



THE ASSOCIATION & VOICE OF THE US SEWN PRODUCTS INDUSTRY

## Members mixed on prospects of resuming ‘normalcy,’ reshoring traction

By Devin Steele

SEAMS’ members polled in our lead story about how their businesses are faring during COVID-19 were also asked if they are seeing “light at the end of the tunnel” as it relates to business returning to “normal” times. And they were asked to share their thoughts on whether or not the Made-in-America(s) movement is gaining traction.

Jonathan Kurz, President of Apex Mills, said he remains cautiously optimistic as we continue to try to move past the pandemic.

“We are seeing an uptick in orders and our core business return,” he said. “However, as businesses reopen and flu season looms, we are taking precautions. We are continuing to expand our face mask line and trying to balance supply and demand.”

Kurz added that now is the time for U.S. manufacturing to step up.

“Relying on critical resources from overseas has hurt our nation,” he said. “Investments were made to alter factories, enabling them to pivot production. I believe businesses will see an opportunity, not only for themselves but for the country, and commit to filling the gaps. I believe in and support the Made-in-USA Movement and feel it will continue to gain momentum and federal government attention.”

The co-owner of America Knits said the company has been so busy with PPE production that “We really have not been able to look up from the PPE evolution into different products to meet shortages,” said President Steve Hawkins.

As for reshoring, he added that in a capitalist society, all businesses are driven by reducing costs “as part of beating the next guy.”

“I personally believe that a ‘story told properly’ can spur the American consumer to do what’s best for all of our country, including paying a little more to create jobs and bring better-paying, more automated manufacturing jobs back to America,” Hawkins said. “We do it different at America Knits and have created a ‘vibe’ that has attracted a huge amount of YOUNG people to learn a trade that left over two decades back.”

David Sasso, Vice President of International Sales at Buhler Quality Yarns, added that he doesn’t believe there will be a “normal” going forward.

“Our industry will be faced with good opportunities if we can shift into greater flexibility in manufacturing,” he said. “This pandemic exposed the weaknesses in global supply chains. Couple that risk with consumers embracing online purchases even more. This lends itself for more individualism in buying and placing product on the virtual shelf at the ‘right speed.’ Brands will have to know how to source this hemisphere and how to calculate the benefits of time. It is crucial to know your textiles.”



THE ASSOCIATION & VOICE OF THE US SEWN PRODUCTS INDUSTRY

He added: “The right products can be made nearby and be profitable. But brands and retailers seem to have blinders on when choosing price over speed. There is a system in making the best decision. My hopes are that retailers start realizing these benefits. Risk reduction and higher profitability should push retailers and supply chain networks to form very close ties – farm or fiber to shelf.”

Matt Poovey, President of Champion Thread Co. (CTC), said that while his company is certainly not immune to the uncertainty and chaos surrounding this pandemic, it is “blessed” to have avoided much of the downturn that has fallen many in the industry

“Like many others, CTC has quickly pivoted from the initial panic, short-term reduction in orders, significant shifts in product demand and into full growth mode,” he said.

He called the response by the industry to the tremendous needs brought on by this pandemic “nothing short of amazing.”

“We do believe that not only have politicians and government officials noticed this quick and effective response, but many of our citizens have also come to realize the untold ‘cost’ of the loss of our country’s manufacturing base,” he said. “We now see a significant rethinking of supply chains – especially for supplies essential to our health and wellbeing.”

Jacky Clyman, Executive Vice President and Owner of Cockpit USA, which makes Made-in-USA outerwear for men and women and military-inspired or replica, personalized programs for corporations, pointed out that people are thinking about more critical needs than an iconic piece of clothing – “but the next month will tell us more,” she said.

“Some accounts that had not placed orders started doing so, as we are among the few companies that can meet demand very quickly and those accounts probably did not want to place orders early on, or cancelled them,” she said. “It will help with accounts that think they will have business in the fourth quarter and will be needing goods to sell – if so, we will be here.”

Complete Converting President Donna Kuch said she is seeing an increase in new orders with RFQs (requests for quotations), but not nearly to the volume prior to COVID-19.

“Automotive budgets have tightened and spending is scrutinized,” she said. “I do not see this changing until after the election and into 2021.”

The Made-in-USA Movement has been ongoing for several years but has not advanced as much as it could because the dollar appears to be more important than reshoring, Kuch added.

“Market pricing does not allow sewing operators to be paid as skilled labor,” she said. “Additionally, sewing is a dying trade in this country and skilled labor is hard to come by. The answer is in automation, but unless you make the same items all day, your automation options are limited.”

Complete Converting’s shop is custom, and its production runs vary and are rarely repeated, so automation options are limited, Kuch pointed out.



THE ASSOCIATION & VOICE OF THE US SEWN PRODUCTS INDUSTRY

“Our industry would need financial backing through long-term production agreements so that production houses could afford garment-specific automation,” she said. “I just don’t see this happening beyond the PPE crisis. You would need some big players to return to the U.S. with a major focus on automation and reduction of individual sewing operators. Unfortunately, our labor costs are simply too high to compete and we do not have the skilled workforce. Most importantly, the U.S. consumer won’t pay to true cost for American-made products when they can buy it for a fraction from China.”

Ron Roach, President of Contemporaria Fabrics, called this one of those key pivotal points in history for the industry.

“I really believe now is the time to look at every process and come up with a plan on either how to change, improve or eliminate it if not needed,” he said. “If we return to being the same company that we were pre-COVID, that will be a huge mistake. We will have missed out on a true opportunity to reinvent ourselves again.”

Meanwhile, much like many in the industry and the country, Engineered Materials Technology, Inc. (EMTECH) is looking forward to 2021, said John Hall, Sales Representative. “It is hard to make new connections and find new potential business when our sales staff cannot travel,” he said.

Hall added that the manufacturing sector has been preaching “Made in America” for years, and not by those in the textile/sewn products arena.

“Berry Compliance is a must, in our opinion, but on certain items it is still hard to find,” he said. “I will say Americans have short memories, and my fear is that when this is all over, will we go back to the same old away of producing and buying from overseas.”

Jim Hopkins, Director of Sales and Marketing at Hamrick Mills, said time will tell whether or not reshoring is idle chatter or it gains a foothold in the wake of the coronavirus.

“As in the past, there is much discussion, and we are hopeful,” he said. “But we also hear commentary on the costs of U.S. sourced product compared to our overseas competitors. Until the people with ordering authority really understand the core reasons for the cost disparity, we believe that we will continue to fall victim to the cheapest price, regardless of the source or the good intention.”

Chris Marsh, President of Hemingway Apparel, said he thinks there are two “very real” issues that need to be addressed. One: Capacity on a national level, as domestic production combined with PPE isn’t leaving much room for importers to onshore their products; and, Two: Compensation for individuals by the federal government, which is hurting the nation long term more than it is helping, he said.

“Labor will be an integral part of the solution for both of these issues, at least for those in the soft goods industry, where automation is difficult and, in some cases, non-existent and/or unaffordable,” he said.

Marsh said his gut feeling is that the next 24 months will see an uptick in domestic manufacturing. “But as things begin to settle and hopefully return to some sort of normalcy, many will move back offshore quickly,” he said. “Of course, the things we cannot predict remain to be seen in 2021 after elections. Manufacturing could very well be facing a very different climate simply by its outcome.”

**EMPOWERING THE MADE IN AMERICA MOVEMENT**



THE ASSOCIATION & VOICE OF THE US SEWN PRODUCTS INDUSTRY

Frank Henderson, President of Henderson Sewing Machine Co., added that he is “cautiously optimistic” that some sense of normalcy will resume soon, and that he supports the Made-in-America Movement “100 percent.”

“We in America urgently need to deem PPE products as essential – and manufactured in the USA,” he said. “I see support from the textile-producing areas of America.”

Though most of his non-PPE customers seem to be seeing that light at the end of the tunnel, InnovaKnits’ Managing Partner Jason Wilkins said he has two words for elected officials talking up a stronger U.S. manufacturing base: “Lip service.”

Meanwhile, Jason Mills’ President Michael Lavroff noted that a disruption of this size will take many months to correct, and that Made in America will probably gain some momentum when the crisis is over. “Some return to the U.S. movement might even stick,” he said. “But the culture of price being the only thing in purchasing has to change.”

For Vapor Apparel going forward, President Jackson Burnett said the company is actually looking at long-term forecasts weekly instead of monthly, as it does not know when the market will turn.

He added that he sees more of a hemispheric strategy rather than a Made-in-America solution, but “there are still items that are too expensive for our hemisphere and capacities for more intricately sewn items,” he said. “The market definitely wants U.S. and even ‘non-China,’ but price is still a major factor.”

Venus Group leader Jeyur Patel said he doesn’t see anything resembling normalcy to appear until sometime next year. “This is naturally speculation; otherwise I would be a successful trader on Wall Street,” he said.

He posited that he doesn’t see the pandemic effecting much of a change in supply chains. “Economies transition from agricultural-oriented, to manufacturing-oriented, to service-oriented for fundamental reasons. For example, if the manufacturing cost is not competitive, then there’s no reason to onshore manufacturing in a meaningful way.”

A leader of a fabric maker, who wished to remain anonymous, said she expects the environment to be very difficult for at least the next six months.

“One of our largest markets is tied to athletics and entertainment,” she said. “Professional and collegiate athletic activities, as well as theatres, etc., are on hold or a fraction of pre-COVID. The supply chain is full of inventory, so even when it starts moving, it will take time to get down the supply chain to us.”

She added that a balance will be struck between a full charge into American reshoring and the status quo of global sourcing.

“There does seem to be more talk about it, and some market activity, too,” she said. “However, not enough, and already I see where some customers who were scared at the beginning of COVID and wanted a U.S. manufacturer are going back to imports to save a few pennies.”

**EMPOWERING THE MADE IN AMERICA MOVEMENT**