

<https://www.lsu.edu/rnr/people/profiles/vlosky.php>

Chair, LSU Agricultural Faculty Council, LSU AgCenter/College of Agriculture

<https://faculty.lsu.edu/ag-faculty-council/index.php>

