

Linerboard Prices Remain Stable

Linerboard prices did not change in October.

North American demand is reported as “steady” in September, with overall box demand still flat. Buyers are cautiously managing inventory, and we are seeing more “rush” orders to meet some unexpected demand for specific boxes where buyers are trying to keep inventories low.

There is evidence of a soft “holiday push” in October, the overall picture is a market that has likely found the bottom and might signal a more balanced cadence in 2025.

Mill backlogs are 4 to 6 weeks, the same range as last month, according to reports.

White top linerboard demand remained tight last month but the Smurfit Westrock mill in West Point, VA, is back up the supply/demand conditions have balanced out with fewer delays.

*Cascades announced price increase of **\$40/ton** for linerboard and **\$70/ton** for corrugating medium has not gone anywhere. There is little support for increased prices from the other major integrated producers*

December orders look uncertain. With Christmas landing on a Wednesday, available shipping days will decline to 19 days, holding down volume for the month.

Some producers spoke of election concerns, interest rate impacts, and a steady but not booming overall economic climate.

This paints a picture of tighter margins going forward as costs are still high while demand continues to be soft. The softer demand picture will mitigate against the ability to get better prices, and we will continue to see margin erosion as box makers vie for their piece of a smaller pie.

Supply and Demand

*Box demand appears to be stabilizing with Q3 shipments slightly down to **96.245 billion ft2** compared to **96.284 billion ft2** in Q2.*

*The industry continues to adapt to this new demand environment. Overall box shipments are only **1.5%** higher than they were in 1994.*

*At the same time, new supply increased **2.8%** in Q3 from Q2 and is now at Q2 2022 levels.*

We should expect to see plant and capacity closures from the major integrated producers as well as more consolidation..

IP has announced the closure of 5 facilities (San Antonio; Cleveland, Tennessee; Kansas City, Missouri; Rockford, Illinois, and Statesville, North Carolina) and these are likely not the last, as the company tries to embrace their drive toward becoming “value” producer.

Word on the street is PCA is in talks with Hood Container Corporation.

*Mills continue to take significant downtime posting operating rates of **90.7%** in Q3 down from 91.7% in Q2, but well over the Q3 2023 rate of 86.2%.*

All in all, this is a soft market with higher production costs, we will soon see who is swimming naked.

Continued...

Display Packaging: Delivering the Brand

Display packaging is more than just decoration; it's central to the customer experience. A recent survey of consumers reported 72% of buyers were influenced by package design when making a purchasing decision.

Display Packaging is a marketing tool for your company and, more importantly, your product.

The Display Packaging Customer

Display packaging has a lot of customers.

- *The end-using consumer. Good display packaging must attract and engage the customer for your product. It has to sell.*
- *The Retailer. Display packaging must meet the style and form factor criteria of the retail environment where it will be displayed.*
- *The Distribution Channel. Displays must be able to withstand travel and handling through distribution centers and freight companies.*
- *The Fulfillment Team. Display packaging must be simple and efficient to facilitate fast and timely packaging for the fulfillment team.*
- *The Packaging Manufacturer. The display packaging must be produced to the highest quality standards for print, form and function.*

A great design that cannot be readily produced, is complex or difficult to fulfill, cannot easily be shipped, does not conform to the retailer's style sheets and does not sell the product effectively is an expensive waste of time.

Keep It Simple

Customers don't buy the packaging; they buy the product. Display packaging can attract a customer, but the product is the point. The customer is buying what is inside. Effective display packaging is centered around the product, not the package design.

Clean lines, clear messaging, strong colors and well designed, rugged displays are the road to success in creating effective display packaging. A design that can be easily fulfilled and that arrives looking great will always outperform something highly creative that falls apart during the long journey from fulfillment to the retail space.

Less is more. We only have a moment to engage a customer, so bold and simple graphic design is the key. Customers will not read a lot of text in a retail environment. Using a QR code you can simplify the information on your display packaging and still give customers quick access to additional information, instructional videos, and promotions.

Structure First

A great looking display that collapses in the store is embarrassing and futile. Everyday we find packaging in stores and on the shelf that are poorly designed to support the product. A key to good display packaging that sells is making sure the structure can withstand the inevitable mis-handling it may receive and still perform.

Print Perfection

A great design with faded or mis-printed graphics is not going to sell.

Think about the how you will print the graphics from the beginning of the project and work with a printer that can meet the highest standard for color match, consistency, and precision.

At Tavens Packaging and Display we have display packaging in our blood as well as our name. We specialize in helping our customers meet tight deadlines with affordable, effective display packaging solutions.