

maki mill can produce 62,000 tonnes/yr of newsprint, 40,000 tonnes/yr of uncoated mechanical paper, 132,000 tonnes/yr of coated mechanical paper, 550,000 tonnes/yr of lightweight coated paper, and 302,000 tonnes/yr of specialty paper.

• US imports of pulp and paper from Japan were down 23% in March vs March 2010 imports, Zepol Corp reported today based on TEUs. Most of the imports were from the port in Tokyo, which were down 12% vs a year ago, and one of the biggest declines was from the port of Osaka, down 72%.

Transportation

Pulp, paper 1Q rail rises over 2010, 2009

Pulp and paper rail freight volumes outpaced many commodities and average freight traffic in the first quarter in North America, with combined US-Canada pulp and paper traffic of 126,039 carloads up 9.2% in the period compared with 2010 and 3.5% higher than in 2009.

US-Canada lumber and wood products volume in the quarter at 65,164 carloads was 7.2% higher than 2010 and up 17.2% from 2009, the Assn of American Railroads (AAR) reported.

Primary forest products freight, including pulpwood and woodchips were off 5% from 2010 and 3.4% higher than 2009.

North American pulp and paper traffic including Mexico was 1.2% higher in the latest week ending Apr. 9 and through first quarter was 9.3% higher, with the US showing an 11.3% increase, Canada up 2.7% and Mexico down 36%, AAR showed.

US-Canada pulp and paper freight in March at 48,568 carloads was 10.9% higher than 2010 and 7.1% above 2009.

Total US-Canada rail traffic in first quarter was 4% higher than 2010 and up 9% from 2009, with major commodities such as coal up 3.8% from 2010, chemicals up 8.3%, metallic ores 4.2% higher and grain down 0.5%.

Short-line volumes. Short-line and regional operator Genesee and Wyoming showed pulp and paper freight in March at 8,414 carloads was 12.6% higher than a year ago and for first quarter at 24,309 carloads was 15.3% higher than 2010, driven by higher traffic in the southern region. Lumber and forest products freight was up 3.5% in March and 3.4% in first quarter. The company's total year-to-date volume was up 18.5%, boosted by pulp and paper and farm and food products.

RailAmerica reported its pulp, paper and allied products volume in March at 5,761 carloads was 8.3% higher than a year earlier, and for first quarter at 17,007 carloads was 10.6% above 2010 levels. Forest products freight at 4,427 carloads in March was 1.7% higher and through the first quarter at 11,316 carloads was 4.3% lower than last year.

The company's total freight for the first quarter was down 1%.

RailAmerica signed an agreement to acquire the assets of three short-line freight railroads in Alabama from Gulf and Ohio Railways for \$12.7 million. The three railroads are known individually as the Three Notch Railroad, the Wiregrass Central Railroad, and the Conecuh Valley Railroad. Collectively, the three lines hauled about 6,000 carloads of freight during the fiscal year ended 2010.

Gulf and Ohio also operates five short-line railroads in North Carolina and Tennessee.

News briefs

Gasoline and food prices rose last month in the USA, the *Associated Press* reported today. Gas jumped 5.65% last month and has increased nearly 28% in the past year. Consumers paid an average price of \$3.81 a gallon nationwide today, according to the travel group AAA. Food prices rose 0.8% last month, the largest increase in almost three years. Prices for fruits and vegetables, dairy products, chicken, and beef all increased. Coffee costs rose 3.5%. Separately, the Federal Reserve said US

factories produced more consumer goods, business equipment, and raw materials in March, boosting manufacturing activity for the ninth straight month. Consumers have seen wages and salaries stagnate in the past year, limiting their ability to pay more for many goods, the wire service reported. According to a separate government report today, average hourly earnings for all employees, adjusted for inflation, dropped 1% in the past 12 months... **International Paper (IP)**, which has established itself in the last five years in Russia as part of a venture with **Ilim**, the largest pulp and paper producer in Russia, signed an agreement to buy **UPM's** ownership in Russian logging company ZAO Tikhvinsky Kompleksny Lespromkhoz. The operations, full-time personnel, and logging license covering 184,000 hectares of forest area in Tikhvin in the Leningrad oblast will transfer to IP, the largest paper and board producer in the world based on capacity. The deal price was not revealed publicly and becomes final if approved by the Russian Federal Antimonopoly Service. "It represents another very important step in the implementation of our wood supply strategy," said IP Russia pres Franz Marx, in a release. Also in Russia, IP/Ilim started construction of a new 720,000 tonnes/yr bleached softwood kraft market pulp line at its Bratsk mill in eastern Russia that is to start up next year. UPM, the world's third largest paper and board producer, acquired Tikhvinsky in 2005, and "invested considerable time and effort in improving both its operational and financial results," the release from the companies said. Tikhvinsky gained FSC environmental certification in 2007 ... For the airlaid nonwovens market, **Buckeye Technologies** this week launched moist toilet tissue products called AIRspun Flushable. Buckeye chmn and CEO John Crowe said the product is made "predominantly with our own fluff pulp cellulose from renewable materials, so it fits well with our continued sustainability efforts"... **Procter & Gamble (P&G)** signed an agreement to sell its Pringles snacks unit for \$2.35 billion to Diamond Foods, a San Francisco-based firm that with Pringles becomes the No. 2 global player in the savory snack category, reports said. "Pringles is an iconic, billion-dollar snack brand with significant global manufacturing and supply chain infrastructure," said Diamond Foods chmn and pres/CEO Michael Mendes, in a release. "Our plan is to build upon the brand equity Pringles has established in more than 140 countries." The move more than triples the size of Diamond's snack business, and increases its share in US grocery, mass merchandise, drug, and convenience stores. The P&G Pringles can is made out of special can board that is 100% recycled paperboard... **Silgan Holdings** is acquiring plastics packaging **Graham Packag-**

MAJOR NORTH AMERICAN RAILROAD TRAFFIC 1Q 2011

Carloads originated	Week ending	% chg	13 weeks	% chg
Selected commodities	Apr. 9, 2011	2011/10	of 2011	2011/10
Pulp, paper and allied products	9,320	1.2	126,585	9.3
Lumber and wood products	5,757	13.1	65,296	7.3
Primary forest products	2,983	-11.5	39,083	-5.1
Waste and scrap materials	3,600	-9.9	44,190	-10.5
Chemicals	43,512	5.3	567,189	8.0
Total traffic originated	385,658	2.4	4,896,153	4.2

Source: Assn of American Railroads.