

WASTE & RECYCLING NEWS

A mark of the future

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Jim Johnson

Officials at FutureMark Paper Co. figured their mill was ahead of the curve, but there still were no guarantees when they purchased their recycled paper site late in 2009.

Now, just about a year later, the Alsip, Ill., operation near Chicago is running at full capacity and sells all of the paper it can make.

“The quick story here is the mill is way ahead of its time. It’s been recycling paper for 40 years,” said Steve Silver, CEO of the company. “The mill went through several owners, one or two bankruptcies.”

By the time Lexington, Mass.-based Watermill Group came along and purchased the site, the facility had been up for sale by the Myllykosi Group of Finland for a couple of years.

“It never did very well and the previous owner put it up for sale. There wasn’t a lot of people lined up to buy it,” Silver said. But the private equity firm, he said, saw potential where others saw danger in a down economy that’s been exceptionally rough on the paper industry.

Between \$200 and \$300 million had been pumped into the site earlier this decade to convert the mill from newsprint production to lightweight coated mechanical paper. That’s the type of glossy paper used in magazines, advertisements and catalogs. And while the site always relied heavily on recycled fiber to make new paper, previous owners never touted that fact.

Watermill saw an asset in a market that is increasingly going green. Others saw a mill producing a recycled product and were concerned it would not sell as well as virgin paper that’s commonly used for magazines and catalogs, the CEO said. “What we saw is some underlying value.”

With a “green tidal wave” occurring in the United States in recent years, Silver said, Watermill figured it could sell the mill’s 93% recycled content paper to all kinds of companies and publishers eager to prove they are green.

“We thought the time was right to tell the story,” Silver said. And so they did.

FutureMark has the capacity to make about 150,000 tons of paper each year and currently uses a mix of old newspapers, old magazines and higher grades as raw materials — about 400 tons per day. The company adds about 7% virgin pulp to help provide strength to the finished product, but that’s down from about 14% just a couple of years ago.

The company, in advertising literature, says it diverts more than 200 million pounds of paper from landfills each year.

FutureMark sits along an industrial stretch of road in Alsip on about 25 acres, where a steady stream of locally sourced recycled fiber is fed into the site’s deinked pulp mill. That’s where the ink is removed and the old fiber is prepared for reuse.

“We have a very small reserve. We have about a four-day supply on hand. We like to get the fiber quickly and use it quickly,” said Steven Smith, vice president of the Alsip mill. “Because the longer the ink cures on the fiber, the harder it is to remove from the fiber.”

Keeping a small, but steady supply on hand also has financial benefits. “You don’t want to tie up millions of dollars on waste fiber if you don’t have to,” Smith said. “It’s a big advantage to be a recycled paper mill in an urban forest.”

Keeping a steady supply on hand has not been the problem, but the company has seen a degradation of quality as more and more communities go to single-stream recycling, Smith said. Contamination is much higher than it used to be, but FutureMark has the equipment needed to tackle that issue.

“A big part of our success and our ability to serve the market is the quality of our deinking plant we have and the things we learned about how to sort fiber and how to operate it to get the best quality,” he said.

While the company has made a name for itself by producing highly recycled end products, FutureMark also has been able to cut its own waste by finding a use for byproducts from the its own manufacturing process.

About 90,000 tons per year of coatings, fillers and paper dust that were once sent to landfills are now used as a soil amendment.

So why is FutureMark having success now when the mill’s previous owner looked for a way out?

“It’s really a pure marketing story,” Silver said. “The only thing that’s changed is we explain [the recycling story].” The mill, he said, was “never marketed it as the environmental sustainability pure play that it is.”

“Most paper companies aren’t good marketers,” Smith said.

“The other thing, we make a big deal out of is who we do business with,” Silver said. If major players like Wal-Mart and Staples see value in using FutureMark’s paper, others will follow, the company said it believes.

Watermill would not reveal the mill’s purchase price, but Silver did provide a little insight. “It was a bargain,” he said, adding the price was “far less” than the cost of building new.

“The demand for green products has clearly moved beyond tree huggers to everyday families and Fortune 500 companies. Companies that supply the products they want are being handsomely rewarded,” Silver said.

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