

Linerboard Prices Hold Firm

North American linerboard prices held firm in June, offering a momentary sense of stability in a market still grappling with weak demand, regional uncertainty, and looming structural upheaval. While kraft linerboard and high-performance grades remained steady, recycled content boards continued to feel downward pressure as buyers pushed for discounts and mills balanced cautious optimism with economic headwinds.

Benchmark 42-lb kraft linerboard held between \$940 and \$950 per ton, while high-performance 35-/36-lb grades hovered at \$950 to \$960 per ton.

Regional Markets Paint a Mixed Picture

Market conditions varied by region. Demand remained flat in the Midwest and edged up slightly in the Northeast. In Southern California, box demand appeared to slide modestly. Sellers expressed uncertainty about whether seasonal order activity will pick up in the third quarter. "Hard to say," said one major converter executive.

We continue to see a soft market with key customers reporting slight decreases in volume across the board. No one is in crisis, but the market feels stagnant and many of our customers are in a watch and wait position.

Order Flow Holds, But Backlogs Shrink

Mill backlogs remained stable at three to four weeks—down notably from four to six weeks in late 2024 when demand briefly surged. Executives from two of the top 10 integrated producers said June order levels were virtually unchanged from May.

We see some opportunities to expand our supply base as we continue to add customers

and increase our volume as more companies seem open to talking, but just like on the customer side, suppliers are also waiting to see the impact of these latest cuts in overall supply.

By August 1, more than 2 million tons of North American containerboard capacity is set to be retired. Notable closures include Georgia-Pacific's mill in Cedar Springs, Ga., International Paper's Campti, La., facility, and Smurfit WestRock's Forney, Texas, site. The wave of shutdowns adds to over 3 million tons idled since early 2024.

Retail Drag and Economic Uncertainty Weigh on Demand

Corrugated box shipments in Q1 2025 fell 2.1% year over year—the worst first-quarter performance since 2016. Retail sales slid again in May, adding to concerns about broader consumer weakness. Buyers, especially in e-commerce and end-of-line packaging sectors, remain reluctant to place large forward orders given the uncertainty surrounding tariffs, inflation, and geopolitical instability.

Second-Half Outlook: Supply Tightens but Demand Uncertain

Despite the industry's ongoing capacity rationalization, few expect a pricing rebound in the near term. While some optimism remains for a seasonal volume lift in Q4, most producers are focused on maintaining margins and reducing exposure to volatility.

If closures tighten supply into the holiday season, prices could stabilize—but any meaningful recovery will require a resurgence in end-market demand. Until then, market watchers are bracing for a second half defined more by risk management than growth.

Consolidation Continues

Packaging Corporation of America has agreed to acquire the containerboard operations of Greif,

Inc. for \$1.8 billion in cash, a move that will expand PCA's mill footprint and bolster its corrugated packaging capacity. The deal, expected to close by the end of the third quarter, includes two mills with 800,000 tons of annual capacity and eight sheet feeder and box plants.

Bottom Line

Behind the veneer of pricing stability, the North American containerboard market is undergoing a slow, structural realignment. With sluggish demand and pressure mounting on recycled grades, producers face a delicate balance: protect pricing while managing shrinking volumes. As one insider put it, "Flat prices are the eye of the storm—we're not out of it yet."