



Pine Chemicals Association, Inc.

Newsletter

3350 Riverwood Pkwy SE, Suite 1900, Atlanta GA 30339

May 2008

Number 14

Also read in this issue about:

- Industry News:
 - Eastman
 - China Rosin Derivatives Assoc.
 - Flint
 - International Paper
 - MeadWestvaco
 - Weyerhaeuser
 - Resitec
- Market
 - Paints & Coatings
- Regulatory
 - Food Contact
 - USEPA
- PCA New Members
- PCA Upcoming Events

For further information access our website:

www.pinechemicals.org

PCA HOLDS 2008 ANNUAL MEETING IN POINT CLEAR

The Pine Chemicals Association held its 2008 Annual Meeting on April 30th, May 1st and 2nd at the Grand Hotel Marriott Spa & Golf Resort in Point Clear, Alabama. Attendance at the meeting was excellent with 45 Delegates and 11 Spouses & Guests. For the most part the weather cooperated except for strong winds on the second night.

The Annual Meeting began on Wednesday evening with our customary Reception and Buffer Dinner held at Julep Point. It was an excellent opportunity for attendees to renew old acquaintances and to meet newcomers.

On Thursday morning a brief General Session was held following the PCA Board of Directors meeting and prior to the meetings of the three Committees. At the General Session PCA Chairman Jerry Cross welcomed all to the Annual Meeting and recognized new members and first time attendees. Representatives in those two categories included

Alabama River Pulp
Privi Organics
Hainan Wuzhishan Group
Guangzhou Komo Chemicals
Winpine Lt. / Chinese Rosin Derivatives Association

Open meetings of the three PCA Committees, Membership & Information, Meetings, and Environmental Health & Safety were held for the balance of the morning. Starting at noon was the annual PCA Golf Tournament with 28 participants.

The evening's reception was moved inside from its scheduled venue on the Pier due to windy conditions. Greg McLean, our very capable and resourceful Golf Chairman awarded the very valuable and highly coveted golf trophies. The theme for this year's prizes was the 2008 Olympic Games.

PCA ANNUAL MEETING PHOTOS



Nancy & Jerry Cross at Wednesday's Welcome Reception.



Mary & Ralph Gill at Wednesday's Welcome Reception.



Faye & Greg Adams at Wednesday's Welcome Reception.



Yulia & Nicolai Khodov at Wednesday's Welcome Reception.

The session on Friday morning consisted of the annual business meeting of the Association. As is our custom reports were presented by the three Committee Chairmen, Jeff Redmond (Membership & Information), Corey Schneider (Meetings), and Nelson Lawson (Environmental Health & Safety). In addition Jerry Cross gave his remarks on the "State of the Association", and Walter Jones presented the Financial Report. The morning's session concluded with the unanimous election of the slate of Officers & Directors presented by the Nominating Committee. The new Officers & Directors for 2008 / 2009 are as follows.

Jerry Cross – Eastman Chemical – Chairman
 Mike Roberts – Georgia-Pacific – Vice Chairman
 Jerry Marterer – Past Chairman
 Greg Adams – International Flavors & Fragrances
 Brad Crocker – Hexion Specialty Chemicals
 Juergen Convent – Henkel
 Lee Godina – Resinall
 Pat Grozier – Hercules
 Corey Schneider – DRT
 Glen Varnadoe – Arr-Maz Custom Chemical
 Steve Violette – Plasmine Technology

Congratulation to all of those elected to lead the Association for the coming year!

The PCA Annual Meeting concluded with a casual Buffet Lunch.

INDUSTRY NEWS

CHINA ROSIN DERIVATIVES ASSOCIATION

On March 18th 2008, Chinese Rosin Derivatives Association (Ltd.) celebrated its foundation in Zhaoqing. Guangzhou KOMO Chemicals Co., Ltd., the leading manufacturer of rosin esters, which was elected as Chairman of the association, hosted this event. Over 70 companies attended the conference. Mr. Ni Rulin, the vice chairman of CCCFNA made a speech.

Recent missions of this organization include helping its members to cope with REACH and negotiating with governments for favorable policies, i.e. VAT Rebate. Ms. Li Yi of CCCFNA is the general secretary and Mr. Zhao Wei is the COO of this non-profit organization.

FLINT BUYS SIEGWERK'S INK UNIT

The Flint Group has announced the purchase of Siegwark's packaging ink business in Australia and New Zealand. The business being purchased produces flexible film and oil packaging inks and coatings and has estimated sales in the Asia – Pacific region of US \$38 million.

PCA ANNUAL MEETING PHOTOS



D. B. Rao & Tony Harris at Wednesday's Welcome Reception.



Sunset on Mobile Bay.



Delegates attend Thursday's General Session.



Greg McLean explaining rules for the PCA Golf Tournament.

INTERNATIONAL PAPER AGREES TO PURCHASE WEYERHAEUSER'S PACKING BUSINESS

International Paper has signed an agreement with Weyerhaeuser to purchase its Container Board, Packaging and Recycling business for US \$6 billion. IP expects to close the sale in the third quarter of 2008. The sale to IP follows the sale of Weyerhaeuser's fine paper business to Domtar in 2006.

For both companies the transaction meets goals of their respective CEO's to concentrate on fewer lines of business as a way to survive world wide competition.

At present, prior to the acquisition of Weyerhaeuser's packaging business, International Paper's Industrial Packaging group, headquartered in Memphis, TN, has 9530 employees and a production capacity of 4.8 million tons. Their products include linerboard, shipping containers, bulk bins, and corrugated boxes. Net sales for IP's Industrial Packaging group in 2007 were approximately US \$5.2 million.

MEADWESTVACO TO ACQUIRE PINE CHEMICALS PRODUCT LINES FROM EASTMAN CHEMICAL

MeadWestvaco Corporation Specialty Chemicals Division has announced the signing of a definitive agreement to acquire Eastman Chemical Company's pine chemicals product lines. The acquisition of Eastman's tall oil rosins and tall oil fatty acid business will expand MeadWestvaco's Specialty Chemicals business.

This transaction, will result in MeadWestvaco acquiring all intellectual property and technology associated with Pamite tall oil rosins and Pamak tall oil fatty acids now manufactured at Eastman's Franklin, Virginia, plant. MeadWestvaco will transfer production to its Specialty Chemicals plants in DeRidder, Louisiana, and Charleston, South Carolina. Eastman will continue to own, operate and sell the Pamolyn product line manufactured in Franklin, Virginia.

MEADWESTVACO TO SELL CHARLESTON, SC MILL

Mead Westvaco has announced a definitive agreement to sell its kraft paper mill located at Charleston, SC to KapStone Paper and Packaging for US \$485 million. Also included in the sale is a lumber mill located in Summerville, SC, and chip mills located in Elgin, Hampton, Andrews, and Kinard, SC.

Two MeadWestvaco businesses will remain headquartered in Charleston, the Specialty Chemicals Division which will continue to operate adjacent to and receive raw materials from the mill, and the Community Development and Land Management Group.

PCA ANNUAL MEETING PHOTOS



Corey Schneider conducts meeting of the PCA's Meetings Committee.



Nelson Lawson conducts meeting of PCA's EHS Committee.



Jeff Redmond conducts meeting of PCA's Membership & Information Committee.



Golf prizes are awarded at Thursday night's Reception.

MEADWESTVACO & CHEMSERVE FORM BRAZILLIAN JOINT VENTURE

MeadWestvaco Specialty Chemicals and Resitec Industria Quimica, Ltda. have announced the formation of an equal partnership joint venture company to serve the pine chemicals market in Brazil. The new JV will enable Resitec to broaden its product offerings and strengthen MWV's presence in South America. Resitec is part of the South African company, Chemsolve.

Under the terms of the agreement, Resitec will continue to offer production and service support to its customers and will assume some production and all regional sales of MWV's products. Resitec's current management will remain in place under the leadership of Bernardo Mello, managing director.

The new JV company will include Resitec's headquarters and manufacturing facilities located near Rio de Janeiro, and a new tall oil refinery currently under construction in Lages, Brazil. Start up of the refinery is anticipated during the fourth quarter of 2008.

MARKET

OUTLOOK FOR PAINTS AND COATINGS

The severe downward correction in the US housing market is expected to continue to pressure architectural and some industrial coating in 2008. However, increased regional diversification should help offset US conditions for the large paint producers. Also, raw material and overhead synergies should help improve profitability for the larger companies.

REGULATORY

FOOD CONTACT NOTIFICATION LOBBYING SUCCESSFUL!

For the past two years the PCA has been part of the Food Packaging Industry Coalition, group of industries and trade associations devoted to restoring funding for the Food Contact Notification (FCN) program at the Food and Drug Administration. FCN is a simple process to get approval for new packaging inks, coatings and adhesives and the pine chemicals contained in them by simply writing a letter to the FDA and waiting 90 days. Previous to this, changing formulations could take as long as five years. Money to support FCN was cut from the Federal budget twice, but through targeted lobbying of key representatives and senators we have finally been able to have the funding fully restored. This is a real benefit to PCA members for little cost on our part.

PCA ANNUAL MEETING PHOTOS



Golf prizes are awarded at Thursday night's Reception.



Ann Chamberlin & John Smith at Thursday night's Reception.



Jerry Cross provides comments on the "State of the Association" at Friday Business Meeting.



Lee Godina of Resinall receives PCA Safety Award from Nelson Lawson.

USEPA INTENDS TO RESET TSCA INVENTORY

EPA recently announced that they are considering approaches to inactivate past approvals of chemicals on the TSCA Inventory that are believed to be NOT in commercial production – the so-called "TSCA Reset." This could have a significant impact on all producers and importers of pine chemicals in or into the USA, delaying the production or import of chemicals that were once approved but temporarily abandoned.

PCA intends to comment on EPA's proposal and we want your input. The Environmental Health & Safety Committee is plugged into this, but if you don't have a representative or are not a PCA member you might want to keep up with it. Please contact Cheryl Morgan at PCA if you want to be copied on any pertinent correspondence or have thoughts on the matter. Better still, why not considering joining PCA for more direct input!

PCA WELCOMES NEW MEMBERS

PCA is pleased to announce that the following company as a new members of the Association.

KEENEYES INDUSTRIAL CORP. - TAIWAN

PCA UPCOMING EVENTS

Please mark your calendars with the dates off the following meetings;

2008 PCA INTERNATIONAL CONFERENCE – 28, 29, 30 September, 2008– International PRAHA Hotel, Prague, Czech Republic, Europe

2009 PCA ANNUAL MEETING – 22, 23, 24 April, 2009– Inn on Biltmore Estates – Asheville, NC , USA

2009 PCA INTERNATIONAL CONFERENCE – 20, 21, 22 September, 2009– The Fairmont Hotel, San Francisco, CA, USA