

# Changes to PPI Pulp & Paper Week Boxboard Price Assessments - Final

February 7, 2015

*On November 13, 2015, RISI published a proposal for changes to price assessments for boxboard published in PPI Pulp & Paper Week and called for comments from stakeholders. The proposal was modified based on those comments, and this document presents the final plan RISI will implement.*

*Elements of this final plan that differ from the November 13 proposal are marked as follows:*

*~~original text~~ new text added*

## Summary

In order to provide more useful price assessments, PPI Pulp & Paper Week (PPW) will introduce new “Series B” price assessments for boxboard and gradually phase out the existing List and Transaction prices.

PPW publishes reference boxboard price assessments that represent the price negotiated each month that may serve as a basis from which customer-specific contract terms are given. Over time, discounts have grown so large that PPW’s price assessments have lost some of their value as an indicator of real market prices.

PPW therefore will:

- Introduce new “Series B” price assessments for boxboard at levels 13-22% lower than existing Transaction prices as of January 22, 2016.
- Narrow ranges for kraft grades to \$40, retain recycled grade ranges at \$30.
- Phase out the existing List and Transaction prices after a long transition period.

## Details of proposed changes

### Introduce new “Series B” price assessments

- The new “Series B” price assessments for boxboard will represent the level at which a typical market participant would be able to purchase tonnage, not including discounts for volume or fidelity. Series B price assessments would be from 13-22% lower than existing Transaction prices. Series B price levels relative to existing Transaction prices are still being finalized.
- Series B prices will be launched with ~~one-year~~ three years of historical prices.
- Once the Series B prices are launched, the differential between Series B, Transaction and List prices will remain constant.

### Phase out “list” and “transaction” prices over time

- List prices will be discontinued January 1, 2017.
- Transaction prices will be discontinued June 1, 2017.
- Over the transition period, List and Transaction prices will be reported less prominently in PPW to make clear that the Series B prices are the series that will be reported going forward.
- To help readers make the computation, list and transaction prices will be available online in a separate Price Watch table until June 1, 2017 at [www.risi.com/PriceWatch/NABoxboardLegacyPrices](http://www.risi.com/PriceWatch/NABoxboardLegacyPrices).

**Introduction of lower Series B prices doesn't mean the market price has gone down.** Rather, Series B prices represent something different than Transaction prices. Transaction prices reflect price levels from which most standard customers receive discounts even if they don't have significant volume or other factors typically associated with higher discounts. Series B assessments reflect prices which a standard customer that doesn't qualify for volume or other specific discounts would pay.

## Illustration of the transition

### Timeline

Series	Current	January 2016	March 2016	January 2017	June 2017
<b>Transaction prices</b>	Shown in Price Watch table	Shown in a separate section in the Price Watch table	Moved to explanation in the footnote		Footnote discontinued
<b>List prices</b>	In parenthesis next to grade name	Moved to explanation in the footnote		Footnote discontinued	
<b>Series B prices</b>	--	Introduced as a separate section in the Price Watch table	Shown in Price Watch table	→	

(continued...)

January / February 2016 – Introduce new Series B prices

BOXBOARD	Feb. 2016
<b>SERIES B PRICES*</b>	
<b>Solid bleached sulfate board (SBS)</b>	
16-pt folding carton, C1S	1,005 - 1,035
14-pt cup stock, PE2S	1,225 - 1,255
<b>Coated unbleached kraft board (CUK)</b>	
20-pt folding carton, C1S	945 - 975
<b>Recycled folding boxboard (CRB, URB)</b>	
20-pt clay coated news	775 - 795
20-pt bending chip	605 - 625
<b>TRANSACTION PRICES**</b>	
<b>Solid bleached sulfate board (SBS)</b>	
16-pt folding carton, C1S	1,155 - 1,205
14-pt cup stock, PE2S	1,450 - 1,505
<b>Coated unbleached kraft board (CUK)</b>	
20-pt folding carton, C1S	1,075 - 1,135
<b>Recycled folding boxboard (CRB, URB)</b>	
20-pt clay coated news	995 - 1,015
20-pt bending chip	720 - 750

New Series B prices. Differential between Series B and Transaction prices will be constant going forward.

Transaction prices to be discontinued after **May 2017**.

\***Series B prices** were introduced in January 2016 and will replace the Transaction price series. These new price levels do NOT indicate changes in the market.

\*\* **Transaction prices** will be discontinued after **May 2017**.

**List prices** will be discontinued after **December 2016**. List prices can be calculated by adding the following to the Series B prices:  
 SBS folding carton: \$380 (low side of range), \$360 (high side of range)  
 CRB: \$365  
 CUK: \$340 (low side of range), \$320 (high side of range)  
 URB: \$260 (low side of range), \$250 (high side of range)

List prices moved to footnote. To be discontinued in **January 2017**

Calculated List and transaction prices are available online at [www.risi.com/PriceWatch/NABoxboardLegacyPrices](http://www.risi.com/PriceWatch/NABoxboardLegacyPrices).

## March 2016 – Transaction price moves to footnote

BOXBOARD	Mar. 2016
<b>SERIES B PRICES*</b>	
<b>Solid bleached sulfate board (SBS)</b>	
16-pt folding carton, C1S	1,005 - 1,035
14-pt cup stock, PE2S	1,225 - 1,255
<b>Coated unbleached kraft board (CUK)</b>	
20-pt folding carton, C1S	945 - 975
<b>Recycled folding boxboard (CRB, URB)</b>	
20-pt clay coated news	775 - 795
20-pt bending chip	605 - 625

\***Series B prices** were introduced in January 2016 and replace the Transaction price series. These new price levels do NOT indicate changes in the market.

\*\* **Transaction prices** will be discontinued after **May 2017**. Transaction prices can be calculated by adding the following to the Series B prices:  
 SBS folding carton: \$150 (low side of range), \$170 (high side of range)  
 CRB: \$220  
 CUK: \$130 (low side of range), \$160 (high side of range)  
 URB: \$115 (low side of range), \$125 (high side of range)  
 Cup stock: \$225 (low side of range), \$250 (high side of range)

**List prices will be discontinued after December 2016**. List prices can be calculated by adding the following to the Series B prices:  
 SBS folding carton: \$380 (low side of range), \$360 (high side of range)  
 CRB: \$365  
 CUK: \$340 (low side of range), \$320 (high side of range)  
 URB: \$260 (low side of range), \$250 (high side of range)

Calculated List and transaction prices are available online at [www.risi.com/PriceWatch/NABoxboardLegacyPrices](http://www.risi.com/PriceWatch/NABoxboardLegacyPrices).

## January 2017 – List price footnote discontinued

<u>BOXBOARD</u>	<u>Jan. 2017</u>
<b>SERIES B PRICES*</b>	
<b>Solid bleached sulfate board (SBS)</b>	
16-pt folding carton, C1S	1,005 - 1,035
14-pt cup stock, PE2S	1,225 - 1,255
<b>Coated unbleached kraft board (CUK)</b>	
20-pt folding carton, C1S	945 - 975
<b>Recycled folding boxboard (CRB, URB)</b>	
20-pt clay coated news	775 - 795
20-pt bending chip	605 - 625

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 URB: \$115 (low side of range), \$125 (high side of range)  
 Cup stock: \$225 (low side of range), \$250 (high side of range)

List prices removed from footnote.

Calculated List and transaction prices are available online at [www.risi.com/PriceWatch/NABoxboardLegacyPrices](http://www.risi.com/PriceWatch/NABoxboardLegacyPrices).

## June 2017 – Transaction price footnote discontinued

<u>BOXBOARD*</u>	<u>Jun. 2017</u>
<b>Solid bleached sulfate board (SBS)</b>	
16-pt folding carton, C1S	1,005 - 1,035
14-pt cup stock, PE2S	1,225 - 1,255
<b>Coated unbleached kraft board (CUK)</b>	
20-pt folding carton, C1S	945 - 975
<b>Recycled folding boxboard (CRB, URB)</b>	
20-pt clay coated news	775 - 795
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