



BMI and the Book Industry 2021

Who is BMI?

- **THE** trade association focused on the manufacturing of the printed book
- Founded in 1933
- Represent both the manufacturing side as well as supplier side
- Mission: BMI supports book manufacturing leaders in their work to drive the promotion, efficiency, and growth of book markets for readers and educators in North America.



State of the Industry

UNIT SALES OF PRINT BOOKS (THOUSANDS)			
	2020	2021	Change YTD Through 3/31
Total	158,033	204,710	29.2%
By Category (thousands)			
Adult nonfiction	66,439	82,382	24.6%
Adult fiction	28,964	39,015	34.7%
Juvenile nonfiction	15,868	17,720	11.7%
Juvenile fiction	38,870	54,263	39.6%
Young adult fiction	4,233	6,891	62.8%
Young adult nonfiction	654	934	42.9%
By Format (thousands)			
Hardcover	43,254	58,889	36.1%
Trade paperback	88,829	111,556	25.6%
Mass market paperback	8,938	10,201	14.1%
Board books	10,004	14,119	41.1%

Figure 13—Source: NPD Bookscan



State of the Industry

TOTAL U.S. BOOK PUBLISHER SALES (IN MILLIONS)			
	Jan-Dec 2019	Jan-Dec 2020	% Change
Adult Books	\$4,913.8	\$5,502.1	12.0%
Children's & Young Adult Books	\$2,283.5	\$2,430.5	6.4%
Religious Presses	\$640.5	\$667.2	4.2%
Professional Books	\$612.7	\$618.9	1.0%
K-12 Instructional Materials	\$3,168.3	\$2,546.7	-19.6%
Higher Educational Course Materials	\$3,001.6	\$2,872.5	-4.3%
University Presses	\$48.3	\$49.4	2.2%
All Other	\$70.2	\$65.5	-6.6%
Total	\$ 14,738.9	\$ 14,752.8	0.1%

Figure 15—Source: The Association of American Publishers



State of the Industry

Unit Sales of Printed Books

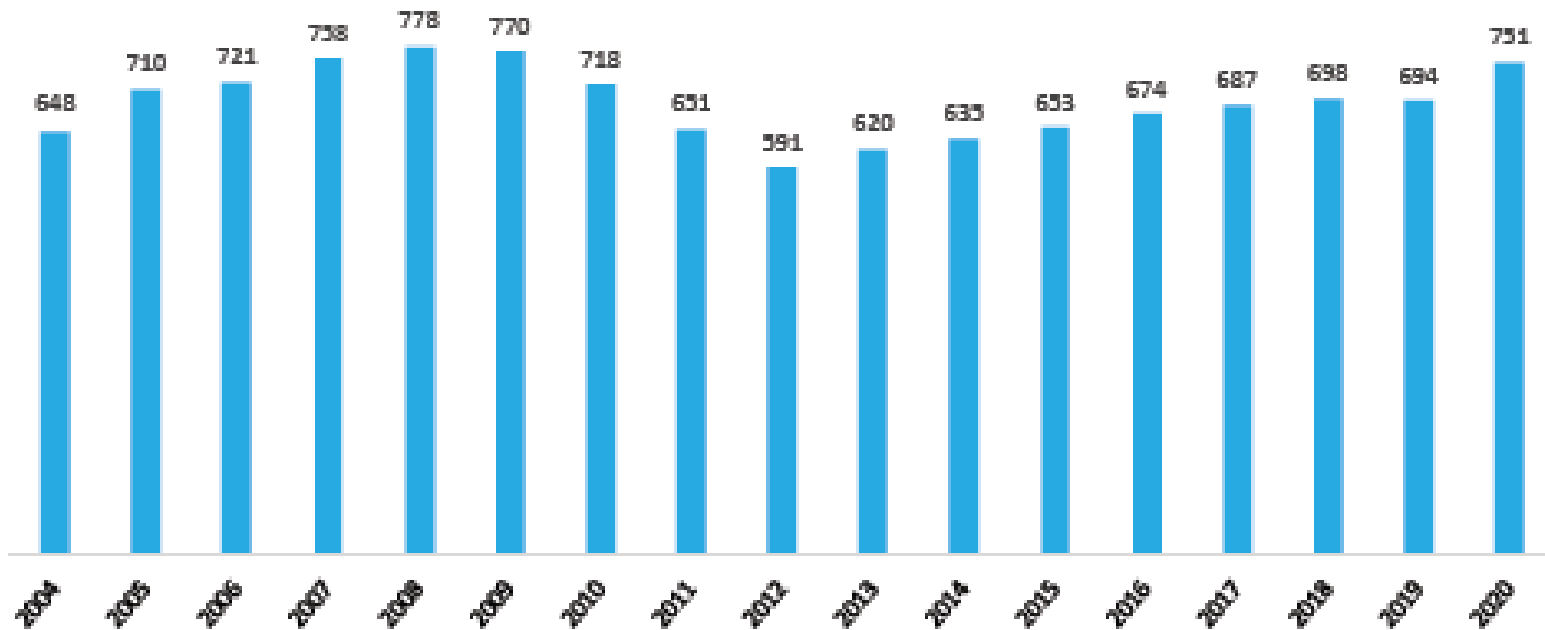


Figure 14—Source: NPD Bookscan

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What are We Seeing in 2021

- POD continues to grow
 - Quality seen as good as offset in many instances
 - Backlist sales continue to grow
 - Can assist with inventory management
- Run lengths for certain things are actually increasing
 - Cookbooks, social justice, politics
 - Planning around capacity and mitigating lead times
 - Focus on bringing manufacturing back to USA



Other Trends

- **Consolidation Continues**
- Paper Market Questions
 - Input Prices Rising (pulp, transportation)
 - Capacity reduction – shift to packaging
- Transportation and Freight Challenges
- Labor Challenges
- COVID
- Education Market Uncertainty
- Growth Areas – Comic Books, Self Publishing, etc.



Mill / Machine Closures and/or Bankruptcies

- Norpac PM1 Longview, WA, White Birch Ashland, Resolute Forest Products Thorold idled - 900,000 annual tons of newsprint
- Resolute Forest Products Catawba PM2 – 193,000 tons of coated groundwood (2017 Q3)
- Resolute Calhoun PM3 and PM5 - 435,000 tons of uncoated mechanical (2017 Q3)
- Glatfelter Chillicothe PM24 - 57,000 tons of uncoated freesheet (2017 Q3)
- Verso Androscoggin PM3 - 215,000 tons of coated (2017 Q3)
- Appleton Coated - 300,000 tons, mix of coated, uncoated and C1S freesheet (2017 Q4)
- West Linn - 267,000 tons, mix of coated and uncoated and C1S freesheet (2017 Q4)
- UPM Blandin PM5 - 128,000 tons of coated groundwood (2017 Q4)
- Georgia Pacific Camaas PM20 - 237,000 tons of uncoated freesheet (2018 Q2)
- Flambeau River PM3 - 70,000 tons of uncoated freesheet (2018 Q1)
- Nippon Paper Group: Fuji, Hokkaido and Kushiro - 531,000 tons (2019-20)
- Georgia Pacific Port Hudson, LA mill - 630,000 tons (2019)
- Verso Luke, MD mill – 450,000 tons (2019 Q2)
- Flambeau River Papers - Chapter 128 – 20,000 tons (2019 Q2)
- UPM Plattling, Germany PM 10 - 155,000 tons (2019 Q2)
- Norske Albury Mill – 265,000 tons of newsprint (2019 Q4)
- Domtar PM A63 at Ashdown and PM PH6 at Port Huron – 204,000 short tons (2019 Q3)
- Greif, Inc. PM1 at Mobile, AL – 64,965 tons of uncoated recycled board (2019)
- UPM Rauma, Finland PM2 – 265,000 tons of SC (2019 Q4)
- Resolute Forest Products Augusta, GA – 214,000 tons of newsprint (2019 Q4)
- UPM Chapelle, Grand-Couronne, France – 240,000 tons of newsprint (2020 Q1)
- Verso Duluth and Wis. Rapids – 810,000 tons of coated and super cal (2020 Q2)
- Pondaray Newsprint Company, Newport, WA (2020 Q2)
- Sappi Stockstadt Germany and Westbrook, ME Mills (2020 Q3 and Q4)
- Domtar Ashdown, AR, Port Huron, MI, and Kingsport, TN mills - 720,000 short tons (2021 Q1)
- UPM Kaipola, Finland – 270,000 tons (2020 Q4)
- WestRock, Evadale, TX – 200,000 tons of SBS (2020)
- Norske Skog Saugbrugs, Norway PM5 Shutdown – 110,000 tons of SC (2020 Q4)
- Stora Enso Veitsiluoto Pulp and Paper Mill - 790,000 tons of uncoated freesheet (2021 Q3)
- Stora Enso Kvarnsveden Pulp and Paper Mill – 565,000 tons of SC (2021 Q3)
- Evergreen Packaging Pine Bluff Arkansas Mill– 180,000 tons of coated groundwood (2021 Q4)



Printer Closures and/or Bankruptcies

Printer Closures:

- Central Florida Press, Orlando, FL (2017)
- Quad/Graphics - Waseca, MN (2017)
- Quad/Graphics - Taunton, MA (2017)
- LSC Communications - Long Prairie, MN (2018)
- Quad/Graphics - Dallas, TX (2018)
- Edwards Brothers Malloy (2018)
- Pinnacle Press, Hayward CA (2018)
- Jones Printing, Chattanooga, TN (2018)
- T+J Graphic Arts, Redwood City, CA (2018)
- Ace Printing, San Rafael, CA (2018)
- Quad/Graphics - Hazleton, PA (2018)
- Vanguard Printing, Ithaca, NY (2018)
- James E. McGirr, Plymouth, MA (2018)
- Bethany Printing Company, Bethany, MO (2018)
- Quad/Graphics - Franklin, KY (Q1 2019)
- LSC Communications - Lynchburg, VA (Q2 2019)
- McCormick Armstrong, Wichita, KS (Q1 2019)
- North American Communications, Duncansville, PA (Q2 2019)
- Torstar Corp, Hamilton, ON, Canada (Q3 2019)
- Amsterdam Printing & Litho, Amsterdam, NY (Q2 2019)
- Quad - Midland, MI (Q3 2019)
- LSC Communications - Torrance, CA (Q3 2019)
- Quad - Shakopee, MN ((Q3 2019)

Printer Closures - Continued:

- Sentinel Printing, St. Cloud, MN (Q4 2019)
- LSC Communications - National Pub, Philadelphia, PA (Q4 2019)
- Quad - Riverside, CA, Portland, OR and Charlotte, NC (Q1 2020)
- Whitehall Printing Company, Naples, FL (Q1 2020)
- LSC Communications - Strasburg, VA, Glasgow, KY and Mattoon, IL (Q3 2020)
- Sinclair Printing, Los Angeles, CA – winds down operations (Q1 2020)
- Cenvo - Cadmus, Richmond, VA (Q2 2020)
- Thoroughbred Printing, Lexington, KY (Q2 2020)
- Jostens, Visalia, CA (Q4 2020)
- RRD Hennegan, Florence, KY (Q3 2020)
- Arandell, Walton, KY (Q3 2020)
- LSC Communications – Kendallville, IN (Q4 2020)
- Quad Oklahoma City (Q1 2021)
- LSC Spartanburg, SC (Q1 2021)
- RRD Lewisburg, PA (Q4, 2021)
- SCNG Anaheim, CA (Q1 2022)

Printer Bankruptcies:

- Boss Litho, Inc. City of Industry - Chapter 11 Filing (2018)
- Cenvo, Inc. - Chapter 11 Filing (2018)
- Medallion Press, Inc. – Chapter 7 Filing (2018)
- Scheffer Printing, LLC – Chapter 7 Filing (2020)
- LSC Communications – Chapter 11 (2020)
- Arandell – Chapter 11 (2020)

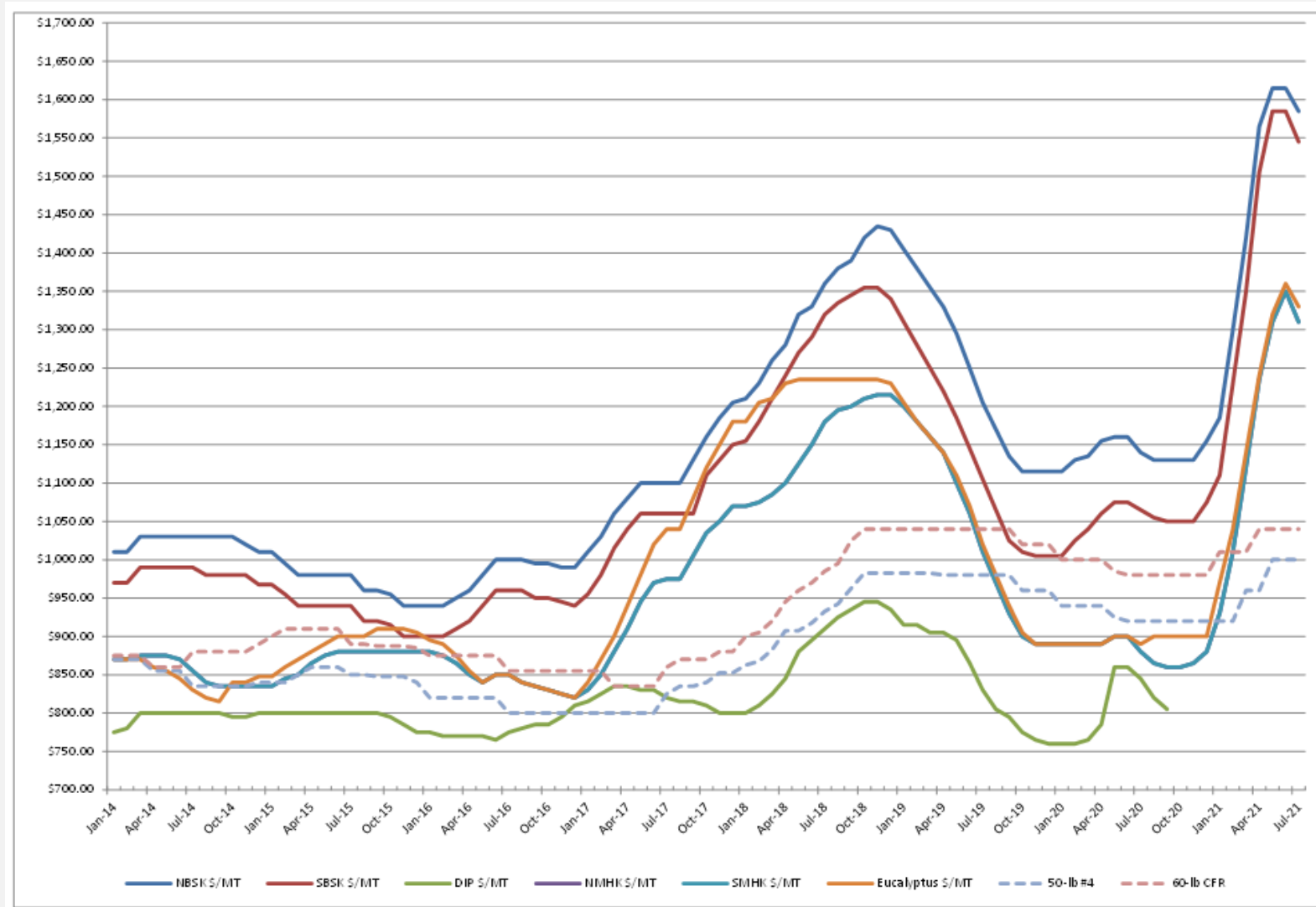


Other Trends

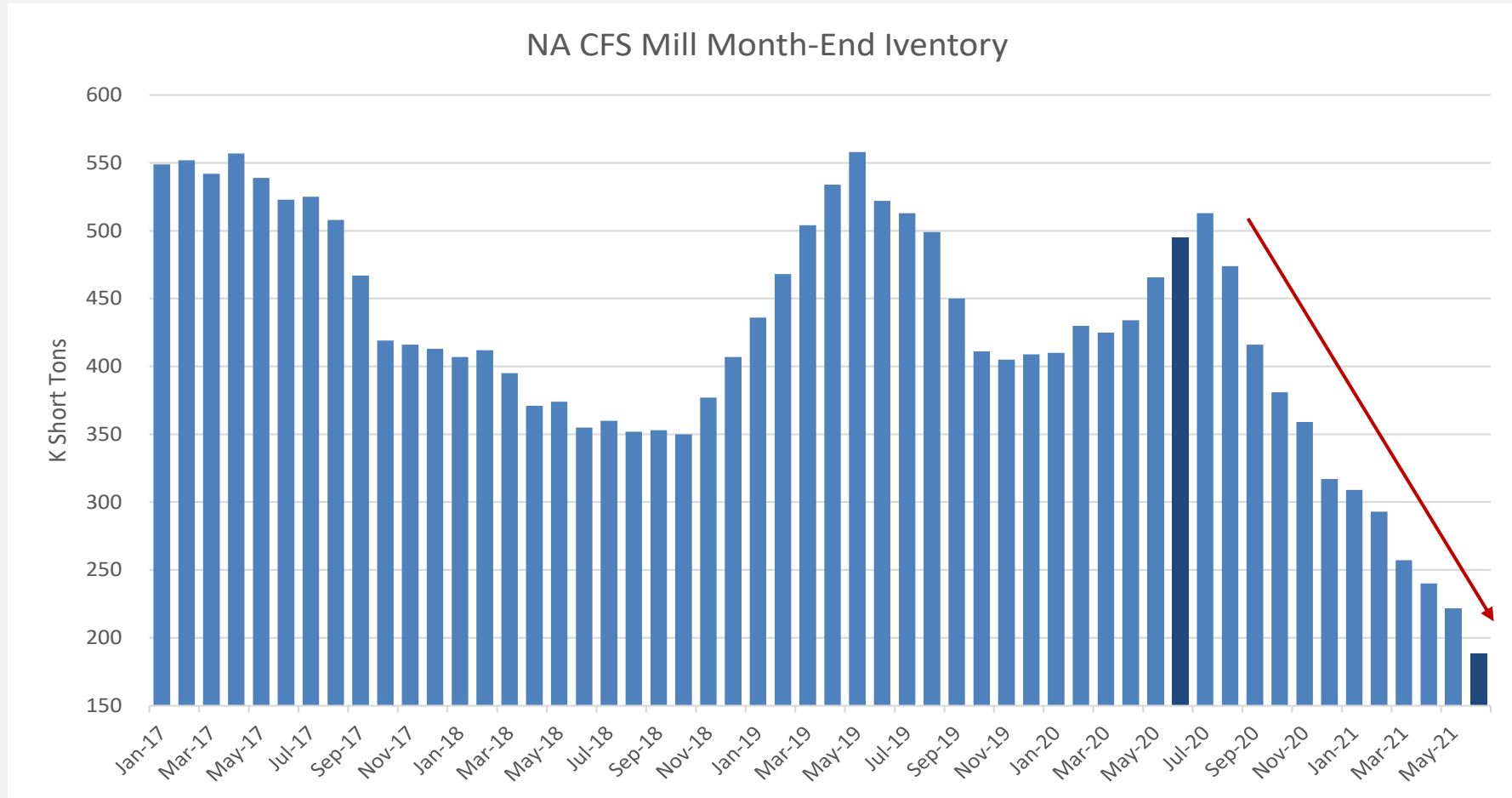
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 - **Input Prices Rising (pulp, transportation)**
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North American Pulp Prices



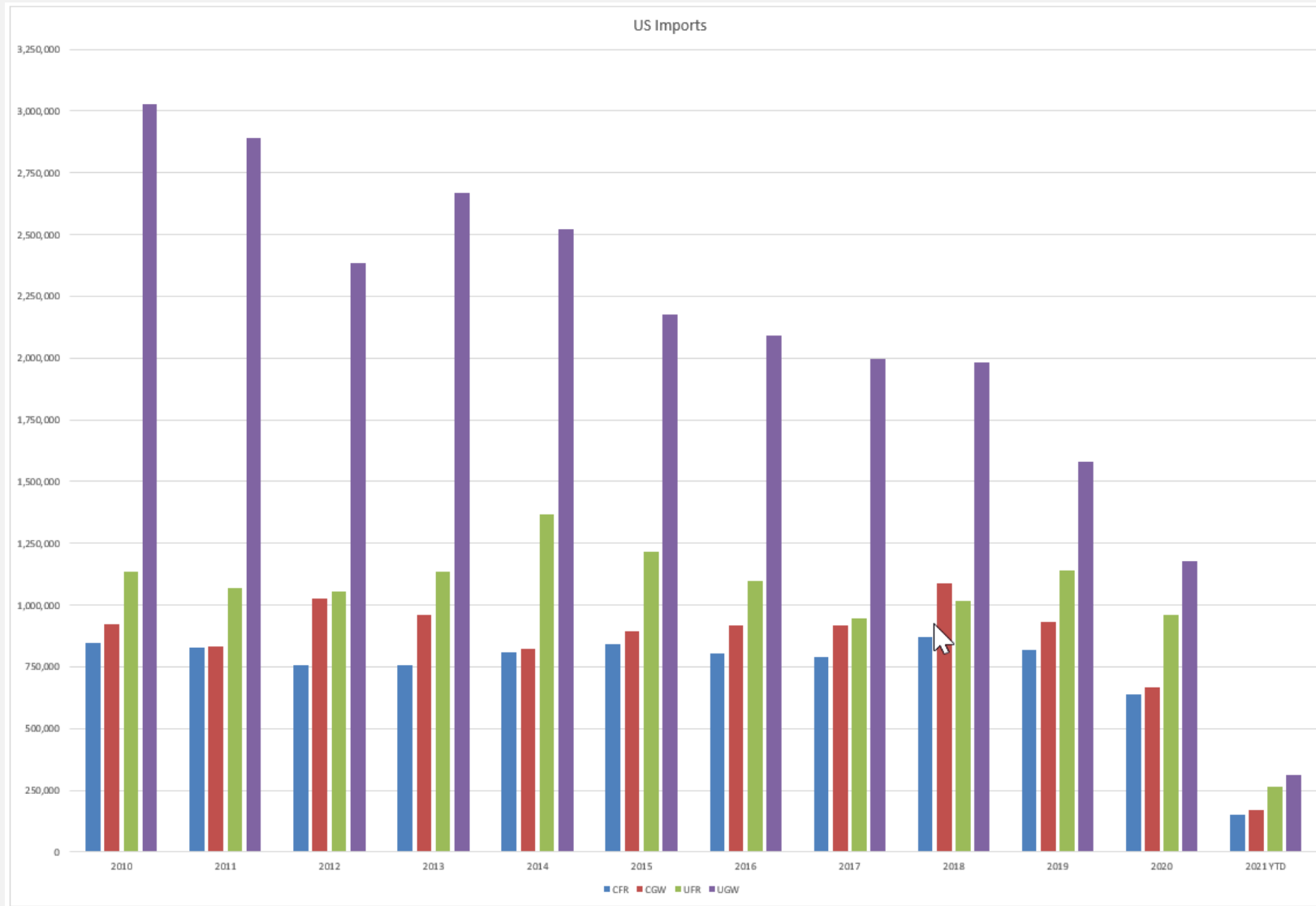
North American CFS Inventory



Source: PPPC



Paper Challenges

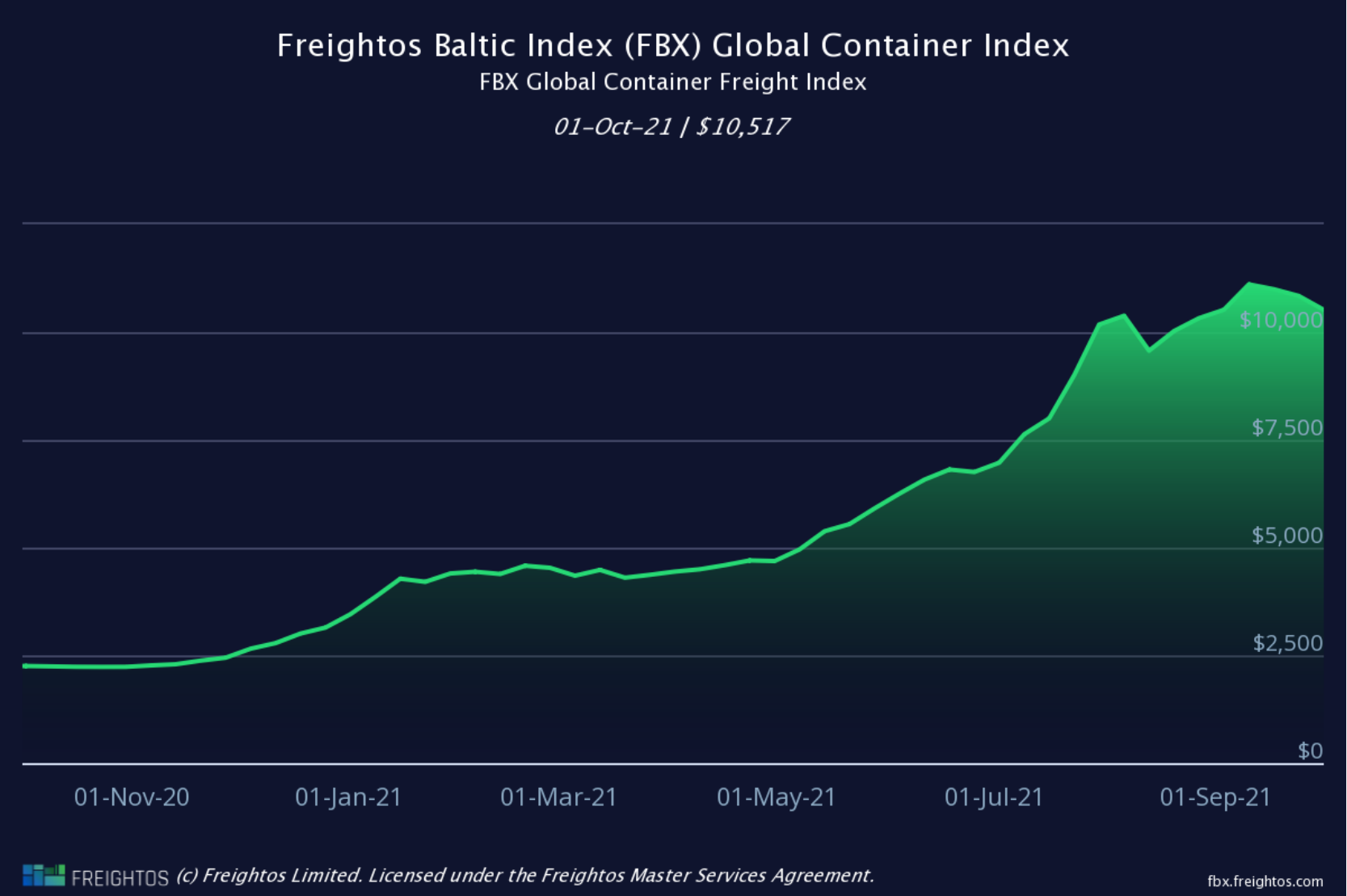


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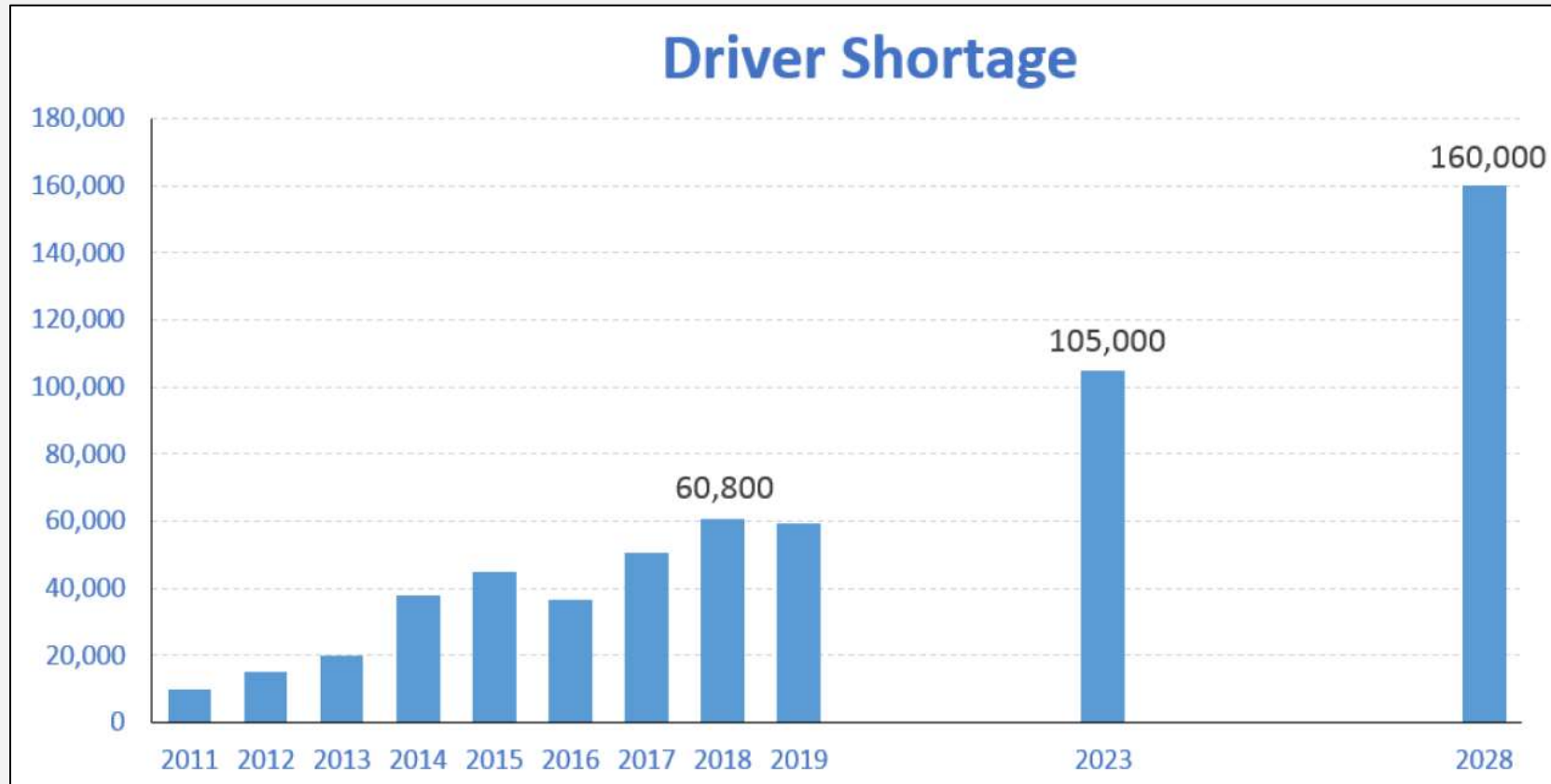
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Global container freight rate index



Truck Driver Shortage



Source: American Trucking Associations
Truck Driver Shortage Analysis



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Labor Challenges

- Covid caused early retirement
 - Estimates of 1.2M over 55 that left the workforce
- Not enough in the workforce
 - BLS August #s show 8.4M unemployed, but 10.9M open jobs
- Workforce participation is still down
 - Proportion of adults 16 or older who are employed or looking for a job is at 61.7% (August) while it was 63.3% in Feb 2020.



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- **COVID**
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State of the Industry

Self Published Books In the United States

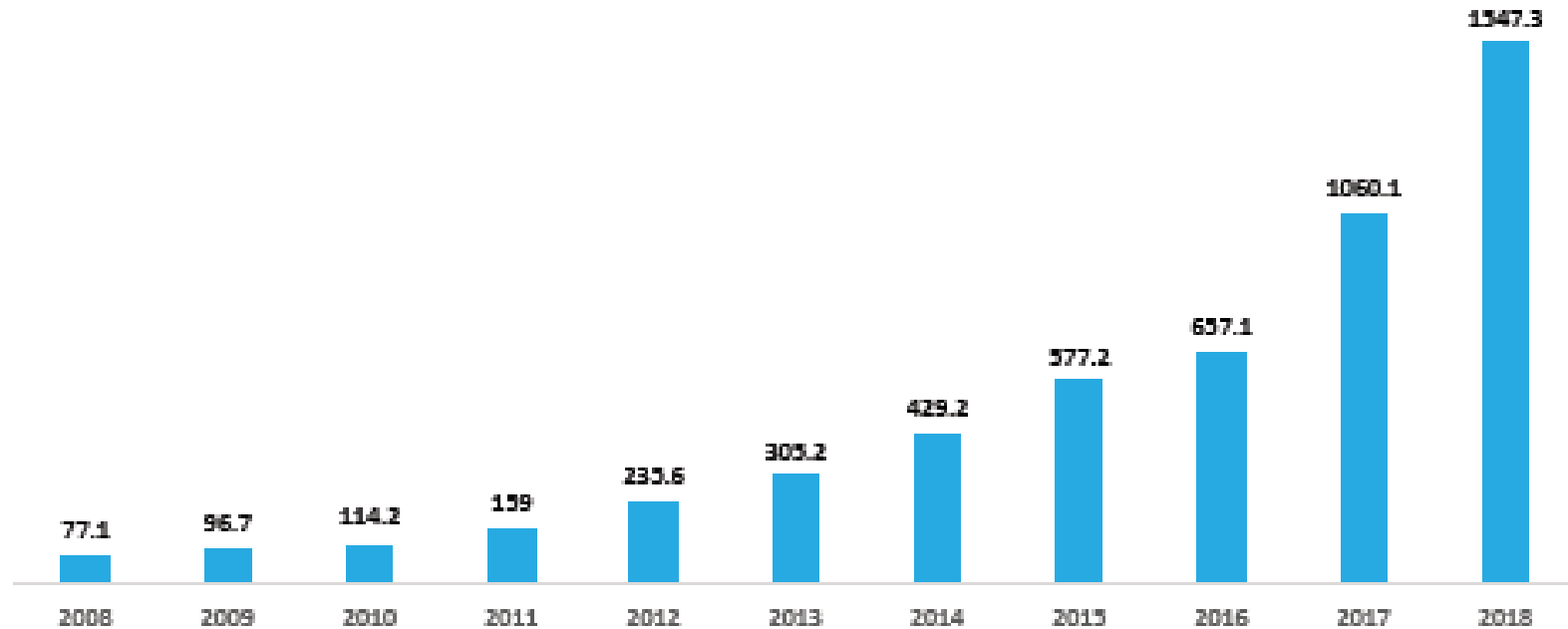


Figure 20—Source: Statista

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